

CITY OF CHILLICOTHE  
Chillicothe, Illinois

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

For The Year Ended April 30, 2014

McElhiney, LLC  
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor  
And Aldermen  
City of Chillicothe, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Chillicothe, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government units, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Chillicothe, Illinois's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2014, on our consideration of the City of Chillicothe's internal control over reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the City of Chillicothe's internal control over financial reporting and compliance.



McElhiney, LLC  
Certified Public Accountants

Chillicothe, Illinois  
September 25, 2014

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AN ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor  
And Aldermen  
City of Chillicothe, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chillicothe, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise City of Chillicothe, Illinois's basic financial statements and have issued our report thereon dated September 25, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Chillicothe, Illinois's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Chillicothe, Illinois's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Chillicothe, Illinois's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the following deficiency in the City's internal control to be a significant deficiency:

**Likelihood of Detecting Misstatements in the Financial Statements**

Subsequent to the conclusion of our audit fieldwork, we draft the City's financial statements, disclosures and related supplemental statements and schedules. Professional Standards allow an auditor to perform this service in the form of technical assistance, but it is understood that the City management is responsible for the financial statements and is required to have a level of involvement and expertise that would result in an understanding of the financial statements and the ability to detect errors, omissions or misstatements, if any should occur.

Through the years, we understand that you have always relied on your auditor to perform this service and we have assumed that it was done correctly. However, our involvement in the drafting of the financial statements does not relieve City management of its responsibility for the accuracy and completeness of those statements.

Your auditors have always discussed the financial statements and related disclosures and schedules, and we believe these discussions would have identified any material errors, omissions or misstatements. However, to fully comply with the rules of ethics and independence, we suggest that the Office Manager and members of the Finance Committee, in a meeting with the auditors, devote more time to the task of reviewing the financial statements so that City management has a more thorough understanding of the full content of the statements prior to their release.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Chillicothe, Illinois's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the paragraphs above.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McElhiney, LLC  
Certified Public Accountants

Chillicothe, Illinois  
September 25, 2014

AUDITOR'S REPORT ON COMPLIANCE WITH TAX INCREMENT  
ALLOCATION REDEVELOPMENT ACT

Honorable Mayor  
and Aldermen  
City of Chillicothe, Illinois

Dear Mayor and Aldermen:

I have examined the combined statements of the City of Chillicothe, Illinois, for the year ended April 30, 2014, and have issued my report thereon, dated September 25, 2014. My examination was made in accordance with generally accepted governmental auditing standards, and accordingly, included in such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

The management of the City of Chillicothe, Illinois, is responsible for the City's compliance with laws and regulations. In connection with the examination referred to above, I selected and tested transactions and records from the Plaza Park Tax Increment Area General Obligation bond Fund to determine the City's compliance with subsection (q) of Section 11-74.4-3 of Chapter 24 of the Illinois Revised Statutes (Tax Increment Allocation Redevelopment Act), noncompliance with which could have a material effect on the allowability of redevelopment project costs.

The results of my tests indicate that for the transactions tested, the City of Chillicothe, Illinois, complied with the Statute referred to above. In addition, for those transactions that were not tested, nothing came to my attention to indicate that the City of Chillicothe, Illinois, was not in compliance with this Statute.



McElhiney, LLC  
Certified Public Accountants

Chillicothe, Illinois  
September 25, 2014



City of Chillicothe, Illinois  
Management's Discussion and Analysis

The following provides a narrative overview and analysis of the fiscal operations during the fiscal year ended April 30, 2014 for the City of Chillicothe. The Management Discussion and Analysis is to be read in conjunction with the basis financial statements.

**Financial Highlights**

- The assets of the City exceeded its liabilities at April 30, 2014 by \$12.79 million. Net assets from governmental activities totaled \$10.597 million. Of this amount, \$2.87 million is unrestricted and may be used to finance future programs and projects and to meet future obligations to creditors.
- The unrestricted net assets of the business-type activities are \$755,400 and may be used in future operations and to finance future capital projects of the waterworks and sewerage systems.
- Total net assets increased \$801,900 in the fiscal year ended April 30, 2014. Net assets of the governmental activities increased \$668,000, due primarily to decreased spending in the Tax Increment Financing Districts. Net assets of the business-type activities increased \$133,900.
- Total revenues of the governmental activities increased \$163,000 or 4.75%, while total expenses increased \$208,000 or 7.65%.
- As of April 30, 2014, the governmental funds reported a combined ending fund balance of \$6.1 million, an increase of \$682,200 over the prior year. Of the ending fund balance, \$3.03 million is restricted by state statute for specific purposes. The remaining \$3.07 million is unreserved and available to finance future activities.
- The General Fund reported a fund balance of \$3.07 million, an increase of \$317,000 over the prior year. This entire amount is unrestricted and available for discretionary spending.
- On April 1, 2006, the City issued \$2 million in revenue bonds for the purpose of constructing a new water tower and to finance other improvements to the water system. Construction of the tower and other related upgrades have been completed.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These basic statements consist of (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information intended to enhance the reader's understanding of the City's financial position and results of operations.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business.

City of Chillicothe, Illinois  
Management's Discussion and Analysis  
(Continued)

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the related underlying event occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities of the City include general government, public safety, cemetery operations, city parks and buildings, streets and alleys and economic development.

The business-type activities of the City consist of the water treatment and distribution and the sewerage disposal operations which are accounted for in the combined Waterworks and Sewerage Fund. Both of these activities are collectively referred to in the financial statements as activities of the *primary government*.

As is explained in the notes to the financial statements, no other entities' activities are included in this report. No other separate entities are considered to be connected to the City to a sufficient degree to require inclusion in this report.

The government-wide financial statements can be found on pages 13 and 14 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental Funds.* The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

City of Chillicothe, Illinois  
Management's Discussion and Analysis  
(Continued)

The City maintains twelve individual governmental funds:

- General Fund, Economic Development Fund, Road and Bridge Fund, Fire Protection Fund and Tax Increment Financing Fund are considered major funds, and the information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds.
- The remaining seven governmental funds are considered nonmajor funds and they are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

*Proprietary Fund.* Proprietary (enterprise) fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its waterworks and sanitary sewer operations. These operations are accounted for by the City in a single fund.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail.

The basic proprietary fund financial statements can be found on pages 19 through 21 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 38 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. Combining nonmajor funds statements referred to earlier can be found beginning on pages 45 and 46 of this report.

#### Government-wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position. Overall, the City's assets exceeded its liabilities by \$12.79 million at the end of the most recent fiscal year.

Of the total net assets, \$5.20 million (35%) represents its investment in capital assets (e.g., land, buildings, infrastructure, equipment), net of depreciation. Management has elected not to capitalize infrastructure retroactively. Consequently, infrastructure assets acquired before May 1, 2004, are not reflected in this report. Another \$3.97 million (31%) represents resources that are subject to restrictions as to how they may be used, such restrictions being imposed by legal requirements other than those imposed by the City Council (e.g. state or federal law).

The remaining balance of unrestricted net assets is \$3.62 million, which consists of \$2.87 million from governmental activities and \$755,400 from business-type activities. These resources are available for financing operations and providing services to the citizenry.

City of Chillicothe, Illinois  
Management's Discussion and Analysis  
(Continued)

**City of Chillicothe's Net Assets**

|                            | Governmental Activities |                     | Business-Type Activities |                     | Total                |                      |
|----------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
|                            | 2014                    | 2013                | 2014                     | 2013                | 2014                 | 2013                 |
| Current and other assets   | \$ 7,006,815            | \$ 6,341,258        | \$ 941,232               | \$ 855,142          | \$ 7,948,047         | \$ 7,196,400         |
| Capital assets             | <u>4,075,127</u>        | <u>4,106,032</u>    | <u>2,707,350</u>         | <u>2,736,412</u>    | <u>6,782,477</u>     | <u>6,842,444</u>     |
| Total Assets               | <u>11,081,942</u>       | <u>10,447,290</u>   | <u>3,648,582</u>         | <u>3,591,554</u>    | <u>14,730,524</u>    | <u>14,038,844</u>    |
| Long-term liabilities      | 427,431                 | 468,835             | 1,383,892                | 1,471,952           | 1,811,323            | 1,940,787            |
| Current liabilities        | <u>57,204</u>           | <u>49,145</u>       | <u>68,490</u>            | <u>57,279</u>       | <u>125,694</u>       | <u>106,424</u>       |
| Total Liabilities          | <u>484,635</u>          | <u>517,980</u>      | <u>1,452,382</u>         | <u>1,529,231</u>    | <u>1,937,017</u>     | <u>2,047,211</u>     |
| Net Assets:                |                         |                     |                          |                     |                      |                      |
| Invested in capital assets | 3,875,127               | 3,840,556           | 1,323,458                | 1,264,460           | 5,198,585            | 5,105,016            |
| Restricted                 | 3,849,275               | 3,536,562           | 117,348                  | 101,563             | 3,966,623            | 3,638,125            |
| Unrestricted               | <u>2,872,905</u>        | <u>2,552,192</u>    | <u>755,394</u>           | <u>696,300</u>      | <u>3,628,299</u>     | <u>3,248,492</u>     |
| Total Net Assets           | <u>\$ 10,597,307</u>    | <u>\$ 9,929,310</u> | <u>\$ 2,196,200</u>      | <u>\$ 2,062,323</u> | <u>\$ 12,793,507</u> | <u>\$ 11,991,633</u> |

Net assets from governmental activities increased \$713,100 in fiscal year 2013 and net assets from business-type activities increased \$130,200.

**City of Chillicothe's Changes in Net Assets**

|                                | Governmental Activities |                     | Business-Type Activities |                     | Total                |                      |
|--------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
|                                | 2014                    | 2013                | 2014                     | 2013                | 2014                 | 2013                 |
| Revenues:                      |                         |                     |                          |                     |                      |                      |
| Program revenues:              |                         |                     |                          |                     |                      |                      |
| Charges for services           | \$ 191,885              | \$ 184,544          | \$ 923,391               | \$ 927,491          | \$ 1,115,276         | \$ 1,112,035         |
| Capital grants and donations   | -                       | 6,221               | -                        | -                   | -                    | 6,221                |
| General Revenues:              |                         |                     |                          |                     |                      |                      |
| Property taxes                 | 877,448                 | 864,035             | -                        | -                   | 877,448              | 864,035              |
| Sales taxes                    | 975,215                 | 965,270             | -                        | -                   | 975,215              | 965,270              |
| Income taxes                   | 699,193                 | 635,310             | -                        | -                   | 699,193              | 635,310              |
| Other taxes                    | 452,901                 | 397,146             | -                        | -                   | 452,901              | 397,146              |
| Interest on investments        | 8,042                   | 8,389               | 383                      | 793                 | 8,425                | 9,182                |
| Other                          | <u>390,361</u>          | <u>371,207</u>      | <u>7,350</u>             | <u>4,034</u>        | <u>397,711</u>       | <u>375,241</u>       |
| Total Revenues                 | <u>3,595,045</u>        | <u>3,432,122</u>    | <u>931,124</u>           | <u>932,318</u>      | <u>4,526,169</u>     | <u>4,364,440</u>     |
| Expenses:                      |                         |                     |                          |                     |                      |                      |
| General government             | 690,648                 | 599,570             | -                        | -                   | 690,648              | 599,570              |
| Public safety                  | 1,389,103               | 1,315,537           | -                        | -                   | 1,389,103            | 1,315,537            |
| Cemetery                       | 45,792                  | 37,717              | -                        | -                   | 45,792               | 37,717               |
| City parks and buildings       | 138,718                 | 178,787             | -                        | -                   | 138,718              | 178,787              |
| Streets and alleys             | 520,602                 | 477,992             | -                        | -                   | 520,602              | 477,992              |
| Economic development           | 141,504                 | 107,715             | -                        | -                   | 141,504              | 107,715              |
| Debt service                   | 681                     | 1,701               | 60,263                   | 67,773              | 60,944               | 69,474               |
| Waterworks and sewerage        |                         |                     |                          |                     |                      |                      |
| Operations                     | -                       | -                   | 736,984                  | 734,351             | 736,984              | 734,351              |
| Total Expenses                 | <u>2,927,048</u>        | <u>2,719,019</u>    | <u>797,247</u>           | <u>802,124</u>      | <u>3,724,295</u>     | <u>3,521,143</u>     |
| Change in net assets           | 667,997                 | 713,103             | 133,837                  | 130,194             | 801,874              | 843,297              |
| Net assets – beginning of year | <u>9,929,310</u>        | <u>9,216,207</u>    | <u>2,062,323</u>         | <u>1,932,129</u>    | <u>11,991,633</u>    | <u>11,148,336</u>    |
| Net assets – end of year       | <u>\$10,597,307</u>     | <u>\$ 9,929,310</u> | <u>\$ 2,196,200</u>      | <u>\$ 2,062,323</u> | <u>\$ 12,793,507</u> | <u>\$ 11,991,633</u> |

City of Chillicothe, Illinois  
Management's Discussion and Analysis  
(Continued)

**Governmental Activities:** Revenues from governmental activities increased \$162,900 (4.75%) during the current year. The most significant changes were:

- Entertainment & Video Gaming Taxes of \$80,400 were received during the year.
- Sales Tax Revenue increased \$10,000.
- Property tax revenue increased \$13,000.
- Other General Revenue increased \$19,100. This category of revenue is comprised mainly of expense reimbursements and can be expected to vary widely from year to year.

Expenses of governmental activities increased \$162,900 (5.99%). The most significant changes were:

- Public safety expenses increased \$73,500.
- General Government expenditures increased \$91,100.

**Business-Type Activities:** Revenues remained virtually stable. Expenses decreased \$4,900 due primarily to decreased interest expense on the City's bond issuance.

Financial Analysis of the Governments Funds

As noted earlier, the City uses fund accounting as a means to ensure and demonstrate compliance with finance related state statutes.

**Governmental Funds:** The focus of the City's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The combined fund balances of the City's governmental funds increased \$682,200 for the 2014 fiscal year, and the total balance as of April 30, 2014 was \$6.1 million. Of this amount, \$3.07 million is unrestricted and is available for spending at the City's discretion. Restricted fund balances total \$3.03 million. This restricted amount represents the amounts in the special revenue funds that must, by state and/or federal laws, be spent for specific purposes.

The increase of \$682,200 in the combined fund balances of the governmental funds was due primarily to the \$333,300 increase in the TIF Funds and the \$317,100 increase in the General Fund.

The General Fund is the primary operating fund of the City. The \$3.07 million fund balance of the General Fund is unreserved. As a measure of the General Fund's liquidity, the unreserved fund balance is equal to 164.74% of total fund expenditures for the fiscal year ended April 30, 2014.

City of Chillicothe, Illinois  
Management's Discussion and Analysis  
(Continued)

**Proprietary Funds:** The City's proprietary (enterprise) fund is made up of the combined waterworks distribution and sewage disposal operations. The measurement focus of this fund is the same as for the presentation in the government-wide financial statements, but more detail is provided in the fund statement.

The unrestricted net assets of the enterprise fund increased \$133,900. Operating Revenues decreased \$1,200 from the prior year, while expenses decreased \$4,900. As the result, the current year increase in net assets is about \$3,700 more than the prior year increase.

Governmental Funds Budgetary Highlights

Although the City adopts an operating budget each year, it is their annual appropriation ordinance which sets the legal spending limits. For this reason, the budget comparisons presented in this report use appropriated expenses as the budgeted amounts. Revenue comparisons are between actual revenues and the amounts in their annual certified estimate of revenues, a document that is filed in conjunction with their annual appropriation. Neither the appropriated expenditures nor the estimated revenues were amended during the year.

Capital Assets

The City's investment in capital assets for governmental and business-type activities at April 30, 2014, was \$6.78 million (net of accumulated depreciation). Infrastructure assets constructed prior to May 1, 2004, have not been capitalized and, therefore are not included in that figure. Current year additions were \$498,500 (a decrease of \$30,900 after depreciation) in the governmental funds, and \$78,200 (a decrease of \$29,000 after depreciation) in the enterprise fund.

Current year additions in the governmental funds consisted primarily of infrastructure improvements (street resurfacing, patching and crack sealing) and vehicles in the combined amount of \$498,500.

**City of Chillicothe's Capital Assets**  
(Net of accumulated depreciation)

|                       | Governmental Activities |                | Business-type Activities |              | Total          |                |
|-----------------------|-------------------------|----------------|--------------------------|--------------|----------------|----------------|
|                       | <u>2014</u>             | <u>2013</u>    | <u>2014</u>              | <u>2013</u>  | <u>2014</u>    | <u>2013</u>    |
| Land and improvements | \$ 829,917              | \$ 829,917     | \$ -                     | \$ -         | \$ 829,917     | \$ 829,917     |
| Buildings and grounds | 739,874                 | 737,905        | -                        | -            | 739,874        | 737,905        |
| Infrastructure        | 1,354,679               | 1,384,097      | 2,707,350                | 2,736,412    | 4,062,029      | 4,120,509      |
| Equipment             | 427,404                 | 377,429        | -                        | -            | 427,404        | 377,429        |
| Vehicles              | <u>723,253</u>          | <u>776,684</u> | -                        | -            | <u>723,253</u> | <u>776,684</u> |
| Total                 | \$4,075,127             | \$4,106,032    | \$ 2,707,350             | \$ 2,736,412 | \$ 6,782,477   | \$ 6,842,444   |
|                       | =====                   | =====          | =====                    | =====        | =====          | =====          |

Additional information on capital asset activity is available in the notes to financial statements, Note 5 on pages 33 and 34 of this report.

City of Chillicothe, Illinois  
Management's Discussion and Analysis  
(Continued)

**Capital Projects**

**TIF/Riverfront**

During the year, the city continued to improve the riverfront. A pavilion was placed within Cutright Park to allow for better use of the park. The docks had extension add to them to allow the dock to rise higher due to the flooding of the Illinois river. Several streets within the TIF Districts were asphalted.

**Water/Sewer Department**

Continued with the program to upgrade the water meters by purchasing 650 additional radio-read meters that were installed throughout the year. It is estimated to have two more years before this upgrade is complete. Pump house roof was repaired. Ongoing monitoring of the water system and water line maintenance was done throughout the year.

**Road & Bridge Department**

It was a steady year for sidewalk growth and replacement as the city process seventeen applications for the sidewalk program. Approximately 62% of the money allocated was used. Over \$110,000, was used to overlay streets. Approximately one mile of street payment was overlaid.

**General Fund**

The upgrade to the 800 mhz radios for the departments were complete. Approximately 26 new portable radios were purchased for the police and fire departments. New fire hose and cylinders were purchased for the fire department. Two new Chevrolet Impalas were added to the police fleet. Repairs were made to the stage roof in city park. Due to the passing of the K-9 Dog a new K-9 dog was purchased.

**Request for Information**

This financial discussion and analysis is intended to provide interested parties with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Office Manager, City of Chillicothe, 908 N. Second Street, Chillicothe, Illinois 61523.

CITY OF CHILLICOTHE, ILLINOIS  
 GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
April 30, 2014

|  | Primary Government   |                     |                      |
|--|----------------------|---------------------|----------------------|
|  | Governmental         | Business-Type       | Total                |
|  | <u>Activities</u>    | <u>Activities</u>   |                      |
| <b><u>ASSETS</u></b>                             |                      |                     |                      |
| Cash and investments                             | \$ 5,558,099         | \$ 746,865          | \$ 6,304,964         |
| Accounts receivable                              | -                    | 61,373              | 61,373               |
| Inventories                                      | -                    | 15,646              | 15,646               |
| Other receivables:                               |                      |                     | -                    |
| Interest   | -                    | -                   | -                    |
| Taxes  | 1,217,192            | -                   | 1,217,192            |
| Loans  | 231,524              | -                   | 231,524              |
| Due from other funds                             | -                    | -                   | -                    |
| Restricted assets                                | -                    | 117,348             | 117,348              |
| Capital assets, net                              |                      |                     |                      |
| Assets subject to depreciation                   | 3,245,210            | 2,707,350           | 5,952,560            |
| Assets not subject to depreciation               | <u>829,917</u>       | <u>-</u>            | <u>829,917</u>       |
| Total Assets                                     | <u>11,081,942</u>    | <u>3,648,582</u>    | <u>14,730,524</u>    |
| <b><u>LIABILITIES</u></b>                        |                      |                     |                      |
| Accounts payable                                 | 57,204               | 24,451              | 81,655               |
| Accrued and other liabilities                    | -                    | 38,489              | 38,489               |
| Due to other funds                               | (5,550)              | 5,550               | -                    |
| Non-current liabilities:                         |                      |                     |                      |
| Due within one year                              | 12,500               | 90,219              | 102,719              |
| Due in more than one year                        | <u>420,481</u>       | <u>1,293,673</u>    | <u>1,714,154</u>     |
| Total Liabilities                                | <u>484,635</u>       | <u>1,452,382</u>    | <u>1,937,017</u>     |
| <b><u>NET ASSETS</u></b>                         |                      |                     |                      |
| Invested in capital assets - net of related debt | 3,875,127            | 1,323,458           | 5,198,585            |
| Restricted for:                                  |                      |                     |                      |
| Construction                                     | -                    | 117,348             | 117,348              |
| Streets and Sidewalks                            | 657,994              | -                   | 657,994              |
| Public Safety                                    | 427,501              | -                   | 427,501              |
| Community Development                            | 2,431,177            | -                   | 2,431,177            |
| Other Specific Purposes                          | 332,603              | -                   | 332,603              |
| Unrestricted                                     | <u>2,872,905</u>     | <u>755,394</u>      | <u>3,628,299</u>     |
| Total Net Assets                                 | <u>\$ 10,597,307</u> | <u>\$ 2,196,200</u> | <u>\$ 12,793,507</u> |

These financial statements should be read only in connection with  
 the accompanying independent auditor's report and notes to financial statements



CITY OF CHILLICOTHE, ILLINOIS  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2014

| Functions/Programs                    | Expenses            | Program Revenues     |                                  |                                | Net (Expense) Revenue and Changes in Net Assets |   |                      |
|---------------------------------------|---------------------|----------------------|----------------------------------|--------------------------------|---|---|----------------------|
|                                       |                     | Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | Governmental Activities                         | Primary Government Business-Type Activities | Total                |
| Primary Government:                   |                     |                      |                                  |                                |   |   |                      |
| Governmental Activities:              |                     |                      |                                  |                                |   |   |                      |
| General government                    | \$ 690,648          | \$ 55,002            | \$ -                             | \$ -                           | \$ (635,646)                                    | \$ -  | \$ (635,646)         |
| Public safety                         | 1,389,103           | 77,705               | -                                | -                              | (1,311,398)                                     | -   | (1,311,398)          |
| Cemetery                              | 45,792              | 41,760               | -                                | -                              | (4,032)   | -   | (4,032)              |
| City parks and buildings              | 138,718             | -                    | -                                | -                              | (138,718)                                       | -   | (138,718)            |
| Streets and alleys                    | 520,602             | 17,398               | -                                | -                              | (503,204)                                       | -   | (503,204)            |
| Economic development                  | 141,504             | -                    | -                                | -                              | (141,504)                                       | -   | (141,504)            |
| Debt Service                          | 681                 | -                    | -                                | -                              | (681)   | -   | (681)                |
| Total Governmental Activities         | <u>2,927,048</u>    | <u>191,865</u>       | <u>-</u>                         | <u>-</u>                       | <u>(2,735,183)</u>                              | <u>-</u>                                    | <u>(2,735,183)</u>   |
| Business-Type Activities:             |                     |                      |                                  |                                |   |   |                      |
| Water & Sewer                         | <u>797,247</u>      | <u>923,391</u>       | <u>-</u>                         | <u>-</u>                       | <u>-</u>  | <u>126,144</u>                              | <u>126,144</u>       |
| Total Business-Type Activities        | <u>797,247</u>      | <u>923,391</u>       | <u>-</u>                         | <u>-</u>                       | <u>-</u>  | <u>126,144</u>                              | <u>126,144</u>       |
| Total Primary Government              | <u>\$ 3,724,295</u> | <u>\$ 1,115,256</u>  | <u>\$ -</u>                      | <u>\$ -</u>                    | <u>(2,735,183)</u>                              | <u>126,144</u>                              | <u>(2,609,039)</u>   |
| General Revenues:                     |                     |                      |                                  |                                |   |   |                      |
| Property taxes                        |                     |                      |                                  |                                | 877,448   | -   | 877,448              |
| Replacement tax                       |                     |                      |                                  |                                | 8,859   | -   | 8,859                |
| Telecommunications Taxes              |                     |                      |                                  |                                | 213,044   | -   | 213,044              |
| Sales Taxes                           |                     |                      |                                  |                                | 975,215   | -   | 975,215              |
| Income Taxes                          |                     |                      |                                  |                                | 699,193   | -   | 699,193              |
| Gaming & Entertainment Taxes          |                     |                      |                                  |                                | 80,477  | -   | 80,477               |
| Motor Fuel Taxes                      |                     |                      |                                  |                                | 150,521   | -   | 150,521              |
| Franchise fees and assessments        |                     |                      |                                  |                                | 128,662   | -   | 128,662              |
| Licenses and fees                     |                     |                      |                                  |                                | 101,351   | -   | 101,351              |
| Interest                              |                     |                      |                                  |                                | 8,042   | 383   | 8,425                |
| Miscellaneous                         |                     |                      |                                  |                                | 160,368   | 7,350                                       | 167,718              |
| Total General Revenues                |                     |                      |                                  |                                | <u>3,403,180</u>                                | <u>7,733</u>                                | <u>3,410,913</u>     |
| <b>Change in Net Assets</b>           |                     |                      |                                  |                                | 667,997   | 133,877                                     | 801,874              |
| <b>Net Assets - Beginning of Year</b> |                     |                      |                                  |                                | <u>9,929,310</u>                                | <u>2,062,323</u>                            | <u>11,991,633</u>    |
| <b>Net Assets - End of Year</b>       |                     |                      |                                  |                                | <u>\$ 10,597,307</u>                            | <u>\$ 2,196,200</u>                         | <u>\$ 12,793,507</u> |

These financial statements should be read only in connection with the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2014

|                               | <u>Major Special Revenue Funds</u> |                                 |                            |                            |                     | <u>Nonmajor<br/>Special Revenue<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-------------------------------|------------------------------------|---------------------------------|----------------------------|----------------------------|---------------------|---|---|
|                               | <u>General</u>                     | <u>Economic<br/>Development</u> | <u>Road and<br/>Bridge</u> | <u>Fire<br/>Protection</u> | <u>TIF<br/>Fund</u> |   |   |
| <b><u>ASSETS</u></b>          |                                    |                                 |                            |                            |                     |   |   |
| Cash and investments          | \$ 2,771,653                       | \$ 681,205                      | \$ 405,130                 | \$ 166,436                 | \$ 1,050,439        | \$ 483,236                                    | \$ 5,558,099                            |
| Due from (to) other funds     | 5,550                              | 46,377                          | -                          | -                          | (46,377)            | -   | 5,550                                   |
| Other receivables:            |                                    |                                 |                            |                            |                     |   |   |
| Taxes                         | 363,452                            | -                               | 63,500                     | 49,000                     | 457,200             | 284,040                                       | 1,217,192                               |
| Loans                         | -                                  | 185,902                         | -                          | -                          | 45,622              | -   | 231,524                                 |
|                               | <u>3,140,655</u>                   | <u>913,484</u>                  | <u>468,630</u>             | <u>215,436</u>             | <u>1,506,884</u>    | <u>767,276</u>                                | <u>7,012,365</u>                        |
| <b><u>LIABILITIES</u></b>     |                                    |                                 |                            |                            |                     |   |   |
| Accounts payable              | 34,769                             | -                               | 8,360                      | 9,816                      | 4,259               | -   | 57,204                                  |
| Accrued and other liabilities | -                                  | -                               | -                          | -                          | -                   | -   | -                                       |
| Deferred revenues             | 34,800                             | -                               | 63,500                     | 49,000                     | 457,200             | 272,800                                       | 877,300                                 |
|                               | <u>69,569</u>                      | <u>-</u>                        | <u>71,860</u>              | <u>58,816</u>              | <u>461,459</u>      | <u>272,800</u>                                | <u>934,504</u>                          |
| <b><u>FUND BALANCES</u></b>   |                                    |                                 |                            |                            |                     |   |   |
| Unreserved, reported in:      |                                    |                                 |                            |                            |                     |   |   |
| General Fund:                 |                                    |                                 |                            |                            |                     |   |   |
| Undesignated                  | 3,071,086                          | -                               | -                          | -                          | -                   | -   | 3,071,086                               |
| Special Revenue Funds:        |                                    |                                 |                            |                            |                     |   |   |
| Undesignated                  | -                                  | 913,484                         | 396,770                    | 156,620                    | 1,045,425           | 494,476                                       | 3,006,775                               |
|                               | <u>3,071,086</u>                   | <u>913,484</u>                  | <u>396,770</u>             | <u>156,620</u>             | <u>1,045,425</u>    | <u>494,476</u>                                | <u>6,077,861</u>                        |
|                               | <u>3,140,655</u>                   | <u>913,484</u>                  | <u>468,630</u>             | <u>215,436</u>             | <u>1,506,884</u>    | <u>767,276</u>                                | <u>7,012,365</u>                        |

These financial statements should be read only in connection with  
the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS  
RECONCILIATION OF FUND BALANCES TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS  
For the Year Ended April 30, 2014

|  |              |
|--|--------------|
| Total Fund Balances for Governmental Funds | \$ 6,077,861 |
|--|--------------|

Amounts reported for governmental activities in the statement of activities are different because:

|   |         |
|---|---------|
| Revenues are recorded in the statement of activities when earned. These amounts are not recorded as revenues in the funds unless they will be received within thirty days after year-end. | 877,300 |
|---|---------|

|  |           |
|--|-----------|
| Loan proceeds reflected as prior year revenue in fund are carried as a liability in the Government-Wide Statement of Net Assets. | (225,000) |
|--|-----------|

|  |        |
|--|--------|
| Loan principal payments reflected as expenditures in fund are recognized as a reduction of the liability in the Government-Wide Statement of Net Assets. | 25,000 |
|--|--------|

|   |           |
|---|-----------|
| Capital assets used in governmental activities are not financial resources, and are not reported in the funds | 4,075,127 |
|---|-----------|

|  |                  |
|--|------------------|
| Compensated absences are reported as a long-term liability of the governmental activities on the Government-Wide Statement of Net Assets. Because the short-term portion is not determinable, this liability is not included on the balance sheet of the governmental funds. | <u>(232,981)</u> |
|--|------------------|

|                                       |                      |
|---------------------------------------|----------------------|
| Net Assets of Governmental Activities | <u>\$ 10,597,307</u> |
|---------------------------------------|----------------------|

These financial statements should be read only in connection with the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended April 30, 2014

|   | General             | Major Special Revenue Funds |                    |                    |                     | Nonmajor<br>Special Revenue<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|-----------------------------|--------------------|--------------------|---------------------|--------------------------------------|--------------------------------|
|   |                     | Economic<br>Development     | Road and<br>Bridge | Fire<br>Protection | TIF<br>Fund         |                                      |                                |
| <b>Revenues</b>                             |                     |                             |                    |                    |                     |                                      |                                |
| Property taxes                              | \$ 26,802           | \$ -                        | \$ 60,078          | \$ 49,212          | \$ 471,577          | \$ 260,909                           | \$ 868,578                     |
| Replacement tax                             | 670                 | -                           | 396                | 1,236              | -                   | 6,557                                | 8,859                          |
| Telecommunications tax                      | -                   | -                           | 213,044            | -                  | -                   | -                                    | 213,044                        |
| Sales Taxes                                 | 961,274             | -                           | -                  | -                  | -                   | 13,941                               | 975,215                        |
| Income Taxes                                | 699,193             | -                           | -                  | -                  | -                   | -                                    | 699,193                        |
| Gaming & Entertainment Taxes                | 80,477              | -                           | -                  | -                  | -                   | -                                    | 80,477                         |
| Motor Fuel Tax                              | -                   | -                           | -                  | -                  | -                   | 150,521                              | 150,521                        |
| Franchise fee                               | 128,662             | -                           | -                  | -                  | -                   | -                                    | 128,662                        |
| Grant Revenue                               | -                   | -                           | -                  | -                  | -                   | -                                    | -                              |
| Fees & assessments                          | 137,307             | -                           | 17,398             | 17,877             | -                   | 78,875                               | 251,457                        |
| Cemetery income                             | 41,760              | -                           | -                  | -                  | -                   | -                                    | 41,760                         |
| Interest                                    | 635                 | 6,381                       | 97                 | 31                 | 598                 | 300                                  | 8,042                          |
| Miscellaneous                               | 104,554             | -                           | 12,520             | -                  | 6,932               | 36,362                               | 160,368                        |
| <b>Total Revenues</b>                       | <b>2,181,334</b>    | <b>6,381</b>                | <b>303,533</b>     | <b>68,356</b>      | <b>479,107</b>      | <b>547,465</b>                       | <b>3,586,176</b>               |
| <b>Expenditures</b>                         |                     |                             |                    |                    |                     |                                      |                                |
| Current:                                    |                     |                             |                    |                    |                     |                                      |                                |
| General government                          | 360,026             | 261                         | 67,877             | 6,808              | 12,447              | 236,311                              | 683,730                        |
| Streets, alleys & sidewalks                 | -                   | -                           | 231,487            | -                  | 71,109              | 163,651                              | 466,247                        |
| Public safety                               | 1,162,770           | -                           | -                  | 9,816              | -                   | 32,646                               | 1,205,232                      |
| Cemetery                                    | 40,352              | -                           | -                  | -                  | -                   | -                                    | 40,352                         |
| City parks & buildings                      | 131,602             | -                           | -                  | -                  | -                   | -                                    | 131,602                        |
| Economic development                        | 68,682              | -                           | -                  | -                  | 61,508              | 10,133                               | 140,323                        |
| Debt Service                                | -                   | -                           | -                  | 12,500             | 681                 | -                                    | 13,181                         |
| Capital outlay                              | 100,817             | -                           | 39,432             | 1,705              | -                   | 81,401                               | 223,355                        |
| <b>Total Expenditures</b>                   | <b>1,864,249</b>    | <b>261</b>                  | <b>338,796</b>     | <b>30,829</b>      | <b>145,745</b>      | <b>524,142</b>                       | <b>2,904,022</b>               |
| <b>Other Financing Sources (Uses):</b>      |                     |                             |                    |                    |                     |                                      |                                |
| Operating Transfers In (Out)                | -                   | -                           | -                  | -                  | -                   | -                                    | -                              |
| Principal Payments - Long-Term Debt         | -                   | -                           | -                  | -                  | -                   | -                                    | -                              |
| <b>Total Other Financing Sources (Uses)</b> | <b>-</b>            | <b>-</b>                    | <b>-</b>           | <b>-</b>           | <b>-</b>            | <b>-</b>                             | <b>-</b>                       |
| <b>Change in Fund Balances</b>              | <b>317,085</b>      | <b>6,120</b>                | <b>(35,263)</b>    | <b>37,527</b>      | <b>333,362</b>      | <b>23,323</b>                        | <b>682,154</b>                 |
| <b>Fund Balances - Beginning of Year</b>    | <b>2,754,001</b>    | <b>907,364</b>              | <b>432,033</b>     | <b>119,093</b>     | <b>712,063</b>      | <b>471,153</b>                       | <b>5,395,707</b>               |
| <b>Fund Balances - End of Year</b>          | <b>\$ 3,071,086</b> | <b>\$ 913,484</b>           | <b>\$ 396,770</b>  | <b>\$ 156,620</b>  | <b>\$ 1,045,425</b> | <b>\$ 494,476</b>                    | <b>\$ 6,077,861</b>            |

These financial statements should be read only in connection with

CITY OF CHILLICOTHE, ILLINOIS  
RECONCILIATION OF THE STATEMENT OF REVENUE,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended April 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 682,154

Amounts reported for governmental activities in the statement of activities are different because:

Revenues are recorded in the statement of activities when earned. These amounts are not recorded as revenues in the funds unless they will be received within thirty days after year-end. 8,870

Loan principal payments reflected as expenditures in fund are recognized as a reduction of the liability in the Government-Wide Statement of Net Assets. 12,500

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

|   |           |
|---|-----------|
| Capital outlay incurred in the current year | 498,455   |
| Depreciation                                | (529,360) |

Decreases in compensated absences are accounted for in the Government-Wide Statement of Activities as a decrease to the liability account rather than as a current expenditure. (4,622)

Change in Net Assets of Governmental Activities \$ 667,997

These financial statements should be read only in connection with the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
April 30, 2014

|   | <u>Waterworks &amp;<br/>Sewerage Fund</u> | <u>Total</u>        |
|---|---|---------------------|
| <u>ASSETS</u>   |   |                     |
| Current Assets:                                       |   |                     |
| Cash and cash equivalents                             | \$ 864,213                                | \$ 864,213          |
| Accounts Receivable                                   | 61,373                                    | 61,373              |
| Accrued Interest Receivable                           | -   | -                   |
| Inventories   | <u>15,646</u>                             | <u>15,646</u>       |
| Total Current Assets                                  | <u>941,232</u>                            | <u>941,232</u>      |
| Capital Assets  | <u>2,707,350</u>                          | <u>2,707,350</u>    |
| Total Noncurrent Assets                               | <u>2,707,350</u>                          | <u>2,707,350</u>    |
| Total Assets  | <u>3,648,582</u>                          | <u>3,648,582</u>    |
| <u>LIABILITIES</u>                                    |   |                     |
| Current Liabilities:                                  |   |                     |
| Accounts Payable                                      | 24,451                                    | 24,451              |
| Customer Deposits and Prepayments                     | 38,489                                    | 38,489              |
| Due to other funds                                    | <u>5,550</u>                              | <u>5,550</u>        |
| Total Current Liabilities                             | <u>68,490</u>                             | <u>68,490</u>       |
| Long-Term Liabilities:                                |   |                     |
| Debt Certificates, Series 2006                        | <u>1,383,892</u>                          | <u>1,383,892</u>    |
| Total Long-Term Liabilities                           | <u>1,383,892</u>                          | <u>1,383,892</u>    |
| Total Liabilities                                     | <u>1,452,382</u>                          | <u>1,452,382</u>    |
| <u>NET ASSETS</u>                                     |   |                     |
| Investment in capital assets - Net of<br>Related Debt | 1,323,458                                 | 1,323,458           |
| Restricted for Construction                           | -   | -                   |
| Unrestricted  | <u>872,742</u>                            | <u>872,742</u>      |
| Total Net Assets                                      | <u>\$ 2,196,200</u>                       | <u>\$ 2,196,200</u> |

These financial statements should be read only in connection with the  
independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
For The Year Ended April 30, 2014

|   | <u>Waterworks &amp;<br/>Sewerage Fund</u> | <u>Total</u>        |
|---|---|---------------------|
| <b>Operating Revenue</b>                  |   |                     |
| User charges and fees                     | \$ 898,993                                | \$ 898,993          |
| Administration fee                        | 24,398                                    | 24,398              |
| Miscellaneous                             | <u>7,350</u>                              | <u>7,350</u>        |
| Total Operating Revenue                   | <u>930,741</u>                            | <u>930,741</u>      |
| <b>Operating Expenses</b>                 |   |                     |
| Salaries and wages                        | 300,808                                   | 300,808             |
| Employee benefits                         | 99,923                                    | 99,923              |
| Contractual services                      | 25,689                                    | 25,689              |
| Systems expense:                          |   |                     |
| Engineering                               | 205                                       | 205                 |
| Equipment rental                          | 8,303                                     | 8,303               |
| Supplies and materials                    | 20,405                                    | 20,405              |
| Maintenance and repairs                   | 55,889                                    | 55,889              |
| Utilities                                 | 53,887                                    | 53,887              |
| Vehicle Expense                           | 14,526                                    | 14,526              |
| General and administrative                | 50,042                                    | 50,042              |
| Depreciation                              | <u>107,307</u>                            | <u>107,307</u>      |
| Total Operating Expenses                  | <u>736,984</u>                            | <u>736,984</u>      |
| Operating Income (Loss)                   | 193,757                                   | 193,757             |
| <b>Nonoperating Revenues (Expenses)</b>   |   |                     |
| Interest Income                           | 383                                       | 383                 |
| Bond Interest Expense                     | <u>(60,263)</u>                           | <u>(60,263)</u>     |
| Total Nonoperating<br>Revenues (Expenses) | <u>(59,880)</u>                           | <u>(59,880)</u>     |
| <b>Change in Net Assets</b>               | 133,877                                   | 133,877             |
| <b>Net Assets - Beginning of Year</b>     | <u>2,062,323</u>                          | <u>2,062,323</u>    |
| <b>Net Assets - End of Year</b>           | <u>\$ 2,196,200</u>                       | <u>\$ 2,196,200</u> |

These financial statements should be read only in connection with the  
independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For The Year Ended April 30, 2014

|  | <u>Waterworks &amp;<br/>Sewerage Fund</u> | <u>Total</u>      |
|--|---|-------------------|
| <u>Cash Flows From Operating Activities:</u>   |   |                   |
| Receipts from customers  | \$ 897,516                                | \$ 897,516        |
| Cash from miscellaneous operating sources  | 31,748                                    | 31,748            |
| Payments to suppliers  | (217,735)                                 | (217,735)         |
| Payments to employees  | (300,808)                                 | (300,808)         |
| Payments for employee benefits   | <u>(99,923)</u>                           | <u>(99,923)</u>   |
| Net Cash Provided by Operating Activities  | <u>310,798</u>                            | <u>310,798</u>    |
| <u>Cash Flows From Capital and Related Financing Activities:</u>                               |   |                   |
| Water system upgrades  | -   | -                 |
| Proceeds from interfund borrowing  | 5,550                                     | 5,550             |
| Purchase of equipment and system extensions  | <u>(78,245)</u>                           | <u>(78,245)</u>   |
| Net Cash Used by Capital and Related Financing Activities                                      | <u>(72,695)</u>                           | <u>(72,695)</u>   |
| <u>Cash Flows from Investing Activities:</u>   |   |                   |
| Interest on Investments  | 383                                       | 383               |
| Payment of Bond Principal and Interest   | <u>(148,323)</u>                          | <u>(148,323)</u>  |
| Net Cash Provided by Investing Activities  | <u>(147,940)</u>                          | <u>(147,940)</u>  |
| Net Increase (Decrease) in Cash and Cash Equivalents   | 90,163                                    | 90,163            |
| <b>Cash and Cash Equivalents - Beginning of Year</b>   | <u>774,050</u>                            | <u>774,050</u>    |
| <b>Cash and Cash Equivalents - End of Year</b>   | <u>\$ 864,213</u>                         | <u>\$ 864,213</u> |
| <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>        |   |                   |
| Operating Income (Loss)  | \$ 193,757                                | \$ 193,757        |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: |   |                   |
| Depreciation   | 107,307                                   | 107,307           |
| Changes in assets and liabilities:   |   |                   |
| Accounts Receivable (increase) decrease  | 4,073                                     | 4,073             |
| Accounts Payable increase (decrease)   | <u>5,661</u>                              | <u>5,661</u>      |
| Net Cash Provided by Operating Activities  | <u>\$ 310,798</u>                         | <u>\$ 310,798</u> |

These financial statements should be read only in connection with the independent auditor's report and notes to financial statements



CITY OF CHILLICOTHE, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
April 30, 2014

|                                     | <u>Police<br/>Pension Fund</u> | <u>Sanitary<br/>District<br/>Trust Fund</u> |
|-------------------------------------|--------------------------------|---|
| <u>ASSETS</u>                       |                                |   |
| Cash and Investments                | \$ 2,745,668                   | \$ -  |
| Property Taxes Receivable           | 192,000                        | -   |
| Accounts Receivable                 | -                              | -   |
| Accrued Interest Receivable         | 1,180                          | -   |
| Due from Other Funds                | <u>-</u>                       | <u>-</u>                                    |
| Total Assets                        | <u>2,938,848</u>               | <u>-</u>                                    |
| <u>LIABILITIES</u>                  |                                |   |
| Accounts Payable                    | <u>-</u>                       |   |
| Total Liabilities                   | <u>-</u>                       | <u>\$ -</u>                                 |
| <u>NET ASSETS</u>                   |                                |   |
| Held in trust for pension benefits  | <u>\$ 2,938,848</u>            |   |
| Held in trust for Sanitary District |                                | <u>\$ -</u>                                 |

These financial statements should be read only in connection with the independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For The Year Ended April 30, 2014

|                                       | <u>Police<br/>Pension Fund</u> |
|---------------------------------------|--------------------------------|
| <b>Additions</b>                      |                                |
| Employer Contributions:               |                                |
| Property Taxes                        | \$ 193,172                     |
| Replacement Tax                       | 4,679                          |
| Total Employer Contributions          | <u>197,851</u>                 |
| Employee Contributions                | 50,808                         |
| Interest Income                       | 23,898                         |
| Miscellaneous                         | <u>-</u>                       |
| Total Additions                       | <u>272,557</u>                 |
| <b>Deductions</b>                     |                                |
| Benefit Payments                      | 179,819                        |
| General and Administrative            | <u>629</u>                     |
| Total Deductions                      | <u>180,448</u>                 |
| <b>Change in Net Assets</b>           | 92,109                         |
| <b>Net Assets - Beginning of Year</b> | <u>2,846,739</u>               |
| <b>Net Assets - End of Year</b>       | <u>\$ 2,938,848</u>            |

These financial statements should be read only in connection with the independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014

Note 1: Summary of Significant Accounting Policies

The City of Chillicothe, Illinois is operated under a Mayor-Council form of government.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. For the City's enterprise fund, GASB Statements Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. The following represents the more significant accounting and reporting policies and practices used in the preparation of these financial statements.

A. The Reporting Entity

In accordance with Governmental Accounting Standards Board pronouncement 14, The Financial Reporting Entity, the City includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by, or dependent on, the Mayor and City Council. The criteria used to determine such control or dependency include:

- a. Selection of the governing authority
- b. Accountability of management to the Mayor and City Council
- c. Influence of the Mayor and City Council upon agency operations
- d. Budgetary authority
- e. Responsibility for funding deficits or ability to control the use of surplus funds
- f. Fiscal management, including control over the collection and disbursement of funds and asset ownership
- g. Power to levy taxes independent of City government
- h. Geographical area benefiting from agency activities.

Based on the above criteria, the financial statements of the Police Pension Fund are included in the accompanying financial statement. The annual funding of police pensions is provided by taxes levied by the City Council. The four-person Board of Directors is comprised of two civilians appointed by the Mayor and two policemen on active duty who are elected by their peers. The operations of the fund are reported in the Police Pension Fund, a Fiduciary Fund.

B. Fund Accounting

The accounts of the City are organized on the basis of fund and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements of this report, into four generic fund types and three broad fund categories as follows:

CITY OF CHILLICOTHE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than general long-term debt) that are legally restricted to expenditures for specific purposes.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost of providing water and sewer services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUNDS

The City acts in a fiduciary capacity over two major activities.

Police Pension Fund:

Police officers employed by the City receive pension coverage under State Statute commonly referred to as the "Illinois Pension Code." The pensions are funded partly by employee contributions and partly by City contributions. Employee contributions are a fixed percentage of gross earnings, and the City contribution is actuarially determined. Assets are managed by a board consisting of three appointed civilians, one of whom is the City Treasurer, two elected active police officers and one retired police officer. Pension fund assets are separated from City assets, and invested in the name of the Police Pension Fund. Investments are managed by the pension fund board in accordance within the limitations imposed by State Statute.

Sanitary District Trust Fund:

A portion of the City's sewerage system is under the control of a separate sanitary district. The City has contracted with the district to carry out the billing and collection of monthly user fees. The amounts collected each month are paid over to the sanitary district by the middle of the following month. An agreed-upon fee is retained by the City.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary

CITY OF CHILLICOTHE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

C. Government-wide and Fund Financial Statements (continued)

activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resource focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

CITY OF CHILLICOTHE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014

Note 1: Summary of Significant Accounting Policies (Continued):

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued):

Property taxes, state-shared revenue, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available only when cash is received by the City.

The government reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Tax Increment Financing (TIF) Fund is a Special Revenue Fund. It accounts for all taxes received, as well as payments received on loans made to businesses within the City's two TIF districts and monies disbursed for community promotion and development.

The Road and Bridge Fund is a Special Revenue Fund. It accounts for all taxes received and monies disbursed for street maintenance and repairs

The Economic Development Fund is a Special Revenue Fund. It accounts for all payments received on the City's HELP loans and monies expended for the purpose of civic activities and community promotion.

The Fire Protection Fund is a Special Revenue Fund. It accounts for all taxes received and monies expended for the purpose of fire protection.

The government reports the following major proprietary fund:

The Waterworks and Sewerage Fund, in which user charges to customers based on water consumption comprise substantially all fund revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the City's waterworks and sewerage function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenue of the City's proprietary fund relates to charges to customers for sales and services. The waterworks and sewerage fund also recognizes the collection of tap fees intended to recover current costs as operating revenue. The portion intended

CITY OF CHILLICOTHE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

to recover the cost of infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

E. Budgetary Policies

In accordance with State Statutes, the City adopts an annual appropriation ordinance for each fiscal year ending April 30. This ordinance sets the legal spending limits for the City for the fiscal year to which the ordinance applies. However, at any time during the second half of the fiscal year, the Council, by a two-thirds vote, can make transfers within any department or other separate agency, of amounts appropriated for one corporate purpose to another corporate purpose. Such transfers cannot reduce an appropriation below an amount sufficient to cover all obligations against that appropriation.

State Statutes also provide for the passage of a supplemental appropriation ordinance in the event that additional revenue becomes available to the City. The supplemental appropriation can only be based on revenue that was not available for appropriation when the annual appropriation ordinance was adopted. The budgetary data present in the combined statement of Revenues and Expenditures - Budget/Appropriations and Actual are adopted on a basis consistent with generally accepted accounting principles.

Appropriations for a particular year lapse at the end of the fiscal year. However, a municipality may, by referendum, accumulate a surplus from the tax levy for general corporate purposes for a specified building project.

Expenditures are controlled at the fund level.

F. Fixed Assets and Long-Term Liabilities

Capital Assets

The methods of accounting for and reporting capital assets (vehicles, real property and equipment) depends on whether the assets are used in governmental fund or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-Wide Statements*

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Assets. All capital assets are presented at historical cost.

In the governmental funds, infrastructure assets (roads, bridges, storm sewers, dry wells, etc) were not capitalized prior to May 1, 2004.

CITY OF CHILLICOTHE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

F. Fixed Assets and Long-Term Liabilities (continued)

Capital Assets (continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities. Accumulated depreciation is netted against the cost of the capital assets and the net amount is presented in the Statement of Net Assets. Depreciation is calculated over the estimated useful life of capital assets using the straight-line method.

Various capitalization thresholds are used to determine whether a newly-acquired asset will be capitalized and depreciated or expensed in the year acquired.

These thresholds are:

|                                    |          |
|------------------------------------|----------|
| Buildings and improvements         | \$ 5,000 |
| Machinery, furniture and equipment | 1,000    |
| Infrastructure                     | 10,000   |
| Utility system improvements        | 10,000   |
| Vehicles                           | 5,000    |

The range of estimated useful lives by type of assets is:

|                                    |                |
|------------------------------------|----------------|
| Buildings                          | 40 to 50 years |
| Machinery, furniture and equipment | 3 to 10 years  |
| Infrastructure                     | 5 to 20 years  |
| Utility system improvements        | 10 to 40 years |
| Vehicles                           | 5 to 10 years  |

*Fund Financial Statements*

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

Long-Term Debt

All long-term debt for both the governmental and proprietary funds are reported as liabilities in the government-wide statements. The City's long-term debt consists of installment contracts in the governmental funds and debt certificates in the proprietary fund.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and the payment of principal is reported as other financing uses. For the proprietary fund, long-term debt activity is accounted for the same in the fund financial statements as in the government-wide statements.



CITY OF CHILLICOTHE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

G. Cash and Investments

Cash and cash equivalents reflected on the Statement of Net Assets consist of cash on hand, demand deposits and cash invested through the Illinois Funds. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents consist of cash on hand, demand deposits, Illinois Funds and certificates of deposit with a maturity of one year or less.

Investments are stated at cost which equals fair market value. The City currently has no traded securities. City policy requires that such investments, when present, be valued at the last reported sales price. The Illinois Funds is an external investment pool regulated by state statutes. Participant's shares are valued by the pool on a fair value basis.

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City policy is to require that all bank deposits not insured by the Federal Deposit Insurance Corporation (FDIC) must be collateralized by the pledging of bank-owned securities. These securities must be pledged in the City's name and held by an agent of the pledging institution.

At year end, investment in Illinois Funds are rated AAAM by Standard & Poor's.

At April 30, 2014, the carrying amount of the City's deposits (checking accounts) was \$520,571 and the bank balance was \$658,756. In addition, the Police Pension Fund had deposits totaling \$16,760, and the bank balance was \$16,760. Of the bank balances, all was covered by FDIC insurance.

Investments

State statutes allow municipalities to invest in certificates of deposit, passbooks and money market accounts so long as these investments are insured by federal depository insurance or by pledging of the bank's own securities. Also, the City can invest in direct debt securities of the United States Government. The Police Pension Fund and Employee Deferred Compensation Plan are also authorized to invest in bonds of the State of Illinois or of any county, township or municipal corporation of the State of Illinois. The City can also invest in "Illinois Funds", a public investment pool managed by the State Treasurer's office.

Of the \$5,900,043 carried as investments and restricted assets of the primary government, \$5,758,055 was invested in Illinois Funds and \$141,988 in money market accounts. In addition, the Police Pension Fund had investments totaling \$2,728,908 which was comprised of certificates of deposit totaling \$2,580,284 and money market deposits of \$148,624.

CITY OF CHILLICOTHE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

G. Cash and Investments (Continued):

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

|                         | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total Primary<br/>Government</u> |
|-------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Cash and Investments:   |                                    |                                     |                                     |
| Checking Accts          | \$ 444,465                         | \$ 76,106                           | \$ 520,571                          |
| Money Market Accts      | -                                  | 141,988                             | 141,988                             |
| Certificates of Deposit | -                                  | -                                   | -                                   |
| Illinois Funds          | <u>5,112,036</u>                   | <u>528,671</u>                      | <u>5,640,707</u>                    |
| Totals                  | <u>5,556,501</u>                   | <u>746,765</u>                      | <u>6,303,266</u>                    |
| Restricted Assets:      |                                    |                                     |                                     |
| Checking Accts          | -                                  | -                                   | -                                   |
| Illinois Funds          | -                                  | <u>117,348</u>                      | <u>117,348</u>                      |
| Totals                  | -                                  | <u>117,348</u>                      | <u>117,348</u>                      |
| City Totals             | <u>\$ 5,556,501</u>                | <u>\$ 864,113</u>                   | <u>\$ 6,420,614</u>                 |

H. Accounts Receivable - Utility Customers

Utility customers are billed monthly for usage through the previous month. Accounts receivable at April 30 consist of amounts that have been billed but remain uncollected at year end and an estimated amount for unbilled usage for the month of April.

The City uses the direct write-off method of recognizing bad debt losses. No allowance for doubtful accounts has been provided since the amount of such an allowance would not be significant.

I. Real Estate Taxes

State statutes require that the City file its tax levy by the second Tuesday in December. The levy is filed with the County Clerk who then extends these taxes (or that portion legally allowed) as a lien against real property located in the taxing district. The lien date is January 1.

Taxes extended for a given year are due in equal installments, generally on the first day of June and September of the following year. The due date of the first installment for 2013 taxes for Peoria County residents is June 10, 2014. The latest dates for payment without penalty are June 10 and September 10.

Once collected, the County Treasurer is required by statute to distribute tax collections to the individual taxing bodies within thirty days of the date collected. The first distribution from the County to local taxing bodies is scheduled to be on or before July 10, 2014.

CITY OF CHILLICOTHE  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

I. Real Estate Taxes (Continued):

Taxes extended during the current year will not be received soon enough to pay liabilities of the current period. Therefore, these amounts are recorded as taxes receivable and as deferred revenue at year-end. The revenue will be recognized in the period in which they become both measurable and available.

Note 2: Taxes Receivable and Deferred Revenue

Tax revenues are recorded as receivable at year end if the amounts are measurable, even though collection will not occur until the subsequent period. Amounts that are measurable but will not be collected soon enough to pay current expenses are recorded as deferred revenue. These amounts will be reported as revenue when measurable and available.

Note 3: Receivables and Payables

Receivables as of year-end for the City's individual major and nonmajor funds are as follows:

|                 | General<br><u>Fund</u> | Waterworks &<br><u>Sewerage</u> | Major<br><u>Funds</u> | Non-major<br><u>Funds</u> | <u>Total</u>        |
|-----------------|------------------------|---------------------------------|-----------------------|---------------------------|---------------------|
| Receivables:    |                        |                                 |                       |                           |                     |
| Taxes           | \$ 363,452             | \$ -0-                          | \$ 569,700            | \$ 284,040                | \$ 1,217,192        |
| Accounts        | -0-                    | 61,373                          | -0-                   | -0-                       | 61,373              |
| Loans           | <u>-0-</u>             | <u>-0-</u>                      | <u>231,524</u>        | <u>-0-</u>                | <u>231,524</u>      |
| Net Receivables | <u>\$ 363,452</u>      | <u>\$ 61,373</u>                | <u>\$ 801,224</u>     | <u>\$ 284,040</u>         | <u>\$ 1,510,089</u> |

Note 4: Revolving Loans Receivable

In past years, the City has received several Community Development Block Grants for the purpose of making low-interest loans to area businesses. As a condition of these grants, the City was allowed to retain all or part of the loan repayments. These recaptured funds are deposited into a revolving loan fund to be used for future loans with conditions similar to those contained in the original grant document. At the end of the period under audit, outstanding loans totaled \$129,632. Interest rates vary from 1% to 5.75% with repayment terms of three to ten years. Of the \$129,632 due from Economic Development loan recipients, \$105,773 is expected to be received more than one year from the end of the current fiscal year.

During the year ended April 30, 1988, the City issued \$1.875 million in Tax Increment Area General Obligation Bonds. The proceeds from this bond issue have been used to develop and improve properties in the area designated as the Tax Increment Financing District. One of the methods for accomplishing this purpose was to establish a low-interest revolving loan fund. Two such loans totaling \$108,000 were extended to businesses in the district. Both loans have been repaid.

On August 13, 2012, the City loaned \$120,000 from the TIF Revolving Loan Fund to a local organization for the purpose of making technological improvements to the movie theater owned by the organization. The loan bears interest at 2% and is repayable in five annual installments of \$25,459.

CITY OF CHILLICOTHE  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
(Continued)

Note 5: Capital Assets

Capital asset activity of the City's business-type activity was as follows:

|                                      | Balance<br><u>April 30, 2013</u> | <u>Additions</u>   | Disposals and<br><u>Adjustments</u> | Balance<br><u>April 30, 2014</u> |
|--------------------------------------|----------------------------------|--------------------|-------------------------------------|----------------------------------|
| <b>Business-Type Activity:</b>       |                                  |                    |                                     |                                  |
| Capital assets being depreciated:    |                                  |                    |                                     |                                  |
| Construction in Process              | \$ -0-                           | \$ -0-             | \$ -0-                              | \$ -0-                           |
| Water System                         | 4,666,112                        | -0-                | -0-                                 | 4,666,112                        |
| Water Meters                         | 232,460                          | 78,245             | -0-                                 | 310,705                          |
| Operating Equipment                  | 160,395                          | -0-                | -0-                                 | 160,395                          |
| Vehicles                             | 223,313                          | -0-                | -0-                                 | 223,313                          |
| Office Equipment                     | <u>20,226</u>                    | <u>-0-</u>         | <u>-0-</u>                          | <u>20,226</u>                    |
| Subtotal                             | <u>5,302,506</u>                 | <u>78,245</u>      | <u>-0-</u>                          | <u>5,380,751</u>                 |
| Accumulated depreciation:            |                                  |                    |                                     |                                  |
| Construction in Process              | -0-                              | -0-                | -0-                                 | -0-                              |
| Water System                         | 2,209,589                        | 61,052             | -0-                                 | 2,270,641                        |
| Water Meters                         | 73,574                           | 30,209             | -0-                                 | 103,783                          |
| Operating Equipment                  | 149,481                          | 1,687              | -0-                                 | 151,168                          |
| Vehicles                             | 113,224                          | 14,359             | -0-                                 | 127,583                          |
| Office Equipment                     | <u>20,226</u>                    | <u>-0-</u>         | <u>-0-</u>                          | <u>20,226</u>                    |
| Subtotal                             | <u>2,566,094</u>                 | <u>107,307</u>     | <u>-0-</u>                          | <u>2,673,401</u>                 |
| Net Capital Assets being Depreciated | <u>2,736,412</u>                 | <u>(29,062)</u>    | <u>-0-</u>                          | <u>2,707,350</u>                 |
| Net Capital Assets                   | <u>\$ 2,736,412</u>              | <u>\$ (29,062)</u> | <u>\$ -0-</u>                       | <u>\$ 2,707,350</u>              |

Depreciation expense for the City's business-type activity was \$107,307 for the year ended April 30, 2014.

Capital asset activity of the City's governmental activities was as follows:

|                                       | Balance<br><u>April 30, 2013</u> | <u>Additions</u>   | Disposals and<br><u>Adjustments</u> | Balance<br><u>April 30, 2014</u> |
|---------------------------------------|----------------------------------|--------------------|-------------------------------------|----------------------------------|
| <b>Governmental Activities:</b>       |                                  |                    |                                     |                                  |
| Capital assets not being depreciated: |                                  |                    |                                     |                                  |
| Land                                  | \$ 829,917                       | \$ -0-             | \$ -0-                              | \$ 829,917                       |
| Capital assets being depreciated:     |                                  |                    |                                     |                                  |
| Buildings                             | 62,626                           | -0-                | -0-                                 | 62,626                           |
| Building Improvements                 | 170,582                          | -0-                | -0-                                 | 170,582                          |
| Park Improvements                     | 769,978                          | 40,715             | -0-                                 | 810,693                          |
| Equipment                             | 831,875                          | 136,737            | -0-                                 | 968,612                          |
| Vehicles                              | 1,685,963                        | 86,618             | -0-                                 | 1,772,581                        |
| Infrastructure                        | <u>2,637,114</u>                 | <u>234,385</u>     | <u>-0-</u>                          | <u>2,871,499</u>                 |
| Subtotal                              | <u>6,158,138</u>                 | <u>498,455</u>     | <u>-0-</u>                          | <u>6,656,593</u>                 |
| Accumulated depreciation:             |                                  |                    |                                     |                                  |
| Buildings                             | 15,034                           | 1,253              | -0-                                 | 16,287                           |
| Building Improvements                 | 60,914                           | 6,191              | -0-                                 | 67,105                           |
| Park Improvements                     | 189,313                          | 31,322             | -0-                                 | 220,655                          |
| Equipment                             | 454,446                          | 86,762             | -0-                                 | 541,208                          |
| Vehicles                              | 909,279                          | 140,049            | -0-                                 | 1,049,328                        |
| Infrastructure                        | <u>1,253,017</u>                 | <u>263,803</u>     | <u>-0-</u>                          | <u>1,516,820</u>                 |
| Subtotal                              | <u>2,882,003</u>                 | <u>529,380</u>     | <u>-0-</u>                          | <u>3,411,403</u>                 |
| Net Capital Assets being Depreciated  | <u>3,276,135</u>                 | <u>(30,925)</u>    | <u>-0-</u>                          | <u>3,245,190</u>                 |
| Net Capital Assets                    | <u>\$ 4,106,052</u>              | <u>\$ (30,925)</u> | <u>\$ -0-</u>                       | <u>\$ 4,075,127</u>              |

CITY OF CHILLICOTHE  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
 (Continued)

Note 5: Capital Assets (continued)

Depreciation expense totaling \$529,380 was charged to governmental activities as follows:

|                          |                   |
|--------------------------|-------------------|
| General Government       | \$ 2,297          |
| Public Safety            | 183,891           |
| Cemetery                 | 5,440             |
| City Parks and Buildings | 47,831            |
| Streets and Alleys       | 288,740           |
| Economic Development     | <u>1,181</u>      |
| Subtotal                 | <u>\$ 529,380</u> |

Note 6: Debt Certificates Payable

On April 1, 2006, the City entered into an installment contract and issued Debt Certificates totaling \$2,000,000. The proceeds were used for the construction of a new water tower and improvements to the City's water system.

This debt is a general obligation of the City. Repayment, however, will be made from revenues generated by the Waterworks and Sewerage Fund. A monthly assessment of \$5 per water customer has been instituted for the purpose of providing funds for repayment.

The contract calls for twenty annual payments of \$148,770 beginning April 1, 2007. The final payment is due April 1, 2026. The certificates bear interest at 4.1% per annum. Following is the schedule of remaining bond principal and interest maturities:

SCHEDULE OF BOND PRINCIPAL AND INTEREST MATURITIES

| Years Ending<br><u>April 30</u> | Principal<br>Balance,<br><u>Beginning</u> | Interest<br><u>Due 4/1</u> | Principal<br><u>Due 4/1</u> | Principal<br>Balance,<br><u>Ending</u> |
|---------------------------------|---|----------------------------|-----------------------------|--|
| 2014                            |   |                            |                             | \$ 1,383,892                           |
| 2015                            | \$ 1,383,892                              | \$ 58,551                  | \$ 90,219                   | 1,293,673                              |
| 2016                            | 1,293,673                                 | 53,040                     | 95,430                      | 1,198,243                              |
| 2017                            | 1,198,243                                 | 49,128                     | 99,342                      | 1,098,901                              |
| 2018                            | 1,098,901                                 | 45,055                     | 103,415                     | 995,486                                |
| 2019                            | 995,486                                   | 40,815                     | 107,655                     | 887,831                                |
| 2020                            | 887,831                                   | 36,401                     | 112,069                     | 775,762                                |
| 2021                            | 775,762                                   | 31,807                     | 116,663                     | 659,099                                |
| 2022                            | 659,099                                   | 27,023                     | 121,447                     | 537,652                                |
| 2023                            | 537,652                                   | 22,043                     | 126,427                     | 411,225                                |
| 2024                            | 411,225                                   | 16,861                     | 131,609                     | 279,616                                |
| 2025                            | 279,616                                   | 11,464                     | 137,006                     | 142,610                                |
| 2026                            | 142,610                                   | <u>5,860</u>               | <u>142,610</u>              | -0-                                    |
| Totals                          |   | <u>\$ 398,048</u>          | <u>\$ 1,383,892</u>         |  |

CITY OF CHILLICOTHE  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
 (Continued)

Note 6: Debt Certificates Payable (Continued)

Current year activity relating to the Debt Certificates was as follows:

| <u>Fund Debt Retired By</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|-----------------------------|--------------------------|------------------|--------------------|-----------------------|
| Waterworks Fund             | \$ 1,471,952             | - 0 -            | \$ 88,060          | \$ 1,383,892          |

Note 7: Installment Loan Payable

On August 30, 2005, the City borrowed \$100,000 from an area corporation formed for the purpose of encouraging and assisting with commercial development. Proceeds from the loan were used to purchase a grain terminal located on the riverfront within the City limits. The City intends to hold the property for future development.

The loan requires monthly payments of \$1,085 beginning September 30, 2005, with the final payment due on August 31, 2015. The loan bears interest at 5% per annum. The loan was paid in full during the Year Ending April 30, 2014.

Current year activity relating to the Installment Loan was as follows:

| <u>Fund Debt Retired By</u>  | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|------------------------------|--------------------------|------------------|--------------------|-----------------------|
| Tax Increment Financing Fund | \$ 27,976                | \$ - 0 -         | \$ 27,976          | \$ - 0 -              |

Note 8: Installment Loan Payable

On July 7, 2009, the City received a \$250,000, no-interest loan through the State of Illinois' Fire Truck Revolving Loan Program. Proceeds from the loan were used for the down payment on a new aerial ladder truck. The loan is to be repaid over 20 years at \$12,500 per year beginning November 1, 2010, and each November 1<sup>st</sup> thereafter, through November 1, 2029.

Current year activity relating to the Installment Loan was as follows:

| <u>Fund Debt Retired By</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|-----------------------------|--------------------------|------------------|--------------------|-----------------------|
| Fire Protection Fund        | \$ 212,500               | - 0 -            | \$ 12,500          | \$ 200,000            |

CITY OF CHILLICOTHE  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
(Continued)

Note 9: Interfund Transfers

The City had no interfund transfers for the year ended April 30, 2014.

Note 10: Restricted Assets

Amounts carried as restricted assets are those amounts for which use is restricted by ordinance or contract. These amounts consist of deferred compensation and police pension fund assets.

Note 11: Deferred Compensation Plan

City employees with at least one year seniority are eligible to participate in a deferred compensation plan. The City is committed to a contribution of 3% of the employees' gross wages, while the employee may contribute amounts generally not to exceed one-third of gross wages.

Amounts contributed to the plan are being used to purchase annuities for participating employees. The annuity program is being administered by Massachusetts Mutual Life Insurance Company. Investments in annuity contracts are carried at cost.

Employer contributions are immediately vested. The City's contributions to the plan for the years ended April 30, 2014 and 2013 were \$35,561 and \$30,636 respectively.

Note 12: Pension Plan

The City of Chillicothe established a Police Pension Fund on March 23, 1971. The plan is operated under Article 3 of the Illinois Pension Code.

The Plan is a defined benefit plan. The Illinois Revised Statutes, Chapter 108 1/2, paragraph 3-111, defines the benefit as follows:

An officer who is age 50 or more with 20 or more years of creditable service and who is no longer a police officer, shall receive 50% of the salary attached to the rank held for one year immediately prior to retirement. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years to a maximum 75% of the base salary.

A police officer mandatorially retired due to age who has at least 8 but less than 20 years of service, shall receive a pension equal to 2.5% of the base salary for each year of creditable service.

A police officer who returns or is separated from service, having at least 8 but less than 20 years of creditable service, who is not mandatorially retired due to age, and who does not apply for a refund of contributions at his last separation from service, shall receive a pension upon attaining age 60. The pension amount will be equal to 2.5% of the base salary for each year of creditable service.

CITY OF CHILLICOTHE  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
 (Continued)

Note 12: Pension Plan (Continued)

An annual increase equal to 3% of the original pension is granted each January following retirement.

The Illinois Pension Code also provides for pension payments to survivors and for pensions to disabled police officers.

The contribution rate for police officers is 9.9% of gross salary. The City of Chillicothe is obligated to contribute annually the amount necessary to arrive at the annual requirements as contemplated by Section 3-125 of the Illinois Pension Code. The annual requirements are to be provided by tax levy and equal to:

- (1) The normal cost of the pension fund for the year plus,
- (2) The amount necessary to amortize the fund's unfunded accrued liabilities so that all unfunded liabilities are eliminated by January 2, 2033.

The City is notified of its annual requirement by letter from the Illinois Department of Insurance. The annual requirement is determined by actuarial computations based on information obtained at the end of the preceding year. The annual requirement for the City is computed as the total requirement less anticipated interest income and contributions from participants.

The annual required contribution and related actuarial information for the current year is as follows:

|                               |                                    |
|-------------------------------|------------------------------------|
| Annual Pension Cost           | \$ 179,819                         |
| Contribution Made             | 248,659                            |
| Actuarial Valuation Date      | 5/1/2013                           |
| Actuarial Cost Method         | Entry Age/Normal Cost              |
| Amortization Method           | Level % of Payroll<br>Closed Basis |
| Remaining Amortization        | 27 years                           |
| Interest Rate Assumption      | 6.00%                              |
| Salary Progression Assumption | 4.5%                               |
| Unfunded Accrued Liability    | \$ 1,624,707                       |

Employee contributions for the year were \$50,808.

Note 13: Accumulated Compensated Absences

The City permits employees to accumulate vacation, sick and personal days. Unused amounts are to be paid to the employees upon separation from service. In the employing funds (Governmental and Enterprise Funds), the expense for these compensated absences is recognized when the payments are actually made.

A liability for accumulated compensated absences in the amount of \$232,981 is carried in the Government-Wide Statement of Net Assets as non-current, because the short-term portion, if any, cannot be accurately determined.



CITY OF CHILLICOTHE  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2014  
(Continued)

Note 14: Property Redevelopment and Tax Increment Financing

The City has designated two separate but contingent areas of the City for redevelopment through Tax Increment Financing. Under Tax Increment financing, the equalized assessed valuation of the district is frozen when the district is established

All taxes derived from any increase in equalized assessed valuations after that date are to be applied to the payment of the related development and financing costs. In addition, on November 26, 1986, the City Council passed Ordinance 988, authorizing the use of sales tax increment allocation financing for the district. As such, incremental sales tax revenue generated within the district has also been used to carry out the redevelopment. The redevelopment will be accomplished by such means as low-interest loans to businesses locating or expanding in the district, direct grants to businesses or developers, infrastructure improvements paid for by the City, and such other legal means as may be determined by the Council to be in the best interest of the City in accomplishing its redevelopment plan.

Note 15: Deficit Fund Balances

At April 30, 2014, none of the City funds had a deficit fund balance.

Note 16: Budgetary Compliance

During the year ended April 30, 2014, none of the City funds overspent its appropriation. During the year ended April 30, 2013, the Police Pension Fund overspent its appropriation by \$27,991 or 15.93%.

Note 17: Commitments and Contingencies

In November, 2005, the City entered into an agreement with the owners of a local restaurant located within the City's Tax Increment Financing District. Under the agreement, the City agreed to pay \$300,000 towards the acquisition of the site to be used to construct a new facility. In return, the owners guaranteed the City that sales tax revenues paid to the City over the twelve year period ending in 2018, would be equal to or greater than \$24,177 per year. Currently, annual property taxes on the facility are about \$30,000.

On July 28, 2003, the City entered into a redevelopment agreement for the purpose of constructing a new retail/service facility located within the Tax Increment Financing District. Under the terms of the agreement, the City paid \$110,000 to reduce the cost of the project site. In return, the Developer has constructed a 4,200 square foot building with a value of approximately \$450,000. In addition, the Developer has assured the City that additional real estate taxes to be received by the City over the next twelve years will exceed \$110,000. If the projected incremental tax revenue is not realized, the shortfall will be paid to the City by the Developer.

Finally, on November 27, 2006, the City entered into an agreement with developers to renovate a commercial building for the purpose of locating a new retail establishment. The City has reimbursed the developers \$200,000 of the renovation cost. The City's commitment was based on the developers' assurance that the City's share of cumulative sales tax revenues for the first ten years will equal no less that \$200,000. This guarantee is being evaluated each year. The developers are required to make up any shortfall in sales tax revenue.

INDEPENDENT AUDITOR'S REPORT ON  
SUPPLEMENTAL INFORMATION

Honorable Mayor  
and Aldermen  
City of Chillicothe, Illinois

The accompanying supplementary information is presented for purposes of analysis and is not considered necessary for a fair presentation of the basic financial statements. My examination of the basic financial statements was made for the primary purpose of formulating an opinion on those statements. This supplementary information has been subjected to the applicable audit procedures I performed in my examination of the related financial statements.

In my opinion, all of the supplementary information is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.



McElhiney, LLC  
Certified Public Accountants

Chillicothe, Illinois  
September 25, 2014

CITY OF CHILLICOTHE, ILLINOIS  
 REQUIRED SUPPLEMENTAL INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
For the Year Ended April 30, 2014

|   | <u>Budget</u>      | <u>Actual</u>       | <u>Over<br/>(Under)<br/>Budget</u> |
|---|--------------------|---------------------|------------------------------------|
| <b>Resources (Inflows):</b>                 |                    |                     |                                    |
| Local Taxes                                 | \$ -               | \$ 107,279          | \$ 107,279                         |
| State Taxes                                 | 1,169,000          | 1,661,137           | 492,137                            |
| State Grants                                | -                  | -                   | -                                  |
| Licenses, fines and permits                 | 81,000             | 135,507             | 54,507                             |
| Franchise fee                               | 72,000             | 128,662             | 56,662                             |
| Cemetery income                             | 24,600             | 41,760              | 17,160                             |
| Interest                                    | 1,000              | 635                 | (365)                              |
| Miscellaneous                               | 83,685             | 106,354             | 22,669                             |
| Other financing sources - fund balance      | <u>-</u>           | <u>-</u>            | <u>-</u>                           |
| Amounts available for appropriation         | <u>1,431,285</u>   | <u>2,181,334</u>    | <u>750,049</u>                     |
| <b>Charges to Appropriation (Outflows):</b> |                    |                     |                                    |
| General & Administrative                    | 1,135,600          | 360,026             | (775,574)                          |
| Public Safety                               | 1,510,450          | 1,162,770           | (347,680)                          |
| Cemetery                                    | 136,300            | 40,352              | (95,948)                           |
| City Parks & Buildings                      | 438,300            | 131,602             | (306,698)                          |
| Economic Development                        | 145,500            | 68,682              | (76,818)                           |
| Capital Outlay                              | 808,000            | 100,817             | (707,183)                          |
| Operating Transfers Out                     | <u>-</u>           | <u>-</u>            | <u>-</u>                           |
| Total Charges to Appropriations             | <u>4,174,150</u>   | <u>1,864,249</u>    | <u>(2,309,901)</u>                 |
| <b>Fund Balance Reconciliation</b>          |                    |                     |                                    |
| Fund Balance - Beginning of Year            | 2,754,001          | 2,754,001           | -                                  |
| Change in Fund Balance                      | <u>(2,742,865)</u> | <u>317,085</u>      | <u>3,059,950</u>                   |
| Fund Balance - End of Year                  | <u>\$ 11,136</u>   | <u>\$ 3,071,086</u> | <u>\$ 3,059,950</u>                |

CITY OF CHILLICOTHE, ILLINOIS  
 REQUIRED SUPPLEMENTAL INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 ECONOMIC DEVELOPMENT FUND  
For the Year Ended April 30, 2014

|  | <u>Budget</u>     | <u>Actual</u>     | Over<br>(Under)<br><u>Budget</u> |
|--|-------------------|-------------------|----------------------------------|
| Resources (Inflows):                   |                   |                   |                                  |
| Local Taxes                            | \$ -              | \$ -              | \$ -                             |
| Interest                               | -                 | 6,381             | 6,381                            |
| Miscellaneous                          | -                 | -                 | -                                |
| Other financing sources - fund balance | <u>-</u>          | <u>-</u>          | <u>-</u>                         |
| Amounts available for appropriation    | <u>-</u>          | <u>6,381</u>      | <u>6,381</u>                     |
| Charges to Appropriation (Outflows):   |                   |                   |                                  |
| Economic Development                   | -                 | 261               | 261                              |
| Capital Outlay                         | <u>-</u>          | <u>-</u>          | <u>-</u>                         |
| Total Charges to Appropriations        | <u>-</u>          | <u>261</u>        | <u>261</u>                       |
| <b>Fund Balance Reconciliation</b>     |                   |                   |                                  |
| Fund Balance - Beginning of Year       | 907,364           | 907,364           | -                                |
| Change in Fund Balance                 | <u>-</u>          | <u>6,120</u>      | <u>6,120</u>                     |
| Fund Balance - End of Year             | <u>\$ 907,364</u> | <u>\$ 913,484</u> | <u>\$ 6,120</u>                  |

CITY OF CHILLICOTHE, ILLINOIS  
 REQUIRED SUPPLEMENTAL INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 ROAD AND BRIDGE FUND  
For the Year Ended April 30, 2014

|   | <u>Budget</u>    | <u>Actual</u>     | <u>Over<br/>(Under)<br/>Budget</u> |
|---|------------------|-------------------|------------------------------------|
| <b>Resources (Inflows):</b>                 |                  |                   |                                    |
| Local Taxes                                 | \$ 53,000        | \$ 60,474         | \$ 7,474                           |
| Equipment Rental                            | -                | -                 | -                                  |
| Tonnage Fees                                | 23,000           | 17,398            | (5,602)                            |
| Telecommunications Tax                      | 220,000          | 213,044           | (6,956)                            |
| Interest                                    | -                | 97                | 97                                 |
| Miscellaneous                               | -                | 12,520            | 12,520                             |
| Operating Transfers In                      | -                | -                 | -                                  |
| Other financing sources - fund balance      | <u>1,374,967</u> | <u>-</u>          | <u>(1,374,967)</u>                 |
| Amounts available for appropriation         | <u>1,670,967</u> | <u>303,533</u>    | <u>(1,367,434)</u>                 |
| <b>Charges to Appropriation (Outflows):</b> |                  |                   |                                    |
| General & Administrative                    | 111,000          | 67,877            | (43,123)                           |
| Streets, Alleys & Sidewalks                 | 1,727,000        | 231,487           | (1,495,513)                        |
| Capital Outlay                              | <u>265,000</u>   | <u>39,432</u>     | <u>(225,568)</u>                   |
| Total Charges to Appropriations             | <u>2,103,000</u> | <u>338,796</u>    | <u>(1,764,204)</u>                 |
| <b>Fund Balance Reconciliation</b>          |                  |                   |                                    |
| Fund Balance - Beginning of Year            | 432,033          | 432,033           | -                                  |
| Change in Fund Balance                      | <u>(432,033)</u> | <u>(35,263)</u>   | <u>396,770</u>                     |
| Fund Balance - End of Year                  | <u>\$ -</u>      | <u>\$ 396,770</u> | <u>\$ 396,770</u>                  |

CITY OF CHILLCOTHE, ILLINOIS  
 REQUIRED SUPPLEMENTAL INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 FIRE PROTECTION FUND  
For the Year Ended April 30, 2014

|   | <u>Budget</u>    | <u>Actual</u>     | <u>Over<br/>(Under)<br/>Budget</u> |
|---|------------------|-------------------|------------------------------------|
| <b>Resources (Inflows):</b>                 |                  |                   |                                    |
| Local Taxes                                 | \$ 47,000        | \$ 50,448         | \$ 3,448                           |
| Interest                                    | -                | 31                | 31                                 |
| Miscellaneous                               | -                | -                 | -                                  |
| Grant revenue                               | -                | 17,877            | 17,877                             |
| Operating transfers in                      | -                | -                 | -                                  |
| Other financing sources - fund balance      | <u>489,907</u>   | <u>-</u>          | <u>(489,907)</u>                   |
| Amounts available for appropriation         | <u>536,907</u>   | <u>68,356</u>     | <u>(468,551)</u>                   |
| <b>Charges to Appropriation (Outflows):</b> |                  |                   |                                    |
| General & Administrative                    | 86,000           | 6,808             | (79,192)                           |
| Public Safety                               | 50,000           | 9,816             | (40,184)                           |
| Debt Service                                | 20,000           | 12,500            | (7,500)                            |
| Capital Outlay                              | <u>500,000</u>   | <u>1,705</u>      | <u>(498,295)</u>                   |
| Total Charges to Appropriations             | <u>656,000</u>   | <u>30,829</u>     | <u>(625,171)</u>                   |
| <b>Fund Balance Reconciliation</b>          |                  |                   |                                    |
| Fund Balance - Beginning of Year            | 119,093          | 119,093           | -                                  |
| Change in Fund Balance                      | <u>(119,093)</u> | <u>37,527</u>     | <u>156,620</u>                     |
| Fund Balance - End of Year                  | <u>\$ -</u>      | <u>\$ 156,620</u> | <u>\$ 156,620</u>                  |

CITY OF CHILLICOTHE, ILLINOIS  
 REQUIRED SUPPLEMENTAL INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 TAX INCREMENT FINANCING (TIF) FUND  
For the Year Ended April 30, 2014

|   | <u>Budget</u>    | <u>Actual</u>       | <u>Over<br/>(Under)<br/>Budget</u> |
|---|------------------|---------------------|------------------------------------|
| <b>Resources (Inflows):</b>                 |                  |                     |                                    |
| Local Taxes                                 | \$ 464,000       | \$ 471,577          | \$ 7,577                           |
| Interest                                    | -                | 598                 | 598                                |
| Miscellaneous                               | -                | 6,932               | 6,932                              |
| Other financing sources - fund balance      | <u>2,043,437</u> | <u>-</u>            | <u>(2,043,437)</u>                 |
| Amounts available for appropriation         | <u>2,507,437</u> | <u>479,107</u>      | <u>(2,028,330)</u>                 |
| <b>Charges to Appropriation (Outflows):</b> |                  |                     |                                    |
| General & Administrative                    | 303,500          | 12,447              | (291,053)                          |
| Streets & Alleys                            | 623,000          | 71,109              | (551,891)                          |
| Economic Development                        | 2,293,000        | 61,508              | (2,231,492)                        |
| Debt Service                                | -                | 681                 |                                    |
| Capital Outlay                              | <u>-</u>         | <u>-</u>            | <u>-</u>                           |
| Total Charges to Appropriations             | <u>3,219,500</u> | <u>145,745</u>      | <u>(3,074,436)</u>                 |
| <b>Fund Balance Reconciliation</b>          |                  |                     |                                    |
| Fund Balance - Beginning of Year            | 712,063          | 712,063             | -                                  |
| Change in Fund Balance                      | <u>(712,063)</u> | <u>333,362</u>      | <u>1,045,425</u>                   |
| Fund Balance - End of Year                  | <u>\$ -</u>      | <u>\$ 1,045,425</u> | <u>\$ 1,045,425</u>                |

CITY OF CHILLICOTHE, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
April 30, 2014

|  | <u>Police<br/>Protection<br/>Fund</u> | <u>Motor<br/>Fuel Tax<br/>Fund</u> | <u>Civil<br/>Defense<br/>Fund</u> | <u>Tort<br/>Liability<br/>Fund</u> | <u>Audit<br/>Fund</u> | <u>Social<br/>Security<br/>Fund</u> | <u>Hotel/<br/>Motel Tax<br/>Fund</u> | <u>Totals</u>     |
|--|---------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------|-------------------------------------|--------------------------------------|-------------------|
| <u>ASSETS</u>                            |                                       |                                    |                                   |                                    |                       |                                     |                                      |                   |
| Cash                                     | \$ 83,155                             | \$ 24,353                          | \$ 470                            | \$ 13,389                          | \$ 758                | \$ 11,698                           | \$ 273                               | \$ 134,096        |
| Investments                              | 90,254                                | 162,131                            | 4,902                             | 28,136                             | 28,511                | 20,411                              | 14,795                               | 349,140           |
| Taxes receivable                         | 41,600                                | 11,240                             | 1,500                             | 107,700                            | 16,000                | 106,000                             | -                                    | 284,040           |
| Due from other funds                     | -                                     | -                                  | -                                 | -                                  | -                     | -                                   | -                                    | -                 |
| Interest receivable                      | -                                     | -                                  | -                                 | -                                  | -                     | -                                   | -                                    | -                 |
| Loans receivable                         | -                                     | -                                  | -                                 | -                                  | -                     | -                                   | -                                    | -                 |
|  | <u>215,009</u>                        | <u>197,724</u>                     | <u>6,872</u>                      | <u>149,225</u>                     | <u>45,269</u>         | <u>138,109</u>                      | <u>15,068</u>                        | <u>767,276</u>    |
| <u>LIABILITIES AND FUND BALANCE</u>      |                                       |                                    |                                   |                                    |                       |                                     |                                      |                   |
| Liabilities:                             |                                       |                                    |                                   |                                    |                       |                                     |                                      |                   |
| Accounts payable                         | -                                     | -                                  | -                                 | -                                  | -                     | -                                   | -                                    | -                 |
| Accrued expenses                         | -                                     | -                                  | -                                 | -                                  | -                     | -                                   | -                                    | -                 |
| Due to other funds                       | -                                     | -                                  | -                                 | -                                  | -                     | -                                   | -                                    | -                 |
| Deferred revenue                         | 41,600                                | -                                  | 1,500                             | 107,700                            | 16,000                | 106,000                             | -                                    | 272,800           |
|  | <u>41,600</u>                         | <u>-</u>                           | <u>1,500</u>                      | <u>107,700</u>                     | <u>16,000</u>         | <u>106,000</u>                      | <u>-</u>                             | <u>272,800</u>    |
| Total Liabilities                        | 41,600                                | -                                  | 1,500                             | 107,700                            | 16,000                | 106,000                             | -                                    | 272,800           |
| Fund Balance                             | <u>173,409</u>                        | <u>197,724</u>                     | <u>5,372</u>                      | <u>41,525</u>                      | <u>29,269</u>         | <u>32,109</u>                       | <u>15,068</u>                        | <u>494,476</u>    |
| Total Liabilities<br>and Fund<br>Balance | <u>\$ 215,009</u>                     | <u>\$ 197,724</u>                  | <u>\$ 6,872</u>                   | <u>\$ 149,225</u>                  | <u>\$ 45,269</u>      | <u>\$ 138,109</u>                   | <u>\$ 15,068</u>                     | <u>\$ 767,276</u> |



CITY OF CHILLICOTHE, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended April 30, 2014

|   | Police<br>Protection<br>Fund | Motor<br>Fuel Tax<br>Fund | Civil<br>Defense<br>Fund | Tort<br>Liability<br>Fund | Audit<br>Fund    | Social<br>Security<br>Fund | Hotel/<br>Motel Tax<br>Fund | Totals            |
|---|------------------------------|---------------------------|--------------------------|---------------------------|------------------|----------------------------|-----------------------------|-------------------|
| <u>Revenues</u>   |                              |                           |                          |                           |                  |                            |                             |                   |
| Property taxes  | \$ 41,608                    | \$ -                      | \$ 1,491                 | \$ 99,710                 | \$ 16,009        | \$ 102,091                 | \$ -                        | \$ 260,909        |
| Telecommunications tax  | -                            | -                         | -                        | -                         | -                | -                          | -                           | -                 |
| Sales tax   | -                            | -                         | -                        | -                         | -                | -                          | 13,941                      | 13,941            |
| Motor Fuel Tax  | -                            | 150,521                   | -                        | -                         | -                | -                          | -                           | 150,521           |
| Replacement tax   | 1,038                        | -                         | 39                       | 2,510                     | 407              | 2,563                      | -                           | 6,557             |
| Grant revenue   | -                            | -                         | -                        | -                         | -                | -                          | -                           | -                 |
| Interest  | 102                          | 30                        | 1                        | 98                        | 5                | 62                         | 2                           | 300               |
| Equipment rental  | -                            | -                         | -                        | -                         | -                | -                          | -                           | -                 |
| Fees & Assessments  | 78,875                       | -                         | -                        | -                         | -                | -                          | -                           | 78,875            |
| Miscellaneous   | 10,323                       | 26,039                    | -                        | -                         | -                | -                          | -                           | 36,362            |
| Total Revenues  | <u>131,946</u>               | <u>176,590</u>            | <u>1,531</u>             | <u>102,318</u>            | <u>16,421</u>    | <u>104,716</u>             | <u>13,943</u>               | <u>547,465</u>    |
| <u>Expenditures</u>   |                              |                           |                          |                           |                  |                            |                             |                   |
| Current:  |                              |                           |                          |                           |                  |                            |                             |                   |
| General Government  | -                            | -                         | -                        | 135,339                   | 11,500           | 89,472                     | -                           | 236,311           |
| Streets, alleys<br>& Sidewalks  | -                            | 163,651                   | -                        | -                         | -                | -                          | -                           | 163,651           |
| Public Safety   | 31,278                       | -                         | 1,368                    | -                         | -                | -                          | -                           | 32,646            |
| Economic Development  | -                            | -                         | -                        | -                         | -                | -                          | 10,133                      | 10,133            |
| Capital Expenditures  | 81,401                       | -                         | -                        | -                         | -                | -                          | -                           | 81,401            |
| Total Expenditures  | <u>112,679</u>               | <u>163,651</u>            | <u>1,368</u>             | <u>135,339</u>            | <u>11,500</u>    | <u>89,472</u>              | <u>10,133</u>               | <u>524,142</u>    |
| Excess of Revenues<br>Over (Under) Expenditures                                     | <u>19,267</u>                | <u>12,939</u>             | <u>163</u>               | <u>(33,021)</u>           | <u>4,921</u>     | <u>15,244</u>              | <u>3,810</u>                | <u>23,323</u>     |
| <u>Other Financing Sources (Uses)</u>   |                              |                           |                          |                           |                  |                            |                             |                   |
| Transfers In  | -                            | -                         | -                        | -                         | -                | -                          | -                           | -                 |
| Transfers Out   | -                            | -                         | -                        | -                         | -                | -                          | -                           | -                 |
| Total Other Financing<br>Sources (Uses)   | -                            | -                         | -                        | -                         | -                | -                          | -                           | -                 |
| Excess of Revenues and Other<br>Sources Over (Under) Expenditures<br>and Other Uses | 19,267                       | 12,939                    | 163                      | (33,021)                  | 4,921            | 15,244                     | 3,810                       | 23,323            |
| Fund Balance, Beginning   | <u>154,142</u>               | <u>184,785</u>            | <u>5,209</u>             | <u>74,546</u>             | <u>24,348</u>    | <u>16,865</u>              | <u>11,258</u>               | <u>471,153</u>    |
| Fund Balance, Ending  | <u>\$ 173,409</u>            | <u>\$ 197,724</u>         | <u>\$ 5,372</u>          | <u>\$ 41,525</u>          | <u>\$ 29,269</u> | <u>\$ 32,109</u>           | <u>\$ 15,068</u>            | <u>\$ 494,476</u> |

CITY OF CHILLICOTHE, ILLINOIS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|                                   | <u>Certified</u><br><u>Estimate</u> | <u>Actual</u>       | <u>Over (Under)</u><br><u>Budget</u> |
|-----------------------------------|-------------------------------------|---------------------|--------------------------------------|
| <u>Revenues</u>                   |                                     |                     |                                      |
| State and Federal Revenue:        |                                     |                     |                                      |
| Income taxes                      | \$ 398,000                          | \$ 594,129          | \$ 196,129                           |
| Sales tax                         | 700,000                             | 961,274             | 261,274                              |
| Local Use tax                     | 70,000                              | 105,064             | 35,064                               |
| Personal property replacement tax | 1,000                               | 670                 | (330)                                |
| State grant                       | -                                   | -                   | -                                    |
|                                   | <u>1,169,000</u>                    | <u>1,661,137</u>    | <u>492,137</u>                       |
| Local Taxes:                      |                                     |                     |                                      |
| Property Tax                      | 26,773                              | 26,802              | 29                                   |
| Entertainment Tax                 | 45,000                              | 45,961              | 961                                  |
| Video Gaming Tax                  | -                                   | <u>34,516</u>       | <u>34,516</u>                        |
|                                   | <u>71,773</u>                       | <u>107,279</u>      | <u>35,506</u>                        |
| Other Local Revenues:             |                                     |                     |                                      |
| Licenses                          | 18,000                              | 21,790              | 3,790                                |
| Aggregation Fee                   | -                                   | 2,800               | 2,800                                |
| Fines                             | 55,000                              | 77,705              | 22,705                               |
| Permits and zoning fees           | 8,000                               | 33,212              | 25,212                               |
| Cemetery lot sales                | 11,000                              | 23,600              | 12,600                               |
| Cemetery grave openings           | 13,000                              | 16,820              | 3,820                                |
| Cemetery foundation permits       | 600                                 | 1,340               | 740                                  |
| Rentals                           | 1,800                               | 1,800               | -                                    |
| Cable TV franchise                | 72,000                              | 128,662             | 56,662                               |
| Interest                          | 1,000                               | 635                 | (365)                                |
| Expense reimbursements            | 81,885                              | 89,246              | 7,361                                |
| Donations                         | -                                   | 249                 | 249                                  |
| Miscellaneous                     | -                                   | <u>15,059</u>       | <u>15,059</u>                        |
|                                   | <u>262,285</u>                      | <u>412,918</u>      | <u>150,633</u>                       |
| Total Revenues                    | <u>\$ 1,503,058</u>                 | <u>\$ 2,181,334</u> | <u>\$ 678,276</u>                    |

CITY OF CHILLICOTHE, ILLINOIS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|                                      | <u>Appropriated</u> | <u>Actual</u>  | <u>(Over) Under<br/>Budget</u> |
|--------------------------------------|---------------------|----------------|--------------------------------|
| <u>Expenditures:</u>                 |                     |                |                                |
| Current:                             |                     |                |                                |
| General Government:                  |                     |                |                                |
| Official salaries -                  |                     |                |                                |
| Mayor and Aldermen                   | \$ 40,000           | \$ 36,109      | \$ 3,891                       |
| City Clerk                           | 15,000              | 10,750         | 4,250                          |
| City Treasurer                       | 5,500               | 3,300          | 2,200                          |
| Office Manager                       | 41,000              | 30,592         | 10,408                         |
| Zoning Officer                       | 5,200               | 3,695          | 1,505                          |
| Building Code Inspector              | 12,000              | -              | 12,000                         |
| Plat Officer                         | 5,000               | -              | 5,000                          |
| City Collector                       | 26,000              | 19,474         | 6,526                          |
| Deputy - City Clerk                  | 20,000              | -              | 20,000                         |
| Liquor Commissioner                  | 500                 | 291            | 209                            |
|                                      | <u>170,200</u>      | <u>104,211</u> | <u>65,989</u>                  |
| Wages - Office                       | 25,000              | 16,067         | 8,933                          |
| Wages - Part-time Office             | 15,000              | -              | 15,000                         |
| Telephone expense                    | 13,000              | 4,917          | 8,083                          |
| Dues & Subscriptions                 | 4,000               | 1,771          | 2,229                          |
| Postage expense                      | 6,000               | 381            | 5,619                          |
| Printing expense                     | 13,000              | 134            | 12,866                         |
| Garbage disposal                     | 12,000              | 4,569          | 7,431                          |
| Check printing & bank service charge | 5,000               | 135            | 4,865                          |
| Miscellaneous                        | 10,000              | 217            | 9,783                          |
| Employee Deferred Compensation       | 6,000               | 2,736          | 3,264                          |
| Social security retirement expense   | 10,000              | -              | 10,000                         |
| Uniform expense                      | 700                 | 550            | 150                            |
| Operating supplies                   | 10,000              | 4,683          | 5,317                          |
| Office Equipment                     | 23,000              | -              | 23,000                         |
| Legal services                       | 150,000             | 53,700         | 96,300                         |
| Engineer fees                        | 40,000              | 3,447          | 36,553                         |
| Street light expense                 | 55,000              | 44,709         | 10,291                         |
| Travel & Entertainment               | 5,000               | 562            | 4,438                          |
| Convention, seminars & workshops     | 25,000              | 5,427          | 19,573                         |
| Election expense                     | 1,500               | -              | 1,500                          |
| Community Planning                   | 10,000              | 874            | 9,126                          |
| Zoning Board expense                 | 3,500               | 416            | 3,084                          |
| Board of Fire & Police Commission    | 15,000              | 3,962          | 11,038                         |
| Ambulance provider fee               | 100,000             | 50,000         | 50,000                         |
| Codification of Ordinances           | 20,000              | 3,324          | 16,676                         |
| Contingency Fund                     | 50,000              | -              | 50,000                         |
| Special Civic Activities             | 5,000               | 374            | 4,626                          |
| Public Official Bonds                | 3,000               | -              | 3,000                          |
| Maintenance & Repair - Equipment     | 12,000              | 2,253          | 9,747                          |
| Insurance - Employee Benefit Group   | 42,000              | 35,431         | 6,569                          |
| Insurance - Unemployment             | 50,000              | -              | 50,000                         |
| Insurance - General Coverage         | 35,000              | 5,865          | 29,135                         |
| Tree City, USA                       | 6,000               | 541            | 5,459                          |
| Comprehensive Sidewalk Program       | 45,000              | -              | 45,000                         |
| Tree Removal                         | 20,000              | 5,000          | 15,000                         |

CITY OF CHILLICOTHE, ILLINOIS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014  
(Continued)

|                                  | <u>Appropriated</u> | <u>Actual</u>    | <u>(Over) Under<br/>Budget</u> |
|----------------------------------|---------------------|------------------|--------------------------------|
| <u>Expenditures: (Continued)</u> |                     |                  |                                |
| Current:                         |                     |                  |                                |
| General Government:              |                     |                  |                                |
| Publication - Bids and Elections | 11,500              | 712              | 10,788                         |
| Publication - Ordinance          | 6,000               | -                | 6,000                          |
| Publication - Other              | -                   | -                | -                              |
| Professional Service Fee         | 25,000              | 2,378            | 22,622                         |
| Computer Software and Training   | 19,200              | -                | 19,200                         |
| Annual Audit                     | 3,000               | -                | 3,000                          |
| Random Testing                   | 5,000               | 680              | 4,320                          |
| Annexation incentive             | 50,000              | -                | 50,000                         |
|                                  | <u>965,400</u>      | <u>255,815</u>   | <u>709,585</u>                 |
| Total General Government         | <u>1,135,600</u>    | <u>360,026</u>   | <u>775,574</u>                 |
| Public Safety:                   |                     |                  |                                |
| Police Department:               |                     |                  |                                |
| Police Chief - Salary            | 72,000              | 66,646           | 5,354                          |
| Police Labor - Wages             | 816,000             | 747,005          | 68,995                         |
| Deferred Compensation            | 12,000              | 5,115            | 6,885                          |
| Health Insurance                 | 220,000             | 201,339          | 18,661                         |
| Uniform Expense                  | 12,000              | 10,254           | 1,746                          |
| Gas and Oil                      | 65,000              | 40,876           | 24,124                         |
| Telephone                        | 12,000              | 9,767            | 2,233                          |
| Rental - Equipment               | 5,000               | -                | 5,000                          |
| Dues and Subscriptions           | 3,500               | 1,572            | 1,928                          |
| Printing Expense                 | 1,400               | 884              | 516                            |
| Miscellaneous                    | 5,000               | 387              | 4,613                          |
| Office Supplies & Postage        | 12,500              | 3,231            | 9,269                          |
| Office Equipment                 | 15,000              | -                | 15,000                         |
| Travel Expense                   | 2,000               | -                | 2,000                          |
| Training Schools & Tuitions      | 24,000              | -                | 24,000                         |
| Maintenance & Repair - Equipment | 18,000              | 1,061            | 16,939                         |
| Maintenance & Repair - Vehicles  | 20,000              | 13,966           | 6,034                          |
| Animal Control Services          | 15,000              | 9,146            | 5,854                          |
| Jail Fees                        | -                   | -                | -                              |
|                                  | <u>1,330,400</u>    | <u>1,111,249</u> | <u>219,151</u>                 |
| Fire Department:                 |                     |                  |                                |
| Salary - Fire Chief              | 25,000              | 12,736           | 12,264                         |
| Uniform Expense                  | 39,550              | 20,555           | 18,995                         |
| Automobile Expense - Fire Chief  | 2,000               | 320              | 1,680                          |
| Utilities - Heating & Lighting   | 22,000              | 11,773           | 10,227                         |
| Gas and Oil                      | 7,000               | 581              | 6,419                          |
| Telephone                        | 8,000               | 4,516            | 3,484                          |
| Miscellaneous                    | 6,500               | -                | 6,500                          |
| Supplies - Cleaning              | 3,500               | 267              | 3,233                          |
| Maintenance & Repair - Equipment | 10,000              | 773              | 9,227                          |
| Maintenance & Repair - Vehicles  | 22,000              | -                | 22,000                         |
| Department Restructuring         | 30,000              | -                | 30,000                         |
| Insurance - Vehicles and Other   | 500                 | -                | 500                            |
| Conventions & Seminars           | 4,000               | -                | 4,000                          |
|                                  | <u>180,050</u>      | <u>51,521</u>    | <u>128,529</u>                 |
| Total Public Safety              | <u>1,510,450</u>    | <u>1,162,770</u> | <u>347,680</u>                 |

CITY OF CHILLICOTHE, ILLINOIS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014  
(Continued)

| <u>Expenditures: (Continued)</u>      | <u>Appropriated</u> | <u>Actual</u>  | <u>(Over) Under<br/>Budget</u> |
|---------------------------------------|---------------------|----------------|--------------------------------|
| <u>Current:</u>                       |                     |                |                                |
| Cemetery:                             |                     |                |                                |
| Wages - Cemetery Labor                | 48,000              | 24,571         | 23,429                         |
| Gas and Oil                           | 10,000              | 4,597          | 5,403                          |
| Miscellaneous                         | 5,000               | 81             | 4,919                          |
| Supplies - Materials                  | 5,000               | 1,816          | 3,184                          |
| Equipment - Operating                 | 3,000               | 54             | 2,946                          |
| Equipment Rental                      | 3,000               | -              | 3,000                          |
| Engineer Fees                         | 10,000              | -              | 10,000                         |
| Trees, Shrubs, Sod & Seed             | -                   | -              | -                              |
| Maintenance & Repair - Equipment      | 6,000               | 787            | 5,213                          |
| Maintenance & Repair - Grave Stones   | 4,000               | 650            | 3,350                          |
| Maintenance & Repair - Fence          | 10,000              | -              | 10,000                         |
| Maintenance & Repair - Vehicles       | 2,500               | 333            | 2,167                          |
| Maintenance & Repair - Streets        | 3,000               | -              | 3,000                          |
| Maintenance & Repair - Building       | 3,500               | 500            | 3,000                          |
| Tree & Stump Removal                  | 2,500               | -              | 2,500                          |
| Telephone                             | 1,500               | 124            | 1,376                          |
| Office Supplies & Software            | 5,800               | 692            | 5,108                          |
| Cemetery Records System               | 4,000               | -              | 4,000                          |
| Unemployment Insurance                | 8,000               | 5,475          | 2,525                          |
| Employee Deferred Compensation        | 1,500               | 672            | 828                            |
| Total Cemetery                        | <u>136,300</u>      | <u>40,352</u>  | <u>95,948</u>                  |
| City Parks and Buildings:             |                     |                |                                |
| City Parks:                           |                     |                |                                |
| Wages - Parks Labor                   | 38,500              | 22,392         | 16,108                         |
| Deferred Compensation                 | 1,000               | 556            | 444                            |
| Gas and Oil                           | 6,000               | 2,504          | 3,496                          |
| Tree Removal                          | 1,000               | -              | 1,000                          |
| Miscellaneous                         | 4,000               | -              | 4,000                          |
| Supplies - Materials                  | 4,000               | 855            | 3,145                          |
| Equipment - Operating & Recreational  | 2,000               | 54             | 1,946                          |
| Trees, Shrubs, Sod & Seed             | -                   | 152            | (152)                          |
| Maintenance & Repair - Benches/Tables | 2,000               | -              | 2,000                          |
| Maintenance & Repair - Equipment      | 8,000               | 1,109          | 6,891                          |
| Maintenance & Repair - Vehicles       | 5,000               | 333            | 4,667                          |
| Maintenance & Repair - Boat Ramp      | 10,000              | -              | 10,000                         |
| Maintenance & Repair - Moffitt Park   | 10,000              | -              | 10,000                         |
| Park Land Improvements                | 30,000              | -              | 30,000                         |
| Rentals                               | 3,000               | 1,198          | 1,802                          |
|                                       | <u>124,500</u>      | <u>29,153</u>  | <u>95,347</u>                  |
| City Buildings:                       |                     |                |                                |
| Wages - Janitor                       | 56,000              | 32,802         | 23,198                         |
| Part-time Labor                       | -                   | 6,609          | (6,609)                        |
| Health Insurance                      | 16,000              | 14,622         | 1,378                          |
| Utilities - Heating & Lighting        | 75,000              | 43,699         | 31,301                         |
| Equipment Rental                      | 1,000               | -              | 1,000                          |
| Uniform Expense                       | 800                 | 550            | 250                            |
| Supplies - Materials & Cleaning       | 5,000               | 1,791          | 3,209                          |
| Miscellaneous                         | 2,100               | -              | 2,100                          |
| Equipment - Office                    | 4,000               | -              | 4,000                          |
| Maintenance & Repair - Buildings      | 140,000             | -              | 140,000                        |
| Maintenance & Repair - Equipment      | 4,000               | -              | 4,000                          |
| Maintenance & Repair - Parks          | 3,500               | -              | 3,500                          |
| Professional Services                 | 3,000               | -              | 3,000                          |
| Employee Deferred Compensation        | 2,400               | 1,656          | 744                            |
| Car Allowance                         | 1,000               | 720            | 280                            |
|                                       | <u>313,800</u>      | <u>102,449</u> | <u>211,351</u>                 |
| Total Parks and Buildings             | <u>438,300</u>      | <u>131,602</u> | <u>306,698</u>                 |

CITY OF CHILLICOTHE, ILLINOIS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014  
(Continued)

|  | <u>Appropriated</u>   | <u>Actual</u>       | <u>(Over) Under<br/>Budget</u> |
|--|-----------------------|---------------------|--------------------------------|
| <u>Expenditures:</u> (Continued)                             |                       |                     |                                |
| Current:   |                       |                     |                                |
| Economic Development:  |                       |                     |                                |
| Wages - Director   | 65,000                | 49,723              | 15,277                         |
| Telephone  | 2,000                 | 1,033               | 967                            |
| Miscellaneous  | 3,000                 | -                   | 3,000                          |
| Office Equipment & Supplies                                  | 6,500                 | 393                 | 6,107                          |
| Travel Expense   | 3,000                 | 48                  | 2,952                          |
| Uniform Expense  | 700                   | 550                 | 150                            |
| Seminars/Workshops   | 5,000                 | -                   | 5,000                          |
| Dues & Subscriptions   | 2,000                 | 415                 | 1,585                          |
| Postage expense  | 1,000                 | -                   | 1,000                          |
| Unemployment   | 6,000                 | -                   | 6,000                          |
| Maintenance & Repair - Equipment                             | 1,200                 | 125                 | 1,075                          |
| Professional Services  | 8,000                 | -                   | 8,000                          |
| Insurance - Employees  | 15,200                | 14,622              | 578                            |
| Deferred Compensation  | 3,900                 | 1,487               | 2,413                          |
| Comprehensive Plan   | 15,000                | -                   | 15,000                         |
| Engineering  | 5,000                 | -                   | 5,000                          |
| Promotional material   | <u>3,000</u>          | <u>286</u>          | <u>2,714</u>                   |
| Total Economic Development                                   | <u>145,500</u>        | <u>68,682</u>       | <u>76,818</u>                  |
| Total Current Expenditures                                   | <u>3,366,150</u>      | <u>1,763,432</u>    | <u>1,602,718</u>               |
| Capital Expenditures:  |                       |                     |                                |
| Administrative   | 150,000               | -                   | 150,000                        |
| Police Department  | 95,000                | 50,347              | 44,653                         |
| Fire Department  | 287,000               | 50,470              | 236,530                        |
| Cemetery and Parks   | 159,000               | -                   | 159,000                        |
| Buildings Department   | 117,000               | -                   | 117,000                        |
| Debt Service:  | <u>-</u>              | <u>-</u>            | <u>-</u>                       |
| Total Expenditures Before Other<br>Financing Sources (Uses)  | <u>4,174,150</u>      | <u>1,864,249</u>    | <u>2,309,901</u>               |
| Excess (Deficiency) of Revenues<br>over (Under) Expenditures | (2,671,092)           | 317,085             | 2,988,177                      |
| Other Financing Sources (Uses):                              |                       |                     |                                |
| Operating transfers In                                       | -                     | -                   | -                              |
| Operating transfers Out                                      | <u>18,000</u>         | <u>-</u>            | <u>18,000</u>                  |
| Excess of Revenues<br>Over Expenditures                      | <u>\$ (2,689,092)</u> | 317,085             | <u>\$ 3,006,177</u>            |
| Fund Balance, Beginning                                      |                       | <u>2,754,001</u>    |                                |
| Fund Balance, Ending   |                       | <u>\$ 3,071,086</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
POLICE PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|   | <u>Certified</u><br><u>Estimate</u> | <u>Actual</u>      | <u>Over (Under)</u><br><u>Budget</u> |
|---|-------------------------------------|--------------------|--------------------------------------|
| <u>Revenues</u>                                 |                                     |                    |                                      |
| Property taxes                                  | \$ 41,567                           | \$ 41,608          | \$ 41                                |
| Replacement tax                                 | -                                   | 1,038              | 1,038                                |
| Fines   | -                                   | 5,375              | 5,375                                |
| Grants  | -                                   | -                  | -                                    |
| Vehicle Impoundment                             | 30,000                              | 73,500             | 43,500                               |
| Interest  | -                                   | 102                | 102                                  |
| Miscellaneous                                   | -                                   | <u>10,323</u>      | <u>10,323</u>                        |
| <br>Total Revenues                              | <br><u>71,567</u>                   | <br><u>131,946</u> | <br><u>60,379</u>                    |
| <br>  |                                     |                    |                                      |
|   | <u>Appropriated</u>                 | <u>Actual</u>      | <u>(Over) Under</u><br><u>Budget</u> |
| <u>Expenditures</u>                             |                                     |                    |                                      |
| Public Safety:                                  |                                     |                    |                                      |
| LEADS Program                                   | 9,000                               | 3,673              | 5,327                                |
| Training Schools                                | 12,000                              | 810                | 11,190                               |
| Supplies  | 8,000                               | -                  | 8,000                                |
| Dues & Subscriptions                            | 3,000                               | 1,881              | 1,119                                |
| Maintenance & Repairs                           | 30,000                              | 8,257              | 21,743                               |
| K-9 Expenses                                    | 17,000                              | 11,525             | 5,475                                |
| Miscellaneous                                   | <u>15,000</u>                       | <u>5,132</u>       | <u>9,868</u>                         |
| Total Public Safety                             | <u>94,000</u>                       | <u>31,278</u>      | <u>62,722</u>                        |
| <br>  |                                     |                    |                                      |
| Capital:  |                                     |                    |                                      |
| Equipment                                       | 60,000                              | 34,215             | 25,785                               |
| Police car purchases                            | <u>80,000</u>                       | <u>47,186</u>      | <u>32,814</u>                        |
| Total Capital                                   | <u>140,000</u>                      | <u>81,401</u>      | <u>58,599</u>                        |
| <br>  |                                     |                    |                                      |
| Total Expenditures                              | <u>234,000</u>                      | <u>112,679</u>     | <u>121,321</u>                       |
| <br>  |                                     |                    |                                      |
| Excess of Revenues Over<br>(Under) Expenditures | <u>\$ (162,433)</u>                 | 19,267             | <u>\$ 181,700</u>                    |
| <br>  |                                     |                    |                                      |
| Fund Balance, Beginning                         |                                     | <u>154,142</u>     |                                      |
| Fund Balance, Ending                            |                                     | <u>\$ 173,409</u>  |                                      |

CITY OF CHILLICOTHE, ILLINOIS  
MOTOR FUEL TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|   | <u>Certified</u><br><u>Estimate</u> | <u>Actual</u>         | Over (Under)<br><u>Budget</u> |
|---|-------------------------------------|-----------------------|-------------------------------|
| <u>Revenues</u>                                 |                                     |                       |                               |
| Motor Fuel Tax Allotments                       | \$ -                                | \$ 150,521            | \$ 150,521                    |
| Miscellaneous                                   | -                                   | 26,039                | 26,039                        |
| Interest Income                                 | -                                   | <u>30</u>             | <u>30</u>                     |
| <br>Total Revenues                              | <br>-                               | <br><u>176,590</u>    | <br><u>176,590</u>            |
| <br>  |                                     |                       |                               |
|   | <u>Appropriated</u>                 | <u>Actual</u>         | (Over) Under<br><u>Budget</u> |
| <u>Expenditures</u>                             |                                     |                       |                               |
| Current:  |                                     |                       |                               |
| Wages   | \$ 30,000                           | -                     | \$ 30,000                     |
| Equipment Rental                                | 30,000                              | -                     | 30,000                        |
| Culverts  | 8,000                               | -                     | 8,000                         |
| Sealcoating and Crack Filling                   | 70,000                              | -                     | 70,000                        |
| Sidewalks                                       | 50,000                              | -                     | 50,000                        |
| Manhole Rings                                   | 3,000                               | -                     | 3,000                         |
| Patch and Aggregate                             | 100,000                             | 6,735                 | 93,265                        |
| Traffic Control and Signing                     | 3,000                               | -                     | 3,000                         |
| Salt & Cinders                                  | 40,000                              | 22,891                | 17,109                        |
| Miscellaneous                                   | 1,000                               | 20                    | 980                           |
| Fill Sand & Gravel                              | 6,000                               | 6,752                 | (752)                         |
| Street Signs                                    | 6,000                               | 165                   | 5,835                         |
| Line Marker Paint                               | 5,000                               | -                     | 5,000                         |
| Overlay   | 160,000                             | 111,809               | 48,191                        |
| Engineering                                     | <u>65,000</u>                       | <u>15,279</u>         | <u>49,721</u>                 |
| <br>Total Expenditures                          | <br><u>577,000</u>                  | <br><u>163,651</u>    | <br><u>413,349</u>            |
| <br>  |                                     |                       |                               |
| Excess of Revenues Over<br>(Under) Expenditures | <u>\$ (577,000)</u>                 | 12,939                | <u>\$ 589,939</u>             |
| <br>  |                                     |                       |                               |
| <u>Fund Balance, Beginning</u>                  |                                     | <u>184,785</u>        |                               |
| <br><u>Fund Balance, Ending</u>                 |                                     | <br><u>\$ 197,724</u> |                               |



CITY OF CHILLICOTHE, ILLINOIS  
ROAD AND BRIDGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|  | <u>Certified</u><br><u>Estimate</u> | <u>Actual</u>  | <u>Over (Under)</u><br><u>Budget</u> |
|--|-------------------------------------|----------------|--------------------------------------|
| <u>Revenues</u>                                  |                                     |                |                                      |
| Property Taxes                                   | \$ 53,000                           | \$ 60,078      | \$ 7,078                             |
| Replacement Tax                                  | -                                   | 396            | 396                                  |
| Equipment Rental                                 | -                                   | -              | -                                    |
| Tonnage Fees                                     | 23,000                              | 17,398         | (5,602)                              |
| Interest   | -                                   | 97             | 97                                   |
| Stimulus Reimbursement                           | -                                   | -              | -                                    |
| Miscellaneous                                    | -                                   | 12,520         | 12,520                               |
| Telecommunication Tax                            | <u>220,000</u>                      | <u>213,044</u> | <u>(6,956)</u>                       |
| Total Revenues                                   | <u>296,000</u>                      | <u>303,533</u> | <u>7,533</u>                         |
| <br>   |                                     |                |                                      |
|  |                                     |                | <u>(Over) Under</u><br><u>Budget</u> |
| <u>Expenditures</u>                              |                                     |                |                                      |
| Current:   |                                     |                |                                      |
| General Government:                              |                                     |                |                                      |
| Insurance - General                              | 6,000                               | -              | 6,000                                |
| Insurance - Employees                            | 65,000                              | 57,323         | 7,677                                |
| Insurance - Unemployment                         | 12,000                              | -              | 12,000                               |
| Telephone  | 4,000                               | 2,515          | 1,485                                |
| Bank Charges                                     | 1,000                               | -              | 1,000                                |
| Miscellaneous                                    | -                                   | 558            | (558)                                |
| Office Supplies                                  | 3,000                               | -              | 3,000                                |
| Deferred Compensation                            | 15,000                              | 7,481          | 7,519                                |
| Office Equipment Maintenance                     | <u>5,000</u>                        | <u>-</u>       | <u>5,000</u>                         |
| Total General Government                         | <u>111,000</u>                      | <u>67,877</u>  | <u>43,123</u>                        |
| <br>   |                                     |                |                                      |
| Streets, Alleys & Sidewalks:                     |                                     |                |                                      |
| Wages - Department Head                          | 35,000                              | 9,983          | 25,017                               |
| Wages - Labor                                    | 210,000                             | 135,189        | 74,811                               |
| Gas & Oil  | 35,000                              | 16,911         | 18,089                               |
| Equipment Rental                                 | 39,000                              | 7,720          | 31,280                               |
| Fill Sand & Gravel                               | 1,500                               | -              | 1,500                                |
| Miscellaneous                                    | 4,500                               | -              | 4,500                                |
| Supplies - Operating                             | 12,000                              | 5,029          | 6,971                                |
| Equipment - Operating                            | 10,000                              | -              | 10,000                               |
| Trees, Shrubs, Sod & Seed                        | 500                                 | -              | 500                                  |
| New Construction - Streets, Alleys,<br>Sidewalks | 650,000                             | -              | 650,000                              |
| Maintenance & Repair - Equipment                 | 15,000                              | 9,957          | 5,043                                |
| Maintenance & Repair - Vehicles                  | 15,000                              | 8,365          | 6,635                                |
| Maintenance & Repair - Dry Wells                 | 80,000                              | 2,446          | 77,554                               |
| Utilities - Stop Lights                          | 10,000                              | 4,530          | 5,470                                |
| Sidewalk Program                                 | 30,000                              | -              | 30,000                               |

CITY OF CHILLICOTHE, ILLINOIS  
ROAD AND BRIDGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014  
(Continued)

|  | <u>Appropriated</u>   | <u>Actual</u>     | <u>(Over) Under<br/>Budget</u> |
|--|-----------------------|-------------------|--------------------------------|
| <u>Expenditures</u> (Continued)  |                       |                   |                                |
| Current:   |                       |                   |                                |
| Streets, Alleys & Sidewalks (Continued)  |                       |                   |                                |
| Maintenance & Repair - Bridge  | 200,000               | -                 | 200,000                        |
| Maintenance & Repair - Building  | 30,000                | -                 | 30,000                         |
| Maintenance & Repair - Streets,<br>Alleys & Sidewalks                                    | 190,000               | 22,886            | 167,114                        |
| Maintenance & Repair - Street<br>Signs & Traffic Lights                                  | -                     | 1,025             | (1,025)                        |
| Uniforms   | 4,000                 | 1,375             | 2,625                          |
| Patch  | 500                   | -                 | 500                            |
| Snow Removal   | 5,000                 | -                 | 5,000                          |
| Drainage Improvements  | 100,000               | -                 | 100,000                        |
| Engineering  | 40,000                | 5,991             | 34,009                         |
| Pest Control   | <u>10,000</u>         | <u>80</u>         | <u>9,920</u>                   |
| Total Streets, Alleys & Sidewalks  | <u>1,727,000</u>      | <u>231,487</u>    | <u>1,495,513</u>               |
| Capital:   | <u>265,000</u>        | <u>39,432</u>     | <u>225,568</u>                 |
| Total Expenditures   | <u>2,103,000</u>      | <u>338,796</u>    | <u>1,764,204</u>               |
| Excess of Revenues Over<br>(Under) Expenditures Before<br>Other Financing Sources (Uses) | (1,807,000)           | (35,263)          | 1,771,737                      |
| Other Financing Sources (Uses):  |                       |                   |                                |
| Operating Transfers Out  | -                     | -                 | -                              |
| Operating Transfers In   | <u>-</u>              | <u>-</u>          | <u>-</u>                       |
| Total Other Financing Sources (Uses)   | <u>-</u>              | <u>-</u>          | <u>-</u>                       |
| Excess of Revenues Over<br>(Under) Expenditures  | <u>\$ (1,807,000)</u> | (35,263)          | <u>\$ 1,771,737</u>            |
| <u>Fund Balance</u> , Beginning  |                       | <u>432,033</u>    |                                |
| <u>Fund Balance</u> , Ending   |                       | <u>\$ 396,770</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
 FIRE PROTECTION FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|  | <u>Certified<br/>Estimate</u> | <u>Actual</u>     | <u>Over (Under)<br/>Budget</u> |
|--|-------------------------------|-------------------|--------------------------------|
| <u>Revenues</u>  |                               |                   |                                |
| Property Taxes   | \$ 47,000                     | \$ 49,212         | \$ 2,212                       |
| Replacement Tax  | -                             | 1,236             | 1,236                          |
| Grant Revenue  | -                             | -                 | -                              |
| Foreign Fire Insurance Tax   | -                             | 17,877            | 17,877                         |
| Interest Income  | -                             | 31                | 31                             |
| Miscellaneous Income   | -                             | -                 | -                              |
|  | <u>47,000</u>                 | <u>68,356</u>     | <u>21,356</u>                  |
| Total Revenues   |                               |                   |                                |
| <br>   |                               |                   |                                |
|  | <u>Appropriated</u>           | <u>Actual</u>     | <u>(Over) Under<br/>Budget</u> |
| <u>Expenditures</u>  |                               |                   |                                |
| Current:   |                               |                   |                                |
| General Government:  |                               |                   |                                |
| Conventions and Seminars   | 4,000                         | 1,262             | 2,738                          |
| Miscellaneous  | 82,000                        | 5,546             | 76,454                         |
| Public Safety:   |                               |                   |                                |
| Maintenance & Repairs  | 50,000                        | 9,816             | 40,184                         |
| Debt Service:  |                               |                   |                                |
|  | 20,000                        | 12,500            | 7,500                          |
| Capital:   |                               |                   |                                |
|  | <u>500,000</u>                | <u>1,705</u>      | <u>498,295</u>                 |
|  | <u>656,000</u>                | <u>30,829</u>     | <u>545,979</u>                 |
| Total Expenditures   |                               |                   |                                |
| <br>   |                               |                   |                                |
| Excess of Revenues Over<br>(Under) Expenditures Before<br>Other Financing Sources (Uses) | (609,000)                     | 37,527            | 567,335                        |
| <br>   |                               |                   |                                |
| Other Financing Sources (Uses):  |                               |                   |                                |
| Operating Transfers Out  | -                             | -                 | -                              |
| Operating Transfers In   | -                             | -                 | -                              |
|  | <u>        </u>               | <u>        </u>   | <u>        </u>                |
|  | <u>        </u>               | <u>        </u>   | <u>        </u>                |
| Excess of Revenues Over<br>(Under) Expenditures  | <u>\$ (609,000)</u>           | 37,527            | <u>\$ 567,335</u>              |
| <br>   |                               |                   |                                |
| <u>Fund Balance, Beginning</u>   |                               | <u>119,093</u>    |                                |
| <u>Fund Balance, Ending</u>  |                               | <u>\$ 156,620</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
 CIVIL DEFENSE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|   | <u>Certified<br/>Estimate</u> | <u>Actual</u>   | <u>Over (Under)<br/>Budget</u> |
|---|-------------------------------|-----------------|--------------------------------|
| <u>Revenues</u>                                 |                               |                 |                                |
| Property Taxes                                  | \$ 1,490                      | \$ 1,491        | \$ 1                           |
| Replacement Tax                                 | -                             | 39              | 39                             |
| Interest Income                                 | -                             | 1               | 1                              |
|   | <u>1,490</u>                  | <u>1,531</u>    | <u>41</u>                      |
| Total Revenues                                  |                               |                 |                                |
| <br><u>Expenditures</u>                         |                               |                 |                                |
|   | <u>Appropriated</u>           | <u>Actual</u>   | <u>(Over) Under<br/>Budget</u> |
| Current:  |                               |                 |                                |
| Public Safety:                                  |                               |                 |                                |
| Gas and Oil                                     | 500                           | -               | 500                            |
| Alternate Communication                         | 3,000                         | 1,368           | 1,632                          |
| Miscellaneous                                   | 1,000                         | -               | 1,000                          |
| Equipment Maintenance                           | <u>4,000</u>                  | <u>-</u>        | <u>4,000</u>                   |
| Total Public Safety                             | 8,500                         | 1,368           | 7,132                          |
| Capital:  | <u>21,000</u>                 | <u>-</u>        | <u>21,000</u>                  |
| Total Expenditures                              | <u>29,500</u>                 | <u>1,368</u>    | <u>28,132</u>                  |
| Excess of Revenues Over<br>(Under) Expenditures | <u>\$ (28,010)</u>            | 163             | <u>\$ 28,173</u>               |
| <u>Fund Balance, Beginning</u>                  |                               | <u>5,209</u>    |                                |
| <u>Fund Balance, Ending</u>                     |                               | <u>\$ 5,372</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
 ECONOMIC DEVELOPMENT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|  | <u>Certified<br/>Estimate</u> | <u>Actual</u>     | <u>Over (Under)<br/>Budget</u> |
|--|-------------------------------|-------------------|--------------------------------|
| <u>Revenues</u>  |                               |                   |                                |
| Economic Development Loan Repayments                               | \$ 24,730                     | \$ 43,890         | \$ 19,160                      |
| Interest Income  | -                             | 6,381             | 6,381                          |
| Miscellaneous  | -                             | -                 | -                              |
|  | <u>24,730</u>                 | <u>50,271</u>     | <u>25,541</u>                  |
| <br>   |                               |                   |                                |
| <u>Expenditures</u>  |                               |                   |                                |
|  | <u>Appropriated</u>           | <u>Actual</u>     | <u>(Over) Under<br/>Budget</u> |
| Current:   |                               |                   |                                |
| General Government:  |                               |                   |                                |
| Legal Fees & Miscellaneous   | -                             | 261               | (261)                          |
| Capital: Economic Development Loans                                |                               |                   |                                |
|  | -                             | -                 | -                              |
|  | <u>-</u>                      | <u>261</u>        | <u>(261)</u>                   |
| <br>   |                               |                   |                                |
| Excess of Revenues Over (Under)<br>Expenditures before Adjustments | <u>\$ 24,730</u>              | <u>50,010</u>     | <u>\$ 25,280</u>               |
| <br>   |                               |                   |                                |
| Adjustments for Items Not Affecting<br>Fund Balance:               |                               |                   |                                |
| Loan Principal Repayments  |                               | (43,890)          |                                |
| Principal Amount of New Loans                                      |                               | -                 |                                |
|  |                               | <u>(43,890)</u>   |                                |
| <br>   |                               |                   |                                |
| Excess of Revenues Over<br>(Under) Expenditures                    |                               | 6,120             |                                |
| <br>   |                               |                   |                                |
| <u>Fund Balance, Beginning</u>                                     |                               | <u>907,364</u>    |                                |
| <br>   |                               |                   |                                |
| <u>Fund Balance, Ending</u>  |                               | <u>\$ 913,484</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
TORT LIABILITY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|   | <u>Certified<br/>Estimate</u> | <u>Actual</u>    | <u>Over (Under)<br/>Budget</u> |
|---|-------------------------------|------------------|--------------------------------|
| <u>Revenues</u>                                 |                               |                  |                                |
| Property Taxes                                  | \$ 99,622                     | \$ 99,710        | \$ 88                          |
| Replacement Tax                                 | -                             | 2,510            | 2,510                          |
| Interest Income                                 | -                             | <u>98</u>        | <u>98</u>                      |
| Total Revenues                                  | <u>99,622</u>                 | 102,318          | <u>2,696</u>                   |
| <br><u>Expenditures</u>                         |                               |                  |                                |
|   | <u>Appropriated</u>           | <u>Actual</u>    | <u>(Over) Under<br/>Budget</u> |
| Current:  |                               |                  |                                |
| General Government:                             |                               |                  |                                |
| Tort Judgments and<br>Liability Insurance       | <u>200,000</u>                | <u>135,339</u>   | <u>64,661</u>                  |
| Excess of Revenues Over<br>(Under) Expenditures | <u>\$ (100,378)</u>           | (33,021)         | <u>\$ 67,357</u>               |
| <u>Fund Balance, Beginning</u>                  |                               | <u>74,546</u>    |                                |
| <u>Fund Balance, Ending</u>                     |                               | <u>\$ 41,525</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
 AUDIT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|   | <u>Certified<br/>Estimate</u> | <u>Actual</u> | <u>Over (Under)<br/>Budget</u> |
|---|-------------------------------|---------------|--------------------------------|
| <u>Revenues</u>                                 |                               |               |                                |
| Property Taxes                                  | \$ 15,995                     | \$ 16,009     | \$ 14                          |
| Replacement Tax                                 | -                             | 407           | 407                            |
| Interest  | -                             | 5             | 5                              |
|   |                               |               |                                |
| Total Revenues                                  | 15,995                        | 16,421        | 426                            |
| <br>  |                               |               |                                |
| <u>Expenditures</u>                             |                               |               |                                |
| Current:  | <u>Appropriated</u>           | <u>Actual</u> | <u>(Over) Under<br/>Budget</u> |
| General Government:                             |                               |               |                                |
| Audit   | 20,000                        | 11,500        | 8,500                          |
|   |                               |               |                                |
| Excess of Revenues Over<br>(Under) Expenditures | \$ (4,005)                    | 4,921         | \$ 8,926                       |
| <u>Fund Balance, Beginning</u>                  |                               | 24,348        |                                |
| <u>Fund Balance, Ending</u>                     |                               | \$ 29,269     |                                |

CITY OF CHILLICOTHE, ILLINOIS  
SOCIAL SECURITY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|   | <u>Certified<br/>Estimate</u> | <u>Actual</u>    | <u>Over (Under)<br/>Budget</u> |
|---|-------------------------------|------------------|--------------------------------|
| <u>Revenues</u>                                 |                               |                  |                                |
| Property Taxes                                  | \$ 102,005                    | \$ 102,091       | \$ 86                          |
| Replacement Tax                                 | -                             | 2,563            | 2,563                          |
| Interest Income                                 | -                             | 62               | 62                             |
| Miscellaneous Income                            | -                             | -                | -                              |
| Operating Transfers In                          | -                             | -                | -                              |
|   | <u>102,005</u>                | <u>104,716</u>   | <u>2,711</u>                   |
| Total Revenues                                  |                               |                  |                                |
| <br>  |                               |                  |                                |
|   | <u>Appropriated</u>           | <u>Actual</u>    | <u>(Over) Under<br/>Budget</u> |
| <u>Expenditures</u>                             |                               |                  |                                |
| Current:  |                               |                  |                                |
| General Government:                             |                               |                  |                                |
| Social Security/Medicare Taxes                  | 165,000                       | 89,472           | 75,528                         |
| Miscellaneous                                   | -                             | -                | -                              |
|   | <u>165,000</u>                | <u>89,472</u>    | <u>75,528</u>                  |
| Total Expenditures                              |                               |                  |                                |
|   |                               |                  |                                |
| Excess of Revenues Over<br>(Under) Expenditures | <u>\$ (62,995)</u>            | 15,244           | <u>\$ 78,239</u>               |
| <br>  |                               |                  |                                |
| <u>Fund Balance, Beginning</u>                  |                               | <u>16,865</u>    |                                |
| <br>  |                               |                  |                                |
| <u>Fund Balance, Ending</u>                     |                               | <u>\$ 32,109</u> |                                |



CITY OF CHILLICOTHE, ILLINOIS  
TAX INCREMENT FINANCING FUND  
(TIF FUND)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|  | <u>Certified<br/>Estimate</u> | <u>Actual</u>       | <u>Over (Under)<br/>Budget</u> |
|--|-------------------------------|---------------------|--------------------------------|
| <u>Revenues</u>                                      |                               |                     |                                |
| Property Taxes                                       | \$ 464,000                    | \$ 471,577          | \$ 7,577                       |
| Redevelopment Escrow                                 | -                             | -                   | -                              |
| Miscellaneous Income                                 | -                             | 6,932               | 6,932                          |
| Interest Income                                      | -                             | 598                 | 598                            |
| Total Revenues                                       | <u>464,000</u>                | <u>479,107</u>      | <u>15,107</u>                  |
| <br>   |                               |                     |                                |
| <u>Expenditures</u>                                  |                               |                     |                                |
| Current:   |                               |                     |                                |
| General Government:                                  |                               |                     |                                |
| Administration                                       | 215,000                       | -                   | 215,000                        |
| Miscellaneous  | 11,500                        | 978                 | 10,522                         |
| Professional Fees                                    | 65,000                        | 9,185               | 55,815                         |
| Dues   | 2,000                         | 550                 | 1,450                          |
| Travel and Meetings                                  | 10,000                        | 1,734               | 8,266                          |
| Total General Government                             | <u>303,500</u>                | <u>12,447</u>       | <u>291,053</u>                 |
| Streets and Alleys:                                  |                               |                     |                                |
| Street & Sidewalk Improvements                       | 375,000                       | 58,098              | 316,902                        |
| Stop Light Maintenance                               | 28,000                        | 2,698               | 25,302                         |
| Water Mains  | 175,000                       | -                   | 175,000                        |
| Engineering  | 45,000                        | 10,313              | 34,687                         |
| Total Streets and Alleys                             | <u>623,000</u>                | <u>71,109</u>       | <u>551,891</u>                 |
| Economic Development:                                |                               |                     |                                |
| Riverfront Improvements                              | 600,000                       | 16,430              | 583,570                        |
| Project Facelift                                     | 78,000                        | 1,613               | 76,387                         |
| Commercial Rehabilitation Program                    | 780,000                       | 9,000               | 771,000                        |
| Property Acquisition                                 | 475,000                       | -                   | 475,000                        |
| Building Improvements                                | 80,000                        | 1,260               | 78,740                         |
| Demolition   | 50,000                        | -                   | 50,000                         |
| Railroad Crossings                                   | 40,000                        | -                   | 40,000                         |
| Signs  | 55,000                        | -                   | 55,000                         |
| Park Improvements                                    | 135,000                       | 33,205              | 101,795                        |
| Total Economic Development                           | <u>2,293,000</u>              | <u>61,508</u>       | <u>2,231,492</u>               |
| Debt Service:  |                               |                     |                                |
| Principal  | 40,000                        | -                   | 40,000                         |
| Interest   | -                             | 681                 | (681)                          |
| Total Debt Service                                   | <u>40,000</u>                 | <u>681</u>          | <u>39,319</u>                  |
| Total Expenditures                                   | <u>3,259,500</u>              | <u>145,745</u>      | <u>3,113,755</u>               |
| <br>   |                               |                     |                                |
| Excess of Revenues Over<br>(Under) Expenditures      | <u>\$ (2,795,500)</u>         | 333,362             | <u>\$ 3,128,862</u>            |
| <br>   |                               |                     |                                |
| Adjustments for Items Not Affecting<br>Fund Balance: |                               |                     |                                |
| Loan Principal Repayments                            | -                             | -                   | -                              |
| <br>   |                               |                     |                                |
| <u>Fund Balance, Beginning</u>                       | <u>712,063</u>                | <u>712,063</u>      | <u>712,063</u>                 |
| <u>Fund Balance, Ending</u>                          | <u>\$ 1,045,425</u>           | <u>\$ 1,045,425</u> | <u>\$ 1,045,425</u>            |

CITY OF CHILLICOTHE, ILLINOIS  
POLICE PENSION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|   | <u>Certified<br/>Estimate</u> | <u>Actual</u>       | <u>Over (Under)<br/>Budget</u> |
|---|-------------------------------|---------------------|--------------------------------|
| <u>Revenues</u>                                 |                               |                     |                                |
| Property Taxes                                  | \$ 122,009                    | \$ 193,172          | \$ 71,163                      |
| Replacement Tax                                 | -                             | 4,679               | 4,679                          |
| Employee Contributions                          | -                             | 50,808              | 50,808                         |
| Interest Income                                 | -                             | 23,898              | 23,898                         |
| Miscellaneous Income                            | -                             | -                   | -                              |
|   | -                             | -                   | -                              |
| Total Revenues                                  | <u>122,009</u>                | <u>272,557</u>      | <u>150,548</u>                 |
| <br>  |                               |                     |                                |
|   | <u>Appropriated</u>           | <u>Actual</u>       | <u>(Over) Under<br/>Budget</u> |
| <u>Expenditures</u>                             |                               |                     |                                |
| Current:  |                               |                     |                                |
| General Government:                             |                               |                     |                                |
| Pension Payments                                | 210,000                       | 179,819             | 30,181                         |
| Termination Distributions                       | -                             | -                   | -                              |
| Miscellaneous                                   | -                             | 629                 | (629)                          |
|   | -                             | -                   | -                              |
| Total Expenditures                              | <u>210,000</u>                | <u>180,448</u>      | <u>29,552</u>                  |
| Excess of Revenues Over<br>(Under) Expenditures | <u>\$ (87,991)</u>            | 92,109              | <u>\$ 180,100</u>              |
| <br>  |                               |                     |                                |
| <u>Fund Balance, Beginning</u>                  |                               | <u>2,846,739</u>    |                                |
| <br>  |                               |                     |                                |
| <u>Fund Balance, Ending</u>                     |                               | <u>\$ 2,938,848</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
HOTEL/MOTEL TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

| <u>Revenues</u>                                 | <u>Certified<br/>Estimate</u> | <u>Actual</u>    | <u>Over (Under)<br/>Budget</u> |
|---|-------------------------------|------------------|--------------------------------|
| Hotel/Motel Tax                                 | \$ 27,000                     | \$ 13,941        | \$ (13,059)                    |
| Interest Income                                 | -                             | 2                | 2                              |
| Miscellaneous Income                            | -                             | -                | -                              |
| Total Revenues                                  | <u>27,000</u>                 | <u>13,943</u>    | <u>(13,057)</u>                |
|   |                               |                  |                                |
| <u>Expenditures</u>                             | <u>Appropriation</u>          | <u>Actual</u>    | <u>(Over) Under<br/>Budget</u> |
| Current:  |                               |                  |                                |
| Economic Development:                           |                               |                  |                                |
| Web Site  | 4,500                         | 1,200            | 3,300                          |
| Postage   | 750                           | -                | 750                            |
| Advertising/Targeted Marketing                  | 11,000                        | 2,369            | 8,631                          |
| Promotions                                      | 28,500                        | 6,264            | 22,236                         |
| Scenic By Way                                   | 5,000                         | -                | 5,000                          |
| Dues & Subscriptions                            | 3,000                         | 75               | 2,925                          |
| Travel  | 2,500                         | 225              | 2,275                          |
| Seminars  | 2,500                         | -                | 2,500                          |
| Office Supplies                                 | 1,000                         | -                | 1,000                          |
| Miscellaneous                                   | <u>1,000</u>                  | <u>-</u>         | <u>1,000</u>                   |
| Total Expenditures                              | <u>59,750</u>                 | <u>10,133</u>    | <u>49,617</u>                  |
| Excess of Revenues Over<br>(Under) Expenditures | <u>\$ (32,750)</u>            | 3,810            | <u>\$ 36,560</u>               |
|   |                               |                  |                                |
| <u>Fund Balance, Beginning</u>                  |                               | <u>11,258</u>    |                                |
| <u>Fund Balance, Ending</u>                     |                               | <u>\$ 15,068</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
WATERWORKS AND SEWERAGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN RETAINED EARNINGS - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014

|                                    | <u>Certified</u><br><u>Estimate</u> | <u>Actual</u>      | <u>Over (Under)</u><br><u>Budget</u> |
|------------------------------------|-------------------------------------|--------------------|--------------------------------------|
| <u>Revenues</u>                    |                                     |                    |                                      |
| User Charges                       | \$ 827,000                          | \$ 898,993         | \$ 71,993                            |
| Service Fee                        | 20,000                              | 24,398             | 4,398                                |
| Interest Income                    | 500                                 | 383                | (117)                                |
| Miscellaneous                      | <u>-</u>                            | <u>7,350</u>       | <u>7,350</u>                         |
| <br>Total Revenues                 | <br><u>847,500</u>                  | <br><u>931,124</u> | <br><u>83,624</u>                    |
| <br><u>Expenditures</u>            |                                     |                    |                                      |
| Current:                           | <u>Appropriated</u>                 | <u>Actual</u>      | <u>(Over) Under</u><br><u>Budget</u> |
| General and Administrative:        |                                     |                    |                                      |
| Water Department:                  |                                     |                    |                                      |
| Wages - Office                     | 60,000                              | 50,237             | 9,763                                |
| Insurance - Employees Benefit      | 55,000                              | 44,918             | 10,082                               |
| Social Security & Medicare Expense | 30,500                              | 15,262             | 15,238                               |
| Unemployment                       | 5,000                               | -                  | 5,000                                |
| Uniform Allowance                  | 3,500                               | 1,500              | 2,000                                |
| Employee Deferred Compensation     | 18,000                              | 10,738             | 7,262                                |
| Telephone & Internet Expense       | 8,500                               | 4,083              | 4,417                                |
| Dues & Subscriptions               | 2,000                               | 740                | 1,260                                |
| Postage Expense                    | 1,000                               | 263                | 737                                  |
| Printing Expense                   | 2,000                               | -                  | 2,000                                |
| Bank Charges                       | 1,000                               | 386                | 614                                  |
| Miscellaneous                      | 30,500                              | 55                 | 30,445                               |
| Office Supplies                    | 5,000                               | 1,034              | 3,966                                |
| Office Space Rental                | 2,000                               | 900                | 1,100                                |
| Office Equipment                   | 10,000                              | -                  | 10,000                               |
| Insurance - General Coverage       | 10,000                              | 5,865              | 4,135                                |
| Computer Software                  | 5,500                               | 1,700              | 3,800                                |
| Billing & Posting Expense          | 9,000                               | 4,994              | 4,006                                |
| Maintenance & Repair - Equipment   | 10,000                              | 450                | 9,550                                |
| Travel Expense                     | 3,000                               | 84                 | 2,916                                |
| Seminars and Workshops             | 3,000                               | 824                | 2,176                                |
| Bond Interest Expense              | <u>170,000</u>                      | <u>60,263</u>      | <u>109,737</u>                       |
|                                    | <u>444,500</u>                      | <u>204,296</u>     | <u>240,204</u>                       |

CITY OF CHILLICOTHE, ILLINOIS  
WATERWORKS AND SEWERAGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN RETAINED EARNINGS - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014  
(Continued)

| <u>Expenditures (Continued)</u>     | <u>Appropriated</u> | <u>Actual</u>  | <u>(Over) Under<br/>Budget</u> |
|-------------------------------------|---------------------|----------------|--------------------------------|
| Current:                            |                     |                |                                |
| General and Administrative:         |                     |                |                                |
| Sewer Department:                   |                     |                |                                |
| Wages - Office                      | 60,600              | 49,687         | 10,913                         |
| Insurance - Employees Benefit       | 40,000              | 36,672         | 3,328                          |
| Social Security & Medicare Expense  | 20,000              | 6,453          | 13,547                         |
| Employee Deferred Compensation      | 10,000              | 5,120          | 4,880                          |
| Uniform Allowance                   | 3,500               | 975            | 2,525                          |
| Telephone & Internet Expense        | 2,000               | 574            | 1,426                          |
| Dues & Subscriptions                | 500                 | -              | 500                            |
| Postage Expense                     | 1,000               | 39             | 961                            |
| Printing Expense                    | 1,000               | -              | 1,000                          |
| Bank Charges                        | -                   | -              | -                              |
| Miscellaneous                       | 11,000              | 17             | 10,983                         |
| Legal                               | -                   | -              | -                              |
| Office Supplies                     | 5,000               | 260            | 4,740                          |
| Computer Software                   | 2,000               | -              | 2,000                          |
| Office Equipment                    | 5,000               | -              | 5,000                          |
| Professional Fees                   | 2,000               | -              | 2,000                          |
| Office Space Rental                 | 1,000               | 900            | 100                            |
| Insurance - General Coverage        | 8,000               | -              | 8,000                          |
| Billing & Posting Expense           | 6,500               | 5,009          | 1,491                          |
| Transfer to Other Funds             | -                   | -              | -                              |
| Maintenance & Repair - Equipment    | 5,000               | -              | 5,000                          |
| Travel                              | -                   | -              | -                              |
| Seminars and Workshops              | 500                 | 150            | 350                            |
|                                     | <u>184,600</u>      | <u>105,856</u> | <u>78,744</u>                  |
| Total General and Administrative    | <u>629,100</u>      | <u>310,152</u> | <u>318,948</u>                 |
| System Operations:                  |                     |                |                                |
| Water Department:                   |                     |                |                                |
| Salaries - Department Head          | 32,000              | 14,975         | 17,025                         |
| Wages - Labor                       | 185,000             | 146,278        | 38,722                         |
| Utilities                           | 75,000              | 51,152         | 23,848                         |
| Gas & Oil                           | 20,000              | 7,263          | 12,737                         |
| Equipment Rental                    | 10,500              | 4,148          | 6,352                          |
| Fill Sand & Gravel                  | 2,000               | -              | 2,000                          |
| Fluoridation & Chlorine             | 10,000              | 6,627          | 3,373                          |
| Miscellaneous                       | -                   | -              | -                              |
| Supplies - Operating                | 20,000              | 7,303          | 12,697                         |
| Equipment - Operating               | 15,000              | 1,625          | 13,375                         |
| Maintenance & Repair-Plant & System | 260,000             | 21,197         | 238,803                        |
| Maintenance & Repair - Equipment    | 30,000              | 322            | 29,678                         |
| Maintenance & Repair - Vehicles     | 20,000              | 1,117          | 18,883                         |
| Maintenance & Repair - Building     | 35,000              | 1,861          | 33,139                         |
| Engineering                         | 20,000              | 205            | 19,795                         |
| Utility Locating Service            | 5,000               | 883            | 4,117                          |
| Meter Reading Fees                  | 25,000              | 6,738          | 18,262                         |
| Water Testing Fees                  | 7,500               | 11,331         | (3,831)                        |
|                                     | <u>772,000</u>      | <u>283,025</u> | <u>488,975</u>                 |

CITY OF CHILLICOTHE, ILLINOIS  
WATERWORKS AND SEWERAGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN RETAINED EARNINGS - APPROPRIATED AND ACTUAL  
For The Year Ended April 30, 2014  
(Continued)

|  | <u>Appropriated</u>   | <u>Actual</u>       | <u>(Over) Under<br/>Budget</u> |
|--|-----------------------|---------------------|--------------------------------|
| <u>Expenditures (Continued)</u>  |                       |                     |                                |
| Current:   |                       |                     |                                |
| System Operations:   |                       |                     |                                |
| Sewer Department:  |                       |                     |                                |
| Salaries - Department Head   | 32,000                | 14,975              | 17,025                         |
| Wages - Labor  | 68,500                | 24,656              | 43,844                         |
| Utilities  | 15,000                | 2,735               | 12,265                         |
| Gas & Oil  | 15,000                | 7,263               | 7,737                          |
| Equipment Rental   | 8,500                 | 4,155               | 4,345                          |
| Copper Sulfate   | 5,000                 | 1,723               | 3,277                          |
| Supplies - Operating   | 15,000                | 2,413               | 12,587                         |
| Equipment - Operating  | 10,000                | 714                 | 9,286                          |
| Maintenance & Repair-Plant & System  | 81,000                | 25,187              | 55,813                         |
| Maintenance & Repair - Equipment   | 12,000                | 3,855               | 8,145                          |
| Maintenance & Repair - Vehicles  | 10,000                | 2,165               | 7,835                          |
| Maintenance & Repair - Building  | 28,500                | 185                 | 28,315                         |
| Engineering  | 10,000                | -                   | 10,000                         |
| Meter Reading Fees   | 7,500                 | 6,737               | 763                            |
| Testing Fees   | 1,000                 | -                   | 1,000                          |
|  | <u>319,000</u>        | <u>96,763</u>       | <u>222,237</u>                 |
| Total System Operations  | <u>1,091,000</u>      | <u>379,788</u>      | <u>711,212</u>                 |
| Capital  | <u>675,000</u>        | <u>78,245</u>       | <u>596,755</u>                 |
| Total Expenditures   | <u>2,395,100</u>      | <u>768,185</u>      | <u>1,626,915</u>               |
| Excess of Revenues Over<br>(Under) Expenditures<br>Before Adjustments        | <u>\$ (1,547,600)</u> | 162,939             | <u>\$ 1,710,539</u>            |
| Adjustments in Conformance with Generally<br>Accepted Accounting Principles: |                       |                     |                                |
| Expenditures Not Affecting Net Income -<br>- Capital Purchases               |                       | 78,245              |                                |
| Non-Cash Expenses Not Included in Expenditures -<br>- Depreciation           |                       | <u>(107,307)</u>    |                                |
| Net Income (Loss)  |                       | 133,877             |                                |
| Retained Earnings, Beginning   |                       | <u>2,062,323</u>    |                                |
| Retained Earnings, Ending  |                       | <u>\$ 2,196,200</u> |                                |

CITY OF CHILLICOTHE, ILLINOIS  
 SCHEDULE OF INTERFUND PAYABLES AND RECEIVABLES  
April 30, 2014

| ----- Due To -----     | ----- Due From -----       | Per Audit<br><u>4/30/13</u> | <u>Additions</u> | <u>Repayments</u>  | Per Audit<br><u>4/30/14</u> |
|------------------------|----------------------------|-----------------------------|------------------|--------------------|-----------------------------|
| Police Protection Fund | General Fund               | \$ 7,474                    | \$ -             | \$ 7,474           | \$ -                        |
| General Fund           | Waterworks & Sewerage Fund | <u>          -</u>          | <u>  5,550</u>   | <u>          -</u> | <u>  5,550</u>              |
|                        |                            | <u>\$ 7,474</u>             | <u>\$ 5,550</u>  | <u>\$ 7,474</u>    | <u>\$ 5,550</u>             |

CITY OF CHILLICOTHE, ILLINOIS  
SCHEDULE OF INVESTMENTS  
April 30, 2014

|   | <u>Total</u>                    |
|---|---------------------------------|
| <u>General Fund</u>                                 |                                 |
| The Illinois Funds (Investment Pool)                | \$ <u>2,647,118</u>             |
| <br><u>Police Protection Fund</u>                   |                                 |
| The Illinois Funds (Investment Pool)                | <u>90,254</u>                   |
| <br><u>Motor Fuel Tax Fund</u>                      |                                 |
| The Illinois Funds (Investment Pool)                | <u>162,131</u>                  |
| <br><u>Road and Bridge Fund</u>                     |                                 |
| The Illinois Funds (Investment Pool)                | <u>385,855</u>                  |
| <br><u>Fire Protection Fund</u>                     |                                 |
| The Illinois Funds (Investment Pool)                | <u>145,578</u>                  |
| <br><u>Civil Defense Fund</u>                       |                                 |
| The Illinois Funds (Investment Pool)                | <u>4,902</u>                    |
| <br><u>Economic Development Fund</u>                |                                 |
| The Illinois Funds (Investment Pool)                | <u>559,165</u>                  |
| <br><u>Audit Fund</u>                               |                                 |
| The Illinois Funds (Investment Pool)                | <u>28,511</u>                   |
| <br><u>Tort Liability Fund</u>                      |                                 |
| The Illinois Funds (Investment Pool)                | <u>28,136</u>                   |
| <br><u>Social Security Fund</u>                     |                                 |
| The Illinois Funds (Investment Pool)                | <u>20,411</u>                   |
| <br><u>Tax Increment Financing Fund</u>             |                                 |
| The Illinois Funds (Investment Pool)                | <u>47,791</u>                   |
| <br><u>Police Pension Fund</u>                      |                                 |
| Insured Money Market Account:                       |                                 |
| South Side Trust & Savings                          | 148,624                         |
| Certificates of Deposit:                            |                                 |
| Commerce Bank                                       | -                               |
| South Side Trust & Savings                          | 1,186,175                       |
| First National Bank                                 | <u>1,394,109</u>                |
|   | <u>2,728,908</u>                |
| <br><u>Hotel/Motel Tax Fund</u>                     |                                 |
| The Illinois Funds (Investment Pool)                | <u>14,795</u>                   |
| <br><u>Waterworks and Sewerage Fund</u>             |                                 |
| Insured Money Market Account:                       |                                 |
| First National Bank                                 | 141,987                         |
| The Illinois Funds (Investment Pool)                | 528,671                         |
| The Illinois Funds (Investment Pool) (Project Fund) | <u>117,349</u>                  |
|   | <u>788,007</u>                  |
| <br><br><br>Total - All Funds                       | <br><br><br>\$ <u>7,651,562</u> |



CITY OF CHILLICOTHE, ILLINOIS  
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS AND TAX COLLECTIONS  
 For Tax Years,

| Tax Year                           | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          | <u>2008</u>          | <u>2007</u>          | <u>2006</u>          | <u>2005</u>          |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Equalized Assessed Valuation (EAV) | \$ 86,954,177        | \$ 88,631,357        | \$ 89,242,417        | \$ 90,009,643        | \$ 85,720,663        | \$ 84,678,067        | \$ 79,621,447        | \$ 80,776,407        | \$ 75,713,945        |
| Less: TIF District EAV             | <u>(5,935,570)</u>   | <u>(6,308,990)</u>   | <u>(6,217,800)</u>   | <u>(6,217,730)</u>   | <u>(5,579,040)</u>   | <u>(6,116,720)</u>   | <u>(5,645,600)</u>   | <u>(9,537,578)</u>   | <u>(8,531,777)</u>   |
| Taxable Assessed Valuation         | <u>\$ 81,018,607</u> | <u>\$ 82,322,367</u> | <u>\$ 83,024,617</u> | <u>\$ 83,791,913</u> | <u>\$ 80,141,623</u> | <u>\$ 78,561,347</u> | <u>\$ 73,975,847</u> | <u>\$ 71,238,829</u> | <u>\$ 67,182,168</u> |

Tax Rates

|                   |                |                |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Corporate | 0.04292        | 0.03253        | 0.10592        | 0.10450        | 0.10110        | 0.08350        | 0.08030        | 0.07548        | 0.08086        |
| Fire Protection   | 0.06069        | 0.05973        | 0.05682        | 0.05391        | 0.05262        | 0.05092        | 0.05012        | 0.05368        | 0.05751        |
| Civil Defense     | 0.00184        | 0.00181        | 0.00180        | 0.00178        | 0.00186        | 0.00191        | 0.00203        | 0.00223        | 0.00239        |
| Police Pension    | 0.23700        | 0.22596        | 0.14696        | 0.13845        | 0.13602        | 0.13875        | 0.13628        | 0.14990        | 0.14626        |
| Police Protection | 0.05131        | 0.05050        | 0.05007        | 0.04603        | 0.04438        | 0.04252        | 0.04326        | 0.04610        | 0.04939        |
| Audit             | 0.01975        | 0.01943        | 0.01927        | 0.01790        | 0.01747        | 0.01655        | 0.01623        | 0.01678        | 0.01673        |
| Social Security   | 0.13084        | 0.12391        | 0.10600        | 0.08952        | 0.08860        | 0.08783        | 0.09084        | 0.09517        | 0.10196        |
| Tort Liability    | <u>0.13294</u> | <u>0.12102</u> | <u>0.11277</u> | <u>0.10577</u> | <u>0.10559</u> | <u>0.10254</u> | <u>0.10342</u> | <u>0.09580</u> | <u>0.09145</u> |
| Totals            | <u>0.67729</u> | <u>0.63489</u> | <u>0.59961</u> | <u>0.55786</u> | <u>0.54764</u> | <u>0.52452</u> | <u>0.52248</u> | <u>0.53514</u> | <u>0.54655</u> |

Tax Extensions

|                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Corporate | \$ 34,773         | \$ 26,779         | \$ 87,940         | \$ 87,563         | \$ 81,023         | \$ 65,599         | \$ 59,795         | \$ 50,761         | \$ 50,759         |
| Fire Protection   | 49,170            | 49,171            | 47,175            | 45,172            | 42,171            | 40,003            | 37,077            | 36,101            | 36,101            |
| Civil Defense     | 1,491             | 1,490             | 1,494             | 1,491             | 1,490             | 1,501             | 1,502             | 1,500             | 1,500             |
| Police Pension    | 192,014           | 186,016           | 122,013           | 116,010           | 109,009           | 109,004           | 100,814           | 100,810           | 91,813            |
| Police Protection | 41,571            | 41,573            | 41,570            | 38,569            | 35,567            | 33,404            | 32,002            | 31,003            | 31,004            |
| Audit             | 16,001            | 15,995            | 15,999            | 14,999            | 14,001            | 13,002            | 12,006            | 11,285            | 10,502            |
| Social Security   | 106,005           | 102,006           | 88,006            | 75,011            | 71,005            | 69,000            | 67,200            | 64,003            | 64,004            |
| Tort Liability    | <u>107,706</u>    | <u>99,626</u>     | <u>93,627</u>     | <u>88,627</u>     | <u>84,622</u>     | <u>80,557</u>     | <u>76,506</u>     | <u>64,427</u>     | <u>57,407</u>     |
| Totals            | <u>\$ 548,731</u> | <u>\$ 522,656</u> | <u>\$ 497,824</u> | <u>\$ 467,442</u> | <u>\$ 438,888</u> | <u>\$ 412,070</u> | <u>\$ 386,902</u> | <u>\$ 359,890</u> | <u>\$ 343,090</u> |

Tax Collections

|                   |                   |                   |                   |                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Corporate | \$ 26,802         | \$ 87,272         | \$ 80,349         | \$ 65,323         | \$ 59,679         | \$ 50,780         | \$ 50,795         | \$ 50,736         |
| Fire Protection   | 49,212            | 45,022            | 41,820            | 39,835            | 37,005            | 36,114            | 36,127            | 36,110            |
| Civil Defense     | 1,491             | 1,487             | 1,478             | 1,494             | 1,499             | 1,500             | 1,501             | 1,517             |
| Police Pension    | 186,172           | 115,626           | 108,101           | 108,545           | 100,620           | 100,848           | 91,878            | 80,777            |
| Police Protection | 41,608            | 38,442            | 35,271            | 33,264            | 31,940            | 31,015            | 31,026            | 31,012            |
| Audit             | 16,009            | 14,949            | 13,884            | 12,947            | 11,983            | 11,289            | 10,510            | 10,499            |
| Social Security   | 102,091           | 74,762            | 70,415            | 68,710            | 67,070            | 64,027            | 64,049            | 63,966            |
| Tort Liability    | <u>99,710</u>     | <u>88,333</u>     | <u>83,917</u>     | <u>80,210</u>     | <u>76,358</u>     | <u>64,451</u>     | <u>57,447</u>     | <u>52,375</u>     |
| Totals            | <u>\$ 523,095</u> | <u>\$ 465,893</u> | <u>\$ 435,235</u> | <u>\$ 410,328</u> | <u>\$ 386,154</u> | <u>\$ 360,024</u> | <u>\$ 343,333</u> | <u>\$ 326,992</u> |

|                                    |  |                |               |               |               |               |               |               |               |
|------------------------------------|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Percentage of Extensions Collected |  | <u>100.08%</u> | <u>93.59%</u> | <u>93.11%</u> | <u>93.49%</u> | <u>93.71%</u> | <u>93.05%</u> | <u>95.40%</u> | <u>95.31%</u> |
|------------------------------------|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|

CITY OF CHILLICOTHE, ILLINOIS  
SCHEDULE OF LEGAL DEBT MARGIN  
April 30, 2014

|                                    |                |                      |
|------------------------------------|----------------|----------------------|
| 2013 Assessed Valuation            |                | <u>\$ 81,018,607</u> |
| Statutory Debt Limitation (8.625%) |                | 6,987,855            |
| Current Debt:                      |                |                      |
| Debt Certificates, Series 2006     | 1,383,892      |                      |
| Contractual Debt                   | <u>200,000</u> | <u>(1,583,892)</u>   |
| Legal Debt Margin                  |                | <u>\$ 5,403,963</u>  |