

VILLAGE OF DIAMOND  
Grundy County, Illinois  
Independent Auditor's Report  
Annual Financial Report  
For the Year Ended  
April 30, 2016

Janet L. Brown  
Certified Public Accountant  
650 S. Broadway Street, Ste. 1  
Coal City, IL 60416



VILLAGE OF DIAMOND, ILLINOIS

Annual Financial Report  
Year Ended April 30, 2016  
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VILLAGE OF DIAMOND, ILLINOIS

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## Independent Auditor's Report

June 28, 2016

To the Honorable Mayor,  
and Board of Commissioners  
Village of Diamond, Illinois

### **Report on the Financial Statements**

I 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 Village of Diamond, Illinois, as of and for the year ended April 30, 2016 and the related notes to the financial statements, which collectively comprise the Village's 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 village's internal control. Accordingly, I express no such opinion. An audit also included evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Basis of Accounting**

As described in Note 1, the Village of Diamond prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than

accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the modified cash basis accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Opinions**

### **Modified Cash Basis Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Diamond, Illinois, as of April 30, 2016, and the respective changes in modified cash-basis financial position for the year then ended in accordance with the modified cash-basis of accounting described in Note 1.

### **Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The budgetary comparison and combining and individual nonmajor fund financial statements and statistical section 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 my opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

The additional supplementary information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.



Janet L. Brown  
Certified Public Accountant  
Coal City, Illinois

VILLAGE OF DIAMOND, ILLINOIS  
Government-Wide  
Statement of Net Position - Modified Cash Basis

April 30, 2016

	<u>Governmental Activities</u>	<u>Primary Government Business-type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$ 2,063,362	1,329,373	3,392,735
Capital Assets, net of Accumulated Depreciation	<u>2,140,751</u>	<u>8,148,180</u>	<u>10,288,931</u>
Total Assets	\$ <u>4,204,113</u>	<u>9,477,553</u>	<u>13,681,666</u>
<u>Liabilities:</u>			
Noncurrent liabilities:			
Due within one year	\$ -0-	399,256	399,256
Due within more than one year	<u>-0-</u>	<u>5,959,869</u>	<u>5,959,869</u>
Total Liabilities	\$ <u>-0-</u>	<u>6,359,125</u>	<u>6,359,125</u>
<u>Net Position:</u>			
Invested in capital assets net of related debt	\$ 2,140,751	1,789,055	3,929,806
Restricted for:			
Debt Service	-0-	581,709	581,709
Audit	5,062	-0-	5,062
Social Security	13,178	-0-	13,178
Workman's Comp	14,225	-0-	14,225
Unassigned	<u>2,030,897</u>	<u>747,664</u>	<u>2,778,561</u>
Total Net Position	\$ <u>4,204,113</u>	<u>3,118,428</u>	<u>7,322,541</u>

The Notes are an Integral Part of these Statements.

Continued

VILLAGE OF DIAMOND, ILLINOIS

Government-Wide  
Statement of Activities - Modified Cash Basis  
For the Year Ended April 30, 2016

<u>Program Activities</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Fees, Fines And Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants And Contributions</u>
<u>Governmental Activities</u>				
General government	\$ 617,372	58,986	-0-	-0-
Public Safety	62,814	-0-	-0-	-0-
Streets and Public Works	446,162	-0-	-0-	94,221
Culture and Recreation	<u>6,671</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Governmental Activities	\$ <u>1,133,019</u>	<u>58,986</u>	<u>-0-</u>	<u>94,221</u>
<u>Business-type Activities</u>				
Water	\$ 528,916	492,417	-0-	-0-
Sewer	641,560	500,501	-0-	-0-
Sanitation	<u>188,428</u>	<u>192,557</u>	<u>-0-</u>	<u>-0-</u>
Total Business-type Activities	\$ <u>1,358,904</u>	<u>1,185,475</u>	<u>-0-</u>	<u>-0-</u>
Total Government	\$ <u>2,491,923</u>	<u>1,244,461</u>	<u>-0-</u>	<u>94,221</u>

The Notes are an Integral Part of these Statements.

## VILLAGE OF DIAMOND, ILLINOIS

Government-Wide  
Statement of Activities - Modified Cash Basis  
For the Year Ended April 30, 2016

Net (Expenses) Revenue and Changes in Net Position

<u>Program Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Governmental Activities</u>			
General government	\$ (558,386)	-0-	(558,386)
Public Safety	(62,814)	-0-	(62,814)
Streets and Public Works	(351,941)	-0-	(351,941)
Culture and Recreation	(6,671)	-0-	(6,671)
Total Governmental Activities	\$ <u>(979,812)</u>	<u>-0-</u>	<u>(979,812)</u>
<u>Business-type Activities</u>			
Water	\$ -0-	(36,499)	(36,499)
Sewer	-0-	(141,059)	(141,059)
Sanitation	-0-	4,129	4,129
Total Business-type Activities	\$ <u>-0-</u>	<u>(173,429)</u>	<u>(173,429)</u>
Total Government	\$ <u>(979,812)</u>	<u>(173,429)</u>	<u>(1,153,241)</u>
General Revenues:			
Taxes:			
Property Tax	\$ 290,555	-0-	290,555
Utility	87,461	-0-	87,461
Miscellaneous Income	12,205	10,536	22,741
Income Tax	269,829	-0-	269,829
Sales Tax	247,300	-0-	247,300
Other Intergovernmental Tax	216,836	-0-	216,836
Investment earnings	7,509	1,426	8,935
Transfers	(200,000)	200,000	-0-
Total General Revenues	\$ <u>931,695</u>	<u>211,962</u>	<u>1,143,657</u>
Change in Net Position	(48,117)	38,533	(9,584)
Net position at beginning of year	<u>4,252,230</u>	<u>3,079,895</u>	<u>7,332,125</u>
Net position at end of year	\$ <u>4,204,113</u>	<u>3,118,428</u>	<u>7,322,541</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Balance Sheet  
Modified Cash Basis

Governmental Funds  
April 30, 2016

<u>Assets</u>	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ <u>1,594,296</u>	<u>431,719</u>	<u>37,347</u>	<u>2,063,362</u>
Total Assets and Other Debits	\$ <u>1,594,296</u>	<u>431,719</u>	<u>37,347</u>	<u>2,063,362</u>
Funds Balances:				
Restricted				
Fund Balance	\$ 32,465	-0-	-0-	32,465
Unassigned				
Reported in:				
General Fund	1,561,831	-0-	-0-	1,561,831
Major Funds	-0-	431,719	-0-	431,719
Nonmajor Funds	<u>-0-</u>	<u>-0-</u>	<u>37,347</u>	<u>37,347</u>
Total Fund Balances	\$ <u>1,594,296</u>	<u>431,719</u>	<u>37,347</u>	2,063,362

Amounts reported for Governmental Activities in  
the statement of Net Position are different because:

Capital assets used in governmental activities of  
\$ 3,108,639 net of accumulated depreciation of  
\$ 967,888 are not financial resources and  
therefore are not reported in the funds.

2,140,751

Net Position of governmental activities \$ 4,204,113

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Statement of Revenues Received, Expenditures Disbursed, and  
Changes in Fund Balances - Modified Cash Basis

Governmental Funds  
For the Year Ended April 30, 2016

	General Fund	Motor Fuel Tax Fund	Nonmajor Funds	Total Governmental Funds
<u>Revenues Received:</u>				
Property Taxes	\$ 253,841	-0-	36,714	290,555
Utility Taxes	87,461	-0-	-0-	87,461
Licenses and Permits	56,647	-0-	-0-	56,647
Intergovernmental	669,201	64,764	-0-	733,965
Grants	79,942	14,279	-0-	94,221
Investment Earnings	6,273	1,216	20	7,509
Fees	2,339	-0-	-0-	2,339
Miscellaneous	12,184	-0-	21	12,205
Transfers	-0-	-0-	-0-	-0-
Total Revenues Received	\$ <u>1,167,888</u>	<u>80,259</u>	<u>36,755</u>	<u>1,284,902</u>
<u>Expenditures Disbursed:</u>				
Current:				
General Government	\$ 572,986	-0-	-0-	572,986
Public Safety	62,814	-0-	-0-	62,814
Streets and Public Works	354,522	-0-	-0-	354,522
Culture & Recreation	-0-	-0-	6,671	6,671
Capital Outlay	541,107	32,703	48,343	622,153
Transfers	200,000	-0-	-0-	200,000
Total Expenditures Disbursed	\$ <u>1,731,429</u>	<u>32,703</u>	<u>55,014</u>	<u>1,819,146</u>
Excess (deficiency) of Revenues Received Over Expenditures Disbursed and/Net Change in fund balance	\$ (563,541)	47,556	(18,259)	(534,244)
Fund Balance at beginning of year	<u>2,157,837</u>	<u>384,163</u>	<u>55,606</u>	<u>2,597,606</u>
Fund Balance at end of year	\$ <u>1,594,296</u>	<u>431,719</u>	<u>37,347</u>	<u>2,063,362</u>
Reconciliation to the Statement of Activities:				
Net change in fund balances - total governmental funds			\$	<u>(534,244)</u>
Amounts reported for governmental activities in the Statements of Activities are different because:				
Governmental funds report capital outlays as expenditures While governmental activities report depreciation expense To allocate those expenditures over the life of the assets:				
	Capital Assets purchases capitalized		\$	622,153
	Depreciation expense			<u>(136,026)</u>
			\$	<u>486,127</u>
Change in Net Position of Governmental Activities			\$	<u>(48,117)</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Proprietary Funds  
Statement of Net Position - Modified Cash Basis  
April 30, 2016

Business Type Activities - Enterprise Funds

Assets	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Totals</u>
Current Assets:				
Cash and Cash Equivalents	\$ 948,407	344,882	36,084	1,329,373
Non Current Assets:				
Other Capital Assets, net of Accumulated Depreciation	<u>3,314,330</u>	<u>4,833,850</u>	<u>-0-</u>	<u>8,148,180</u>
Total Assets	\$ <u>4,262,737</u>	<u>5,178,732</u>	<u>36,084</u>	<u>9,477,553</u>
 Liabilities				
Current Liabilities:				
Alternate Revenue Bonds	\$ <u>75,000</u>	<u>324,256</u>	<u>-0-</u>	<u>399,256</u>
Total Current Liabilities	\$ <u>75,000</u>	<u>324,256</u>	<u>-0-</u>	<u>399,256</u>
Non Current Liabilities:				
Alternate Revenue Bonds	\$ <u>1,370,000</u>	<u>4,589,869</u>	<u>-0-</u>	<u>5,959,869</u>
Total Non Current Liabilities	\$ <u>1,370,000</u>	<u>4,589,869</u>	<u>-0-</u>	<u>5,959,869</u>
Total Liabilities	\$ <u>1,445,000</u>	<u>4,914,125</u>	<u>-0-</u>	<u>6,359,125</u>
Net Position				
Invested in Capital Assets, Net of related debt	\$ 1,869,330	(80,275)	-0-	1,789,055
Restricted for:				
Debt retirement	136,614	445,095	0-	581,709
Unrestricted	<u>811,793</u>	<u>(100,213)</u>	<u>36,084</u>	<u>747,664</u>
Total Net Position	\$ <u>2,817,737</u>	<u>264,607</u>	<u>36,084</u>	<u>3,118,428</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Proprietary Funds  
Statement of Revenues Collected, Expenditures Disbursed  
and Changes in Fund Net Position - Modified Cash Basis

For the Year Ended April 30, 2016

Business Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Totals</u>
Operating Revenues Collected:				
Charges for services	\$ <u>483,217</u>	<u>487,306</u>	<u>192,557</u>	<u>1,163,080</u>
Operating Expenditures Disbursed:				
Personal Services	\$ (116,633)	(41,909)	-0-	(158,542)
Supplies and Services	(133,962)	(77,189)	(188,428)	(399,579)
Utilities	(42,908)	(50,906)	-0-	(93,814)
Depreciation	<u>(170,146)</u>	<u>(342,760)</u>	<u>-0-</u>	<u>(512,906)</u>
Total Operating Expenditures Disbursed	\$ <u>(463,649)</u>	<u>(512,764)</u>	<u>(188,428)</u>	<u>(1,164,841)</u>
Income (Loss) from operations	\$ <u>19,568</u>	<u>(25,458)</u>	<u>4,129</u>	<u>(1,761)</u>
Nonoperating Revenues Collected (Expenditures Disbursed):				
Investment Income	\$ 1,053	332	41	1,426
Interest & Fiscal Charges	(65,267)	(128,796)	-0-	(194,063)
Grants	-0-	-0-	-0-	-0-
Permits	9,200	13,195	-0-	22,395
Miscellaneous	<u>1,500</u>	<u>8,945</u>	<u>91</u>	<u>10,536</u>
Total Nonoperating Revenues Collected (Expenditures Disbursed)	<u>(53,514)</u>	<u>(106,324)</u>	<u>132</u>	<u>(159,706)</u>
Income (Loss) before Contributions and transfers/ Change in net assets	\$ (33,946)	(131,782)	4,261	(161,467)
Transfers	-0-	200,000	-0-	200,000
Net Position at beginning of year	<u>2,851,683</u>	<u>196,389</u>	<u>31,823</u>	<u>3,079,895</u>
Net Position at end of year	\$ <u>2,817,737</u>	<u>264,607</u>	<u>36,084</u>	<u>3,118,428</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Statements of Cash Flows - Modified Cash Basis

Proprietary Funds  
For the Year Ended April 30, 2016

Business Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Total</u>
Cash flows from				
Operating Activities:				
Cash received from customers				
For services	\$ 483,217	487,306	192,557	1,163,080
Cash payments to suppliers for				
Goods and services	(176,870)	(128,095)	(188,428)	(493,393)
Cash Payments to employees for				
Services	(116,633)	(41,909)	-0-	(158,542)
Net Cash provided by				
Operating activities	\$ <u>189,714</u>	<u>317,302</u>	<u>4,129</u>	<u>511,145</u>
Cash flows from capital and				
Related financing activities:				
Acquisition and construction				
of capital assets	\$ (66,440)	(1,011)	-0-	(67,451)
Interest Paid on bonds & fees	(65,267)	(128,796)	-0-	(194,063)
Retirement of bonds	(75,000)	(316,299)	-0-	(391,299)
Net cash used by capital and				
Related financing activities	\$ <u>(206,707)</u>	<u>(446,106)</u>	<u>-0-</u>	<u>(652,813)</u>
Cash flow from investing activities:				
Interest on cash and cash				
equivalents	\$ <u>1,053</u>	<u>332</u>	<u>41</u>	<u>1,426</u>
Cash flows from noncapital				
Financing activities:				
Permits	\$ 9,200	13,195	-0-	22,395
Transfers	-0-	200,000	-0-	200,000
Miscellaneous	<u>1,500</u>	<u>8,945</u>	<u>91</u>	<u>10,536</u>
Net Cash used by noncapital				
Financing activities	\$ <u>10,700</u>	<u>222,140</u>	<u>91</u>	<u>232,931</u>
Net increase (decrease) in cash				
and cash equivalents	\$ (5,240)	93,668	4,261	92,689
Cash and cash equivalents,				
May 1, 2015	<u>953,647</u>	<u>251,214</u>	<u>31,823</u>	<u>1,236,684</u>
Cash and cash equivalents,				
April 30, 2016	\$ <u><u>948,407</u></u>	<u><u>344,882</u></u>	<u><u>36,084</u></u>	<u><u>1,329,373</u></u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Statement of Fiduciary Net Position  
Fiduciary Funds

April 30, 2016

Assets	Subdivision <u>Development</u>	School Site <u>Donation</u>	Development <u>Reimbursements</u>	Total Agency <u>Funds</u>
Cash and Cash Equivalents	\$ <u>1,936</u>	<u>2,302</u>	<u>38,517</u>	<u>42,755</u>
Net Position Reserve for Refunds payable & other reimbursements	\$ <u>1,936</u>	<u>2,302</u>	<u>38,517</u>	<u>42,755</u>

Statement of Changes in Net Position  
Fiduciary Funds

For the Year Ended April 30, 2016

Additions:				
Interest Income	\$ 3	-0-	-0-	3
Donations	-0-	-0-	-0-	-0-
Security Agreement	-0-	-0-	-0-	-0-
Permits	-0-	7,144	-0-	7,144
Reimbursements	<u>-0-</u>	<u>-0-</u>	<u>106,235</u>	<u>106,235</u>
Total Additions	\$ <u>3</u>	<u>7,144</u>	<u>106,235</u>	<u>113,382</u>
Deductions:				
School Site Donation	\$ -0-	4,842	-0-	4,842
Interest to General	3,295	-0-	-0-	3,295
Developers Expenses	<u>-0-</u>	<u>-0-</u>	<u>106,235</u>	<u>106,235</u>
Total Deductions	\$ <u>3,295</u>	<u>4,842</u>	<u>106,235</u>	<u>114,372</u>
Change in Net Position	\$ (3,292)	2,302	-0-	(990)
Net Position May 1, 2015	<u>5,228</u>	<u>-0-</u>	<u>38,517</u>	<u>43,745</u>
Net Position April 30, 2016	\$ <u>1,936</u>	<u>2,302</u>	<u>38,517</u>	<u>42,755</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
April 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1. C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1.A. Financial Reporting Entity

The Village's financial reporting entity is composed of the following:

Primary Government:	Village of Diamond
Blended Component Unit:	None
Discretely Presented Component Unit:	None

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, The Financial Reporting Entity.

The component unit is included in the Village's reporting entity because of the significance of its financial relationship with the Village. The Village (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the Village. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the Village

Board, or the component unit provides services entirely to the Village. The component unit's funds are blended into those of the Village by appropriate fund type to constitute the primary government presentation. For the year ended April 30, 2016, there were no blended component units.

#### Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. For the year ended April 30, 2016, there were no discretely presented component units.

#### 1.B. Basis of Presentation

##### Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

##### Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The Village presently has three fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds  
General Fund

The General Fund is the primary operating fund of the Village and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Village. The reporting entity includes the following special revenue funds, all of which are reported as nonmajor funds:

<u>Fund</u>	<u>Brief Description</u>	<u>Major/Nonmajor</u>
Park Fund	Established to account for Property tax and grants received to maintain the village parks and recreational activities	Nonmajor
Motor Fuel Tax Fund	Established to account for State Motor Fuel tax and grants received to fund Motor Fuel Tax Projects	Major
TIF Fund	Established to account for tax revenue above a preset threshold generated by capital improvements within a specific section of the community	Nonmajor

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds that are all reported as major funds:

<u>Fund</u>	<u>Brief Description</u>
Water Fund	Established to account for the construction and operation of the village's water system.
Sewer Fund	Established to account for the construction and operation of the village's wastewater system.
Sanitation Fund	Established to provide sanitation services to the public.

## Fiduciary Funds

The Village reports the following fiduciary fund types which are held in a trustee or agent capacity for others and therefore are not available to support Village programs. Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements:

The Agency Funds are used to account for assets held by the Village in a purely custodial capacity.

Collections are made by the village for school site fees which are later refunded to the appropriate entity. At year end, there was \$ 2,302 in the school site donation fund.

The developers deposit funds, per an agreement with the city, which are then used to pay engineering and legal fees. They are billed on a monthly basis to replenish the deposits. A new policy was instituted to make sure the developers are current with their deposit balances. The development reimbursement balance at year end was \$ 38,517.

The letter of credit for \$ 617,652 was drawn down to finance subdivision improvements. A new letter of credit of \$ 227,670 was instituted and the funds returned to First Midwest Bank. The subdivision development fund balance at year end was \$ 1,936.

### 1.C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

In the government-wide Statement of net Assets and the Statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item b below.

In the fund financial statement, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

#### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-like activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expense for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Village utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

#### 1.D. Assets, Liabilities, and Equity

##### Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

##### Investments

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

##### Capital Assets

The Village's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Prior to April 30, 1990 governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 1990 are recorded at cost.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$500 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Improvements other than buildings	20 years
Machinery, furniture, and equipment	10 years
Utility property and improvements	20-50 years
Infrastructure	20-50 years

#### Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon 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 arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

## Equity Classification

### Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position-Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position-All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the Village's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

### Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

#### 1.E. Revenues, Expenditures, and Expenses

##### Programs Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Village's taxpayers are reported as program revenue. The Village has the following program revenue in each activity:

General Government	Licenses and Permits
Streets and Public Works	Grants

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

##### Operating Revenue and Expenses

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and /or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

#### 1.F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

##### Fund Financial Statements

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

At April 30, 2016, there were no individual fund interfund receivables or payable balances.

##### Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business - type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

#### 1.G. Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the Village requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful

lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Note 2: Compensated Absences

Accumulated unpaid vacations, and other employee benefit amounts are not accrued in governmental funds. At April 30, 2016, the Village's liability for unpaid vacations and other employee benefits was immaterial in amount.

Note 3: Common Bank Account

Separate bank accounts are not maintained for all village funds. Certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Village Board. Such overdrafts constitute unauthorized interfund loans since they were not authorized by the Village Board.

Note 4: Deposits and Investments

(a) Custodial Credit Risk-Cash and Cash Equivalents

At April 30, 2016, the carrying amount of the Village's deposits was \$ 3,432,769 and the bank balance was \$ 3,474,093. The bank balance was completely covered by federal depository insurance and collateral.

State statutes and Village resolutions authorize the Village's investments. The Village is authorized to invest in insured or collateralized certificates of deposit, fully collateralized repurchase agreements, and government pools.

The Village elects to exclude investments with maturity of one year or less from date of purchase from fair value reporting. These investments are reported at amortized cost. As of April 30, 2016 the Village had the following investments:

<u>Government Pool Ratings Not Available</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
The Illinois Fund	\$ <u>2,721</u>	<u>2,721</u>

The Illinois Funds are valued at the same value as the pool shares which is determined monthly.

(b) Custodial Credit Risk - Investments

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund does not have a

formal written policy with regards to custodial credit risk for investments. At April 30, 2016, the Fund had no custodial credit risk in that all of its investments were held through a government pool.

(c) Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity and by investing in intermediate term (rather than long-term) fixed income securities.

At April 30, 2016, the Fund's only investment was in The Illinois Fund a Government Pool.

(d) Credit Risk

The Village's investment policy is to apply the "prudent investor" standard: "Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

(e) Concentration of Credit Risk

The Village places no limit on the amount the Village may invest in any one issuer. The governmental pool diversifies their investments to avoid over-concentration in a specific instrument.

Cash and cash equivalents are reported at cost. Total deposits and investments are presented on the Statement of Net Position as:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash, cash equivalents, and investments	\$ <u>3,435,490</u>	<u>3,476,814</u>

NOTE 5. PROPERTY TAX

The Village's property tax is levied each year on all taxable real property located in the Village on or before the last Tuesday in December.

The 2015 levy was passed by the board on November 24, 2015. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on July 2 and September 2. The Village receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from the 2014 and prior tax levies.

The following are the tax rate limits permitted by local referendum and the actual rates levied per \$100.00 of assessed valuation:

	<u>Limit</u>	<u>Actual</u>	
		<u>2015 Levy</u>	<u>2014 Levy</u>
Corporate	.3330	.3157	.3239
Audit	As Needed	.0363	.0212
Police Protection	.0750	.0690	.0711
Parks	.1000	.0388	.0673
Workman's Comp	As Needed	.0484	.0374
Social Security	As Needed	.0847	.0623
		<u>.5929</u>	<u>.5832</u>

NOTE 6. PERSONAL PROPERTY REPLACEMENT TAX

Personal Property Replacement Tax Revenues according to State statutes are allocated first to pay any deficiency of General Obligation Bond Funds and next to pay any deficiency in the Illinois Municipal Retirement Fund of the Village. The remainder, after meeting the requirements of these two specific funds, may be allocated to any purpose that property taxes are used for, that the Village so desires. The Village has neither obligation to satisfy.

NOTE 7. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of bond and loan transactions of the Village for the year ended April 30, 2016 and the annual cash flow requirements of bond principal and interest:

	Payable At April 30, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Payable At April 30, <u>2016</u>
Sewer Revenue Bonds	\$5,230,424	-0-	316,299	4,914,125
Water Alternative Revenue Bonds	<u>1,520,000</u>	<u>-0-</u>	<u>75,000</u>	<u>1,445,000</u>
Total Debt	<u>\$6,750,424</u>	<u>-0-</u>	<u>391,299</u>	<u>6,359,125</u>

Sewer Revenue Bonds

Illinois Environmental Protection Agency, Original Loan \$6,772,881  
Loan due semi-annual for 20 years, interest at 2.5%, due on July 11 and January 11.

Schedule of Annual Cash Flow:

<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 324,256	120,839
2018	332,413	112,682
2019	340,775	104,320
2020	349,348	95,747

2021		
2022	358,136	86,959
2023	367,145	77,950
2024	376,381	68,714
2025	385,850	59,245
2026	395,556	49,539
2027	405,507	39,588
2028	415,707	29,387
2029	426,165	18,929
	<u>436,886</u>	<u>8,208</u>
	\$ <u>4,914,125</u>	<u>872,107</u>

Water Alternate Revenue Bonds

Build America Bonds,

\$1,800,000 Alternate Bonds 2010 issue - \$1,775,000 Build America Bonds & \$25,000 Non-Build America Bonds - Interest at 2.25% - 7.20% due semi - annual on June 1 and Dec. 1 for 20 years. A 35% tax rebate is applied for after payment of the interest.

Schedule of Annual Cash Flow:

<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Gross Interest</u>	<u>Less Tax Rebate</u>	<u>Net Interest</u>
2017	\$ 75,000	94,790	33,176	61,614
2018	80,000	91,227	31,929	59,298
2019	80,000	86,427	30,249	56,178
2020	80,000	81,628	28,570	53,058
2021	85,000	76,828	26,890	49,938
2022	90,000	71,728	25,105	46,623
2023	90,000	65,878	23,058	42,820
2024	95,000	60,028	21,010	39,018
2025	95,000	53,853	18,849	35,004
2026	100,000	47,678	16,688	30,990
2027	105,000	40,928	14,325	26,603
2028	110,000	33,840	11,844	21,996
2029	115,000	25,920	9,072	16,848
2030	120,000	17,640	6,174	11,466
2031	<u>125,000</u>	<u>9,000</u>	<u>3,150</u>	<u>5,850</u>
	\$ <u>1,445,000</u>	<u>857,393</u>	<u>300,089</u>	<u>557,304</u>

A summary of revenue bond ordinance restrictions is shown in Note 10 to the financial statements.

NOTE 8. INTERFUND TRANSACTIONS/TRANSFERS

During the course of normal operations, the Village has numerous transactions between funds including expenditures and transfers of resource primarily to provide services. The governmental and proprietary type funds financial statements generally reflect such transactions as transfers. At April 30, 2016, there were no individual fund Interfund receivable or payable balances.

For the fiscal year ended April 30, 2016, \$ 200,000 was transferred from the General Fund to the Sewer Fund, to satisfy debt service requirements.

NOTE 9. LITIGATION

There are no claims or lawsuits pending against the Village per legal counsel or the Village's management.

NOTE 10. DEFICIT NET POSITION BALANCES

As of April 30, 2016, there were no deficit net position balances.

NOTE 11. REVENUE BOND ORDINANCE RESTRICTIONS

Under terms of the Revenue Bond Ordinance, the assets of the Water and Sewer Fund and all excess revenues derived from the operations of the system are pledged as security for the revenue bonds.

The Village is required to keep all monies and assets derived from the operation of the system segregated from all other monies of the Village, and to establish the following accounts in the amounts and for the purpose as listed:

<u>Account</u>	<u>Amount</u>	<u>Purpose</u>
Operating and Maintenance	Amount sufficient to pay reasonable expenses for one month	Operating, maintenance and repairing the system
Bond & Interest	Amount sufficient to pay the current bond and interest maturities	Paying principal and interest on bonds
Bond Reserve	Current Bond Obligation	Reserve for paying principal & interest on bonds

Bond Requirements have been met as of April 30, 2016

NOTE 12. MOTOR FUEL TAX ALLOTMENTS

Under current procedures, the allotments to the Village are being received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois.

NOTE 13. SPECIAL TAX LEVIES WITH RESTRICTED FUND BALANCE

Property taxes are collected for Police, Audit, Social Security and Workmen's Compensation Insurance.

1. Audit

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. Expenditures disbursed did not exceed revenue received for this purpose, resulting in a restricted fund balance of \$ 5,062.

2. Social Security

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. Expenditures disbursed did not exceed revenue received for this purpose, resulting in a restricted fund balance of \$ 13,178.

3. Workman's Compensation  
 Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. Expenditures disbursed did not exceed revenue received for this purpose, resulting in a restricted fund balance of \$ 14,225.

The Village of Diamond policy is to expend restricted resources to fund applicable expenses before using unrestricted funds.

Note 14. RESTRICTED FUND BALANCE

Business - Type Activities

Debt Service - Current	
Bond Obligation	\$ <u>581,709</u>

Note 15. RISK MANAGEMENT

The Village of Diamond currently participates in the Illinois Municipal League Risk Management Association (IMLRMA) to provide workers' compensation coverage and general liability and property insurance. The Village along with other participating entities, contributes annual amounts determined by IMLRMA. As claims arise they are submitted and paid by IMLRMA. During the year ended, April 30, 2016 the Village contributed \$ 42,043 to the fund for this insurance coverage. There were no significant reductions in insurance coverage from the prior fiscal year. Also, there have been no settlement amounts, which have exceeded insurance coverage in the past three years.

Note 16. CHANGES IN CAPITAL ASSETS

The Governmental Funds Capital Assets and Proprietary Fund Capital Assets include costs of fixed assets purchased less proceeds from sales of assets. They do not necessarily reflect losses, thefts, or abandonment's.

Capital asset activity resulting from modified cash basis transactions for the fiscal year ended April 30, 2016 is as follows:

Governmental Funds Capital Assets:

	<u>Balance</u> <u>4/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>4/30/16</u>
Governmental Activities Capital Assets:				
Improvements Other Than Buildings	\$ 1,693,188	327,514	-0-	2,020,702
Buildings & Improvements	229,918	122,254	-0-	352,172
Equipment	<u>563,380</u>	<u>172,385</u>	<u>-0-</u>	<u>735,765</u>
Total Governmental Activities Capital Assets	\$ <u>2,486,486</u>	<u>622,153</u>	<u>-0-</u>	<u>3,108,639</u>

Accumulated Depreciation	\$ <u>831,862</u>	<u>136,026</u>	<u>-0-</u>	<u>967,888</u>
Total Governmental Activities Capital Assets, net of Accumulated Depreciation	\$ <u>1,654,624</u>	<u>486,127</u>	<u>-0-</u>	<u>2,140,751</u>
Business - Type Activities Capital Assets:				
Water	\$ 5,088,389	66,440	-0-	5,154,829
Sewer	<u>9,854,039</u>	<u>1,011</u>	<u>-0-</u>	<u>9,855,050</u>
Total Business - Type Activities Capital Assets	\$ <u>14,942,428</u>	<u>67,451</u>	<u>-0-</u>	<u>15,009,879</u>
Accumulated Depreciation Water	\$ <u>1,670,353</u>	<u>170,146</u>	<u>-0-</u>	<u>1,840,499</u>
Accumulated Depreciation Sewer	\$ <u>4,678,440</u>	<u>342,760</u>	<u>-0-</u>	<u>5,021,200</u>
Total Business - Type Activities Capital Assets, net of accumulated depreciated	\$ <u>8,593,635</u>	<u>(445,455)</u>	<u>-0-</u>	<u>8,148,180</u>

Depreciation expense was charged to functions as follows in the Statement of Activities:

Primary Government:

Governmental Activities:

General Government	\$ 44,386
Streets and Public Works	<u>91,640</u>
Total depreciation expense for governmental activities	\$ <u>136,026</u>

Business - Type Activities:

Water	\$ 170,146
Sewer	<u>342,760</u>
Total depreciation expense for business - type activities	\$ <u>512,906</u>

Note 17. LEGAL DEBT LIMIT

The statutory debt limits are calculated and displayed as Supplemental Information (unaudited). The legal debt margin for 16-17 is \$ 3,565,657, due to the statutory debt limit of \$ 3,565,657 and the applicable current debt of \$ -0-.

Note 18. CONTINGENCIES

The village has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The village board believes any adjustments that may arise from these audits will be insignificant to Village operations.

Note 19. RETIREMENT FUND COMMITMENTS

## **1. Defined Benefit Pension Plan - IMRF**

The Illinois Municipal Retirement Fund is an Agent-Multiple Employer Public Employee Retirement System.

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

### **Participating Employers**

All counties and school districts, plus cities and villages and incorporated towns with a population of 5,000 or more (except certain governmental entities specifically excluded by the Pension Code) are required to participate. Other local government units may elect to participate.

### **Membership**

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. Elected officials and hospital employees who satisfy requirements may also participate.

### **Benefits Provided**

#### **Normal Retirement Pension Eligibility**

##### ***Tier 1 Members:***

Normal retirement for an unreduced pension is:

- Age 60 with eight or more years of service or 35 or more years of service at age 55,
- Age 50 with 20 or more years of SLEP service for members with SLEP service,
- Age 55 with eight or more years of service for members with ECO service, or
- Age 55 with eight or more years of service in the same elected county office for members with Revised ECO service.

##### ***Tier 2 Members:***

Normal retirement for an unreduced pension is:

- Age 67 with ten or more years of service or 35 or more years of service at age 62,
- Age 55 with ten or more years of SLEP service for members with SLEP service,

- Age 67 with eight or more years of service in the same elected county office for members with Revised ECO service.

**Normal Retirement Pension Amount**

**A Regular IMRF pension is:**

- 1-2/3 percent of the final rate of earnings for each of the first 15 years of service credit, plus
- 2 percent for each year of service credit in excess of 15 years.

The maximum pension at retirement cannot exceed 75 percent of the final rate of earnings.

**A SLEP pension is:**

- 2-1/2 percent of the final rate of earnings for each year of service.

The maximum pension at retirement cannot exceed 80 percent (75 percent for Tier 2) of the final rate of earnings.

**An ECO pension is:**

- 3 percent of the final rate of earnings for each of the first eight years of service, plus
- 4 percent for each year of service between eight and 12 years of service, plus
- 5 percent for years of service credit over 12.

The maximum pension at retirement cannot exceed 80 percent of the final rate of earnings.

**A money purchase minimum pension** is provided if it exceeds the normal formula amount. The money purchase minimum is the amount that may be purchased by 2.4 times the member's applicable accumulated contributions, including interest at 7.5%.

**A reversionary pension option** is provided to members at retirement. This option permits the member to revert a portion of their pension to one other person upon their death. This election is irrevocable.

**An IMRF pension** is paid for life.

Disability and Death Benefits are also provided.

**Early Retirement** (not applicable to SLEP Tier 1 optional benefits or to ECO service)

**Tier 1 Members:** Regular members may retire as early as age 55 with a reduced pension. The reduction is the lesser of:

- one-fourth percent for each month the member is under age 60, or
- one-fourth percent for each month of service less than 35 years.

**Tier 2 Members:** Regular members may retire as early as age 62 with a reduced pension. The reduction is the lesser of:

- one-half percent for each month the member is under age 67, or

- one-half percent for each month of service less than 35 years.

SLEP members may retire as early as age 50 with a reduced pension. The reduction is one-half percent for each month the member is under age 55.

#### **Early Retirement Incentive Program (ERI)**

**Eligibility and Amount:** IMRF employers may offer an early retirement incentive (ERI) program to their employees who are over 50 (57 for Tier 2 regular and ECO members) years of age and who have at least 20 years of service credit. Eligible members may purchase up to five years of service credit and age. Employers must pay off the additional ERI liability within 10 years. Subsequent ERI programs may be offered once every five years by an employer after the liability for the previous ERI program is paid.

**Member Cost:** For each year of service credit purchased, members pay the current member contribution rate multiplied by the highest 12 consecutive months of salary (within ERI period).

#### **Contributions**

**Regular Members:** 4 1/2% of earnings (3-3/4% base plus 3/4% for survivor benefits).

**SLEP Members:** 7 1/2% of earnings (6-3/4% base plus 3/4% for survivor benefits).

**ECO Members:** 7 1/2% of earnings (6-3/4% base plus 3/4% for survivor benefits).

**Converting past service credit:** ECO members can convert past regular service by contributing 3% of earnings plus interest for each month of Regular service credit converted. ECO members can convert past SLEP service by contributing 0% to 3% (depending on the original SLEP contribution) of earnings plus interest for each month of SLEP service credit converted. SLEP members can convert past regular service by contributing 3% of earnings plus interest for each month of Regular service credit converted.

**Voluntary Additional:** Up to 10% of earnings

#### **Caps on Reportable Wages**

Under Tier 2, a member's wages are capped. No contributions are payable on wages above the cap. The wage cap is also applied when IMRF calculates your benefits. The cap increases each year by the lesser of 3% or one-half of the increase in the Consumer Price Index (urban) for the preceding September. If the CPI is zero, the wage cap is not increased. A wage cap of \$111,572 was used in the December 31, 2015 valuation.

#### **Funding Policy**

As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in

addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2015 was 11.39 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2015, the employer had a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount of the proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follow:

Employer's proportionate share of the net pension liability \$ 857,771

Proportionate share of the net pension liability associated with the employer	<u>614,411</u>
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<b>Total</b>	<b>\$ <u>243,360</u></b>
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The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The employer's proportion of the net pension liability was based on the employer's share of contributions for the measurement year ended December 31, 2015, relative to the projected contributions during that period. At December 31, 2015, the employer's proportion was 71.63 percent.

For the year ended December 31, 2015, the employer had pension expense of \$ 39,068 and no revenue provided by the state. At December 31, 2015, the employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -0-	\$ 9,812
Net difference between projected and actual earnings on pension plan investments	33,922	-0-
Changes of assumptions	<u>4,058</u>	<u>-0-</u>
<b>Total</b>	<b>\$ <u>37,980</u></b>	<b>\$ <u>9,812</u></b>

\$ 28,168 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension

liability in the reporting year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	
2016	\$ 7,197
2017	\$ 7,197
2018	\$ 7,197
2019	\$ 7,195
2020	\$ (618)

#### **Actuarial assumptions**

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	3.00 percent-approximate; No explicit price inflation assumption is used in this valuation
<b>Salary increases</b>	4.40% to 16.00% percent, including inflation
<b>Investment rate of return</b>	7.50 percent

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

#### **Mortality**

RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-Disabled lives set forward 10 years.

For disclosure purposes, there were no benefit changes during the year.

#### **Single Discount Rate**

This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.43%.

**Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate**

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.43 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.43 percent) or 1-percentage-point higher (8.43 percent) than the current rate.

	1% Decrease (6.43%)	Current Discount Rate (7.43%)	1% Increase (8.43%)
Total Pension Liability	\$ 993,339	\$ 857,771	\$ 745,863
Plan Fiduciary Net Position	<u>614,411</u>	<u>614,411</u>	<u>614,411</u>
Net Pension Liability/ (Asset)	\$ <u>378,928</u>	\$ <u>243,360</u>	\$ <u>131,452</u>

**IMRF fiduciary net position**

Detailed information about the IMRF's fiduciary net position as of December 31, 2015 is available in the separately issued IMRF Comprehensive Annual Financial Report.

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Illinois Municipal Retirement Fund**

	2015
Employer's proportion of the net pension liability (asset)	71.63%
Employer's proportionate share of the net pension liability	\$ 857,771
Proportionate share of the net pension liability associated with the employer	<u>614,411</u>
<b>Total</b>	<b>\$ <u>243,360</u></b>
Employer's covered-employee payroll	343,001
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	70.95%
Plan fiduciary net position as a percentage of the total pension liability	71.63%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Illinois Municipal Retirement Fund**

	2015
Contractually-required contribution	\$ 39,068
Contributions in relation to the contractually-required contribution	<u>39,068</u>
Contribution deficiency (excess)	\$ <u>-0-</u>
Employer's covered-employee payroll	\$ 343,001
Contributions as a percentage of covered-employee Payroll	11.39%

The information in both schedules will accumulate until a full 10-year trend is presented as required by Statement No. 68. 2015 is the first year presented.

**Changes of assumptions**

There were no benefit changes during the year.

**2. Social Security and Medicare**

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security and Medicare. The Village paid \$ 27,280 the total required contribution for the current fiscal year.

Note 20. EXCESS OF EXPENDITURES DISBURSED OVER APPROPRIATIONS

For the year ended April 30, 2016, there was the following over expenditures of budget in an individual fund.

Sanitation Fund expenditures of \$ 188,428 exceeded the budget of \$ 186,500.

Note 21. GRANTS IN PROGRESS

Grant	Receipts/Revenues	
	Prior Years	Year 5/01/15-4/30/16
1.) CDAP	\$ 391,629	-0-
2.) IDOT Tornado Roads	388,360	14,279
3.) ITEP Bike Path	-0-	20,293
4.) STP Grant	265,109	-0-
5.) STP 2014	-0-	59,457
6.) IDOT Berta Rd Traffic Signal Reimb	-0-	192
Total Receipts/Revenues	\$ <u>1,045,098</u>	<u>94,221</u>

Grant	Expenditure/Disbursements			Obligation/ Encumb.	Final Status	Budget
	Prior Years	Year 5/01/15-4/30/16				
1.) CDAP	\$ 654,258	8,762	-0-	663,020	660,000	
2.) IDOT Tornado Roads	369,935	32,703	-0-	402,638	408,800	
3.) ITEP Bike Path	3,100	13,263	-0-	N/A	N/A	
4.) STP Grant	710,558	197,833	-0-	N/A	750,000	
5.) STP 2014	66,243	35,372	-0-	N/A	250,000	
6.) IDOT Berta Rd Traffic Signal Reimb	-0-	525	-0-	N/A	N/A	
Total Expenditures/ Disbursements	\$ <u>1,804,094</u>	<u>288,458</u>	<u>-0-</u>	<u>1,065,658</u>	<u>2,068,800</u>	

Federal Fund expenditures do not exceed \$750,000 for the year ended April 30, 2016. The single audit is not necessary.

Note 22. BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

During the first two months of the fiscal year, the Village officials prepare the proposed appropriation and budget ordinance.

The proposed appropriation ordinance is placed on file and a public hearing is conducted at a public meeting to obtain comments from the community. The appropriation ordinance for all governmental fund types is prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budgeted and actual amounts.

Prior to July 31, the appropriation ordinance is legally adopted through passage of an ordinance. The appropriation ordinance which was not amended was adopted on May 26, 2015.

Transfers between line items of the appropriation must be approved by the Village officials. All annual appropriations lapse at fiscal year end.

Note 23. SUBSEQUENT EVENTS

Recognized and non-recognized subsequent events have been evaluated through June 28, 2016, the date these financial statements were available to be issued. No events have occurred that would cause the April 30, 2016 financial statements to be misleading.

Note 24: FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Modified Cash Model, followed by the Village, only reports Restricted and Unassigned Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

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

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The Village has several revenue sources received within different funds that also fall into these categories.

1. Police Levy

Cash receipts and the related cash disbursements of the restricted tax levies are accounted for in the General Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

2. Audit, Social Security and Workmen's Comp Levies

Cash receipts and the related cash disbursements of the restricted tax levy are accounted for in the General Fund. Revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of \$ 5,062 for the Audit Levy, \$ 13,178 for the Social Security Levy and \$ 14,225 for the Workmen's Comp Levy. This balance is included in the financial statements as Restricted in the General Fund.

3. Per Bond Ordinance

The next year's debt payments are restricted. The Water Fund payment of \$ 136,614 and the Sewer Fund payment of \$ 445,095 are shown as restricted.

4. State Grants

Proceeds from state grants and the related expenditures have been included in the General Fund. At April 30, 2016, expenditures disbursed exceeded revenues received from state grants, resulting in no restricted balances.

5. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At April 30, 2016, expenditures disbursed exceeded revenues received from federal grants, resulting in no restricted balances.

C. Committed Fund Balance

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

The Village Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. No funds were set aside for this purpose.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Village Board itself or (b) by management when

the Village Board has delegated the authority to assign amounts to be used for specific purposes. No funds were set aside for this purpose.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the Government Wide Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the Government Wide Funds.

F. Modified Cash - Fund Balance Definitions

Restricted Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unassigned Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

G. Reconciliation of Fund Balance Reporting

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the modified cash basis of accounting utilized in preparation of the financial statements.

Fund	Generally Accepted Accounting Principles					Modified Cash Basis	
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Financial Statements- Restricted	Financial Statements- Unassigned
General	0	32,465	0	0	1,561,831	32,465	1,561,831
Motor Fuel Tax	0	0	0	0	431,719	0	431,719
Park	0	0	0	0	18,174	0	18,174
TIF	0	0	0	0	19,173	0	19,173
Water	0	136,614	0	0	811,793	136,614	811,793
Sewer	0	445,095	0	0	(100,213)	445,095	(100,213)
Sanitation	0	0	0	0	36,084	0	36,084

H. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Continued

VILLAGE OF DIAMOND, ILLINOIS  
Budgetary Comparison Schedule - Modified Cash Basis

Major Governmental Funds  
General Fund  
For the Year Ended April 30, 2016

		Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
		<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Negative)</u>
Beginning Budgetary Fund Balance:	\$	2,157,837	2,157,837	-0-
Resources (Inflows):				
Taxes:				
Property		250,000	253,841	3,841
Utility		100,000	87,461	(12,539)
Intergovernmental:				
State Income Tax		117,000	269,829	152,829
Replacement Tax		200	261	61
Telecommunication Tax		48,000	50,472	2,472
Sales Tax		245,000	247,300	2,300
Advanced Auto Sales Tax		6,000	6,861	861
Local Use Tax		50,000	58,155	8,155
Video Gaming Tax		15,000	36,323	21,323
Licenses and Permits		52,900	56,647	3,747
Interest Income		8,000	6,273	(1,727)
Grants Reimbursement		484,400	79,942	(404,458)
Fees		5,000	2,339	(2,661)
Plan Reviews		-0-	-0-	-0-
Miscellaneous		10,000	12,184	2,184
Amounts available for Appropriation	\$	<u>3,549,337</u>	<u>3,325,725</u>	<u>(223,612)</u>
<u>Charges to Appropriations (Outflows):</u>				
General Government	\$	796,250	572,986	223,264
Public Safety		84,000	62,814	21,186
Streets and Public Works		375,000	354,522	20,478
Culture & Recreation		1,000	-0-	1,000
Capital Outlay		868,000	541,107	326,893
Transfers		200,000	200,000	-0-
Total Charges to Appropriations	\$	<u>2,324,250</u>	<u>1,731,429</u>	<u>592,821</u>
Ending Budgetary Fund Balance	\$	<u><u>1,225,087</u></u>	<u><u>1,594,296</u></u>	<u><u>369,209</u></u>

The Notes are an Integral Part of these Statements.

Continued

VILLAGE OF DIAMOND, ILLINOIS  
Budgetary Comparison Schedule - Modified Cash Basis

Major Governmental Funds  
Motor Fuel Tax Fund  
For the Year Ended April 30, 2016

		Budgeted Amounts		Variance with Final Budget
		<u>Original &amp; Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$	384,163	384,163	-0-
Resources (Inflows):				
Intergovernmental		60,000	64,764	4,764
Interest Income		1,000	1,216	216
Grants		<u>20,440</u>	<u>14,279</u>	<u>(6,161)</u>
Amounts available for Appropriation	\$	<u>465,603</u>	<u>464,422</u>	<u>(1,181)</u>
<u>Charges to Appropriations (Outflows):</u>				
Capital Expenditures	\$	<u>378,864</u>	<u>32,703</u>	<u>346,161</u>
Total Charges to Appropriations	\$	<u>378,864</u>	<u>32,703</u>	<u>346,161</u>
Ending Budgetary Fund Balance	\$	<u>86,739</u>	<u>431,719</u>	<u>344,980</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS  
 Budgetary Comparison Schedule - Modified Cash Basis

Budgeted Nonmajor Governmental Funds  
 Park Fund  
For the Year Ended April 30, 2016

		Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
		<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Negative)</u>
Beginning Budgetary Fund Balance:	\$	46,059	46,059	-0-
Resources (Inflows):				
Taxes:				
Property		25,000	27,108	2,108
Miscellaneous Income		10,000	-0-	(10,000)
Interest Income		25	21	(4)
		<u>          </u>	<u>          </u>	<u>          </u>
Amounts available for Appropriation	\$	<u>81,084</u>	<u>73,188</u>	<u>(7,896)</u>
<u>Charges to Appropriations (Outflows):</u>				
Culture and Recreation	\$	-0-	-0-	-0-
Maintenance of Parks		15,000	6,671	8,329
Capital Outlay		50,000	48,343	1,657
		<u>          </u>	<u>          </u>	<u>          </u>
Total Charges to Appropriations	\$	<u>65,000</u>	<u>55,014</u>	<u>9,986</u>
Ending Budgetary Fund Balance	\$	<u>16,084</u>	<u>18,174</u>	<u>2,090</u>

VILLAGE OF DIAMOND, ILLINOIS  
 Budgetary Comparison Schedule - Modified Cash Basis

Budgeted Nonmajor Governmental Funds  
 TIF Fund  
For the Year Ended April 30, 2016

		Budgeted Amounts <u>Original &amp; Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$	9,547	9,547	-0-
Resources (Inflows):				
Property Tax		10,000	9,606	(394)
Interest Income		<u>-0-</u>	<u>20</u>	<u>20</u>
Amounts available for Appropriation	\$	<u>19,547</u>	<u>19,173</u>	<u>(374)</u>
<u>Charges to Appropriations (Outflows):</u>				
Public Safety	\$	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Charges to Appropriations	\$	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Ending Budgetary Fund Balance	\$	<u><u>19,547</u></u>	<u><u>19,173</u></u>	<u><u>(374)</u></u>

VILLAGE OF DIAMOND, ILLINOIS

Combining Balance Sheet  
Modified Cash Basis

Nonmajor Governmental Funds

April 30, 2016

	<u>Totals</u>	<u>Park Fund</u>	<u>TIF Fund</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ <u>37,347</u>	<u>18,174</u>	<u>19,173</u>
<u>Fund Balance</u>			
Unreserved	\$ <u>37,347</u>	<u>18,174</u>	<u>19,173</u>

The Accompanying Notes are an Integral Part of this Statement.

## VILLAGE OF DIAMOND, ILLINOIS

Combining Statement of Revenues Received, Expenditures Disbursed,  
and Changes in Fund Balances - Modified Cash Basis

## Nonmajor Governmental Funds

Year Ended April 30, 2016

	<u>Park Fund</u>
Revenues Received:	
Property Taxes	\$ 27,108
Miscellaneous Income	21
Interest Income	<u>-0-</u>
Total Revenue Received	\$ <u>27,129</u>
Expenditures Disbursed:	
Culture and Recreation	\$ 6,671
Capital Outlay	<u>48,343</u>
Total Expenditures Disbursed	\$ <u>55,014</u>
Net Change in Fund Balance	\$ (27,885)
Fund Balance, Beginning	<u>46,059</u>
Fund Balance, Ending	\$ <u><u>18,174</u></u>

The Accompanying Notes are an Integral Part of this Statement.

VILLAGE OF DIAMOND, ILLINOIS

Combining Statement of Revenues Received, Expenditures Disbursed,  
and Changes in Fund Balances - Modified Cash Basis

Nonmajor Governmental Funds

Year Ended April 30, 2016

		<u>TIF</u> <u>Fund</u>	<u>Total</u>
Revenues Received:			
Property Taxes	\$	9,606	36,714
Miscellaneous Income		-0-	21
Interest Income		<u>20</u>	<u>20</u>
Total Revenues Received	\$	<u>9,626</u>	<u>36,755</u>
Expenditures Disbursed:			
Culture and Recreation	\$	-0-	6,671
Capital Outlay		<u>-0-</u>	<u>48,343</u>
Total Expenditures Disbursed	\$	<u>-0-</u>	<u>55,014</u>
Net Change in fund balance	\$	9,626	(18,259)
Fund Balance, Beginning		<u>9,547</u>	<u>55,606</u>
Fund Balance, Ending	\$	<u><u>19,173</u></u>	<u><u>37,347</u></u>

The Accompanying Notes are an Integral Part of this Statement.

## VILLAGE OF DIAMOND, ILLINOIS

Assessed Valuations, Tax Rates, Tax Extensions  
& Tax Collections  
For Periods Indicated  
Tax Year

		<u>2014</u>	2015
Assessed Valuation	\$	<u>40,140,311</u>	<u>41,340,950</u>
Tax Rates:			
Corporate		.3239	.3157
Police		.0711	.0690
Audit		.0212	.0363
Park		.0673	.0388
Social Security		.0623	.0847
Workmen's Comp		<u>.0374</u>	<u>.0484</u>
		<u>.5832</u>	<u>.5929</u>
Tax Extensions:			
Corporate	\$	130,014	130,513
Police		28,540	28,525
Audit		8,510	15,007
Park		27,014	16,040
Social Security		25,007	35,016
Workmen's Comp		<u>15,013</u>	<u>20,009</u>
	\$	234,098	245,110
Township Road and Bridge		<u>45,638</u>	<u>29,302</u>
Totals	\$	<u>279,736</u>	<u>274,412</u>
Tax Collections	\$	<u>279,404</u>	<u>-0-</u>

## VILLAGE OF DIAMOND, ILLINOIS

Assessed Valuations, Tax Rates, Tax Extensions  
& Tax Collections  
For Periods Indicated  
Tax Year

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Assessed Valuation	\$ <u>52,322,795</u>	<u>50,158,724</u>	<u>44,722,115</u>	<u>42,824,551</u>
Tax Rates:				
Corporate	.2351	.2767	.3287	.3200
Police	.0383	.0698	.0671	.0701
Audit	.0096	.0200	.0224	.0211
Park	.0192	.0200	.0157	.0421
Social Security	.0287	.0499	.0559	.0584
Workmen's Comp	<u>.0134</u>	<u>.0300</u>	<u>.0335</u>	<u>.0351</u>
	<u>.3443</u>	<u>.4664</u>	<u>.5233</u>	<u>.5468</u>
Tax Extensions:				
Corporate	\$ 123,011	138,789	147,002	137,039
Police	20,039	35,011	30,008	30,020
Audit	5,022	10,032	10,018	9,036
Park	10,046	10,031	7,021	18,029
Social Security	15,017	25,030	25,000	25,010
Workmen's Comp	<u>7,012</u>	<u>15,047</u>	<u>14,982</u>	<u>15,031</u>
	\$ 180,147	233,940	234,031	234,165
Township Road and Bridge	<u>43,046</u>	<u>46,348</u>	<u>47,498</u>	<u>46,648</u>
Totals	\$ <u>223,193</u>	<u>280,288</u>	<u>281,529</u>	<u>280,813</u>
Tax Collections	\$ <u>222,670</u>	<u>277,219</u>	<u>280,462</u>	<u>280,403</u>

Continued

VILLAGE OF DIAMOND, ILLINOIS

Assessed Valuations, Tax Rates, Tax Extensions,  
& Tax Collections  
For Periods Indicated

	<u>Tax Year</u>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Valuation	\$ <u>39,597,614</u>	<u>45,790,241</u>	<u>49,444,860</u>	<u>50,974,607</u>
Tax Rates:				
Corporate	.1061	.1079	.1372	.1717
Police	.0106	.0110	.0102	.0275
Audit	.0076	.0067	.0082	.0069
Liability Ins.	.0063	.0055	.0021	.0000
Park	.0106	.0093	.0026	.0157
Social Security	.0022	.0219	.0284	.0197
Workmen's Comp	<u>.0013</u>	<u>.0033</u>	<u>.0112</u>	<u>.0108</u>
	<u>.1447</u>	<u>.1656</u>	<u>.1999</u>	<u>.2523</u>
Tax Extensions:				
Corporate	\$ 42,013	49,407	67,838	87,524
Police	4,197	5,037	5,043	14,018
Audit	3,010	3,068	4,054	3,517
Liability Ins.	2,495	2,519	1,038	-0-
Park	4,197	4,259	1,286	8,003
Social Security	871	10,029	14,042	10,042
Workmen's Comp	<u>515</u>	<u>1,511</u>	<u>5,538</u>	<u>5,505</u>
	\$ 57,298	75,830	98,839	128,609
Township Road and Bridge	<u>35,251</u>	<u>37,875</u>	<u>39,150</u>	<u>42,220</u>
Totals	\$ <u>92,549</u>	<u>113,705</u>	<u>137,989</u>	<u>170,829</u>
Tax Collections	\$ <u>92,480</u>	<u>113,644</u>	<u>137,885</u>	<u>170,288</u>

VILLAGE OF DIAMOND, ILLINOIS

Legal Debt Margin  
April 30, 2016

Assessed Valuation - 2015	\$ <u>41,340,950</u>
Statutory Debt Limit (8.625% of Assessed Valuation)	\$ <u>3,565,657</u>
Debt-	
Sewer Revenue Bonds	\$ 4,914,125
Less Sewer Revenue Bonds	(4,914,125)
Water Alternate Revenue Bonds	1,445,000
Less Water Alternative Revenue Bonds @	<u>(1,445,000)</u>
Total Debt	\$ <u>-0-</u>
Legal Debt Margin	\$ <u>3,565,657</u>

@ Illinois Compiled Statutes

(30 IL CS 350/15) (from Ch 17, par. 6915) (e)  
In the event that alternate bonds shall have been issued and taxes, other than a designated revenue source, shall have been extended pursuant to the general obligation, full faith and credit promise supporting such alternate bonds, then the amount of such alternate bonds then outstanding shall be included in the computation of indebtedness of the governmental unit for purposes of all statutory provisions or limitations until such time as an audit of the governmental unit shall show that the alternate bonds have been paid from the enterprise revenues or revenue source, as applicable, pledged thereto for a complete fiscal year.