

VILLAGE OF DIAMOND
Grundy County, Illinois
Independent Auditor's Report
Annual Financial Report
For the Year Ended
April 30, 2015

Janet L. Brown
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VILLAGE OF DIAMOND, ILLINOIS

Annual Financial Report
Year Ended April 30, 2015
Table of Contents

<u>FINANCIAL SECTION</u>	<u>Continued</u>
<u>Independent Auditor's Report</u>	<u>Pages</u>
	1-2
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	3
Statement of Activities - Modified Cash Basis	4-5
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis - Governmental Funds	6
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	7
Proprietary Funds:	
Statement of Net Position - Modified Cash Basis	8
Statement of Revenues, Expenses and Changes in Fund Net Position - Modified Cash Basis	9
Statement of Cash Flows - Modified Cash Basis	10
Fiduciary Funds:	
Statement of Fiduciary Net Position	11
Statement of Changes in Net Assets Held in Trust	11
Notes to Basic Financial Statements	12-30
Other Information:	
Schedule of Funding Progress - Defined Benefit Retirement Plan (Unaudited)	31
Combining Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis - Nonmajor Governmental Funds	32

VILLAGE OF DIAMOND, ILLINOIS

Annual Financial Report
Year Ended April 30, 2015
Table of Contents

<u>FINANCIAL SECTION</u>	<u>Continued</u> <u>Pages</u>
Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds	33-34
Budgetary Comparison Schedule - Modified Cash Basis - Major Governmental Funds	35-36
Budgetary Comparison Schedule - Modified Cash Basis - Budgeted Nonmajor Governmental Funds	37-38
Statistical Section (Unaudited): Assessed Valuations, Tax Rates, Tax Extensions, & Tax Collections	39-42
Legal Debt Margin	43

Janet L. Brown

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Independent Auditor's Report

September 30, 2015

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, 2015 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 entity's internal control. Accordingly, I express no such opinion. An audit also included evaluation of the

overall 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.

Opinions

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, 2015, 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.

Basis of Accounting

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements. The 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In 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.
taken as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the 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, 2015

	Governmental Activities	<u>Primary Government Business-type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$ 2,597,606	1,236,684	3,834,290
Capital Assets, net of Accumulated Depreciation	<u>1,654,624</u>	<u>8,593,635</u>	<u>10,248,259</u>
Total Assets	\$ <u>4,252,230</u>	<u>9,830,319</u>	<u>14,082,549</u>
<u>Liabilities:</u>			
<u>Noncurrent liabilities:</u>			
Due within one year	\$ -0-	391,299	391,299
Due within more than one year	<u>-0-</u>	<u>6,359,125</u>	<u>6,359,125</u>
Total Liabilities	\$ <u>-0-</u>	<u>6,750,424</u>	<u>6,750,424</u>
<u>Net Position:</u>			
Invested in capital assets net of related debt	\$ 1,654,624	1,843,211	3,497,835
Restricted for:			
Debt Service	-0-	583,610	583,610
Audit	5,326	-0-	5,326
Social Security	11,495	-0-	11,495
Workman's Comp	11,297	-0-	11,297
Unrestricted	<u>2,569,488</u>	<u>653,074</u>	<u>3,222,562</u>
Total Net Position	\$ <u>4,252,230</u>	<u>3,079,895</u>	<u>7,332,125</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, 2015

<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	\$ 625,365	65,442	-0-	-0-
Public Safety	60,805	-0-	29,790	-0-
Streets and Public Works	216,997	-0-	-0-	538,360
Culture and Recreation	2,154	-0-	-0-	-0-
Total Governmental Activities	\$ <u>905,321</u>	<u>65,442</u>	<u>29,790</u>	<u>538,360</u>
<u>Business-type Activities</u>				
Water	\$ 470,221	466,162	-0-	103,414
Sewer	651,095	425,458	-0-	-0-
Sanitation	171,570	169,374	-0-	-0-
Total Business-type Activities	\$ <u>1,292,886</u>	<u>1,060,994</u>	<u>-0-</u>	<u>103,414</u>
Total Government	\$ <u>2,198,207</u>	<u>1,126,436</u>	<u>29,790</u>	<u>641,774</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, 2015

Net (Expenses) Revenue and Changes in Net Assets

<u>Program Activities</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>Governmental Activities</u>			
General government	\$ (559,923)	-0-	(559,923)
Public Safety	(31,015)	-0-	(31,015)
Streets and Public Works	321,363	-0-	321,363
Culture and Recreation	(2,154)	-0-	(2,154)
Total Governmental Activities	\$ (271,729)	-0-	(271,729)
<u>Business-type Activities</u>			
Water	\$ -0-	99,355	99,355
Sewer	-0-	(225,637)	(225,637)
Sanitation	-0-	(2,196)	(2,196)
Total Business-type Activities	\$ -0-	(128,478)	(128,478)
Total Government	\$ (271,729)	(128,478)	(400,207)
General Revenues:			
Taxes:			
Property Tax	\$ 289,799	-0-	289,799
Utility	100,217	-0-	100,217
Miscellaneous Income	31,955	13,455	45,410
Income Tax	245,385	-0-	245,385
Sales Tax	245,017	-0-	245,017
Other Intergovernmental Tax	186,693	-0-	186,693
Investment earnings	10,098	471	10,569
Transfers	(90,000)	90,000	-0-
Total General Revenues	\$ 1,019,164	103,926	1,123,090
Change in Net Position	747,435	(24,552)	722,883
Net position at beginning of year	<u>3,504,795</u>	<u>3,104,447</u>	<u>6,609,242</u>
Net position at end of year	\$ <u>4,252,230</u>	<u>3,079,895</u>	<u>7,332,125</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Statement of Assets, Liabilities and Fund
Balance - Modified Cash Basis

Governmental Funds
April 30, 2015

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ <u>2,157,837</u>	<u>384,163</u>	<u>55,606</u>	<u>2,597,606</u>
Total Assets and Other Debits	\$ <u>2,157,837</u>	<u>384,163</u>	<u>55,606</u>	<u>2,597,606</u>
Funds Balances:				
Reserved	\$ 28,118	-0-	-0-	28,118
Unreserved-undesignated				
Reported in:				
General Fund	2,129,719	-0-	-0-	2,129,719
Major Funds	-0-	384,163	-0-	384,163
Nonmajor Funds	<u>-0-</u>	<u>-0-</u>	<u>55,606</u>	<u>55,606</u>
Total Fund Balances	\$ <u>2,157,837</u>	<u>384,163</u>	<u>55,606</u>	2,597,606

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

Capital assets used in governmental activities of \$ 2,486,486 net of accumulated depreciation of \$ 831,862 are not financial resources and therefore are not reported in the funds.	<u>1,654,624</u>
Net Position of governmental activities	\$ <u>4,252,230</u>

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, 2015

	General Fund	Motor Fuel Tax Fund	Nonmajor Funds	Total Governmental Funds
<u>Revenues Received:</u>				
Property Taxes	\$ 262,409	-0-	27,390	289,799
Utility Taxes	100,217	-0-	-0-	100,217
Licenses and Permits	65,242	-0-	-0-	65,242
Intergovernmental	604,286	72,809	-0-	677,095
Grants	179,790	388,360	-0-	568,150
Investment Earnings	8,867	1,212	19	10,098
Fees	200	-0-	-0-	200
Miscellaneous	31,925	-0-	30	31,955
Transfers	328,157	-0-	-0-	328,157
Total Revenues Received	\$ <u>1,581,093</u>	<u>462,381</u>	<u>27,439</u>	<u>2,070,913</u>
<u>Expenditures Disbursed:</u>				
Current:				
General Government	\$ 605,559	-0-	-0-	605,559
Public Safety	60,805	-0-	-0-	60,805
Streets and Public Works	131,793	-0-	-0-	131,793
Culture & Recreation	-0-	-0-	2,154	2,154
Capital Outlay	568,943	41,778	-0-	610,721
Transfers	90,000	328,157	-0-	418,157
Total Expenditures Disbursed	\$ <u>1,457,100</u>	<u>369,935</u>	<u>2,154</u>	<u>1,829,189</u>
Excess (deficiency) of Revenues Received Over Expenditures Disbursed and/Net Change in fund balance	\$ 123,993	92,446	25,285	241,724
Fund Balance at beginning of year	<u>2,033,844</u>	<u>291,717</u>	<u>30,321</u>	<u>2,355,882</u>
Fund Balance at end of year	\$ <u>2,157,837</u>	<u>384,163</u>	<u>55,606</u>	<u>2,597,606</u>
Reconciliation to the Statement of Activities:				
Net change in fund balances - total governmental funds			\$	<u>241,724</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:				
			\$	610,721
Capital Assets purchases capitalized				<u>(105,010)</u>
Depreciation expense			\$	<u>505,711</u>
Change in Net Position of Governmental Activities			\$	<u>747,435</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, 2015

Business Type Activities - Enterprise Funds

Assets	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Totals</u>
Current Assets:				
Cash and Cash Equivalents	\$ 953,647	251,214	31,823	1,236,684
Non Current Assets:				
Other Capital Assets, net of Accumulated Depreciation	<u>3,418,036</u>	<u>5,175,599</u>	<u>-0-</u>	<u>8,593,635</u>
Total Assets	\$ <u>4,371,683</u>	<u>5,426,813</u>	<u>31,823</u>	<u>9,830,319</u>
Liabilities				
Current Liabilities:				
Alternate Revenue Bonds	\$ <u>75,000</u>	<u>316,299</u>	<u>-0-</u>	<u>391,299</u>
Total Current Liabilities	\$ <u>75,000</u>	<u>316,299</u>	<u>-0-</u>	<u>391,299</u>
Non Current Liabilities:				
Alternate Revenue Bonds	\$ <u>1,445,000</u>	<u>4,914,125</u>	<u>-0-</u>	<u>6,359,125</u>
Total Non Current Liabilities	\$ <u>1,445,000</u>	<u>4,914,125</u>	<u>-0-</u>	<u>6,359,125</u>
Total Liabilities	\$ <u>1,520,000</u>	<u>5,230,424</u>	<u>-0-</u>	<u>6,750,424</u>
Net Position				
Invested in Capital Assets, Net of related debt	\$ 1,898,036	(54,825)	-0-	1,843,211
Restricted for:				
Debt retirement	138,515	445,095	0-	583,610
Unrestricted	<u>815,132</u>	<u>(193,881)</u>	<u>31,823</u>	<u>653,074</u>
Total Net Position	\$ <u>2,851,683</u>	<u>196,389</u>	<u>31,823</u>	<u>3,079,895</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

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

For the Year Ended April 30, 2015

Business Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Totals</u>
Operating Revenues Collected:				
Charges for services	\$ <u>466,162</u>	<u>425,458</u>	<u>169,374</u>	<u>1,060,994</u>
Operating Expenditures Disbursed:				
Personal Services	\$ (78,921)	(30,575)	-0-	(109,496)
Supplies and Services	(111,095)	(74,080)	(171,570)	(356,745)
Utilities	(44,134)	(58,002)	-0-	(102,136)
Depreciation	<u>(168,847)</u>	<u>(351,880)</u>	<u>-0-</u>	<u>(520,727)</u>
Total Operating Expenditures Disbursed	\$ <u>(402,997)</u>	<u>(514,537)</u>	<u>(171,570)</u>	<u>(1,089,104)</u>
Income (Loss) from operations	\$ <u>63,165</u>	<u>(89,079)</u>	<u>(2,196)</u>	<u>(28,110)</u>
Nonoperating Revenues Collected (Expenditures Disbursed):				
Investment Income	\$ 345	94	32	471
Interest & Fiscal Charges	(67,224)	(136,558)	-0-	(203,782)
Grants	103,414	-0-	-0-	103,414
Permits	-0-	12,650	-0-	12,650
Miscellaneous	<u>805</u>	<u>-0-</u>	<u>-0-</u>	<u>805</u>
Total Nonoperating Revenues Collected (Expenditures Disbursed)	<u>37,340</u>	<u>(123,814)</u>	<u>32</u>	<u>(86,442)</u>
Income (Loss) before Contributions and transfers/ Change in net assets	\$ 100,505	(212,893)	(2,164)	(114,552)
Transfers	-0-	150,000	(60,000)	90,000
Net Position at beginning of year	<u>2,751,178</u>	<u>259,282</u>	<u>93,987</u>	<u>3,104,447</u>
Net Position at end of year	\$ <u>2,851,683</u>	<u>196,389</u>	<u>31,823</u>	<u>3,079,895</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, 2015

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	\$ 466,162	425,458	169,374	1,060,994
Cash payments to suppliers for Goods and services	(155,229)	(132,082)	(171,570)	(458,881)
Cash Payments to employees for Services	(78,921)	(30,575)	-0-	(109,496)
Net Cash provided by Operating activities	\$ <u>232,012</u>	<u>262,801</u>	<u>(2,196)</u>	<u>492,617</u>
Cash flows from capital and Related financing activities:				
Acquisition and construction of capital assets	\$ (295,516)	(675)	-0-	(296,191)
Grants	103,414	-0-	-0-	103,414
Interest Paid on bonds & fees	(67,224)	(136,558)	-0-	(203,782)
Retirement of bonds	(70,000)	(308,537)	-0-	(378,537)
Net cash used by capital and Related financing activities	\$ <u>(329,326)</u>	<u>(445,770)</u>	<u>-0-</u>	<u>(775,096)</u>
Cash flow from investing activities:				
Interest on cash and cash equivalents	\$ <u>345</u>	<u>94</u>	<u>32</u>	<u>471</u>
Cash flows from noncapital Financing activities:				
Permits	\$ -0-	12,650	-0-	12,650
Transfers	-0-	150,000	(60,000)	90,000
Miscellaneous	<u>805</u>	<u>-0-</u>	<u>-0-</u>	<u>805</u>
Net Cash used by noncapital Financing activities	\$ <u>805</u>	<u>162,650</u>	<u>(60,000)</u>	<u>103,455</u>
Net increase (decrease) in cash and cash equivalents	\$ (96,164)	(20,225)	(62,164)	(178,553)
Cash and cash equivalents, May 1, 2014	1,049,811	271,439	93,987	1,415,237
Cash and cash equivalents, April 30, 2015	\$ <u>953,647</u>	<u>251,214</u>	<u>31,823</u>	<u>1,236,684</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Statement of Fiduciary Net Assets
Fiduciary Funds

April 30, 2015

Assets	Subdivision Development	School Site Donation	Development Reimbursements	2014 Tornado	Total Agency Funds
Cash and Cash Equivalents	\$ <u>5,228</u>	<u>-0-</u>	<u>38,517</u>	<u>-0-</u>	<u>43,745</u>
Liabilities					
Refunds payable & other reimbursements	\$ <u>5,228</u>	<u>-0-</u>	<u>38,517</u>	<u>-0-</u>	<u>43,745</u>

Statement of Changes in Net Assets Held in Trust
Fiduciary Funds

For the Year Ended April 30, 2015

Additions:					
Interest Income	\$ 2	-0-	-0-	-0-	2
Donations	-0-	-0-	-0-	10,147	10,147
Security Agreement Permits	-0-	-0-	18,517	-0-	18,517
Reimbursements	-0-	5,586	-0-	-0-	5,586
		-0-	5,310	-0-	5,310
Total Additions	\$ <u>2</u>	<u>5,586</u>	<u>23,827</u>	<u>10,147</u>	<u>39,562</u>
Deductions:					
School Site Donation	\$ -0-	28,509	-0-	-0-	28,509
Interest to General	-0-	5,164	-0-	-0-	5,164
Developers Expenses	-0-	-0-	5,310	-0-	5,310
Tornado Expenses	-0-	-0-	-0-	168,499	168,499
Total Deductions	\$ <u>-0-</u>	<u>33,673</u>	<u>5,310</u>	<u>168,499</u>	<u>207,482</u>
Change in Net Position	\$ 2	(28,087)	18,517	(158,352)	(167,920)
Net Assets Held in Trust May 1, 2014	<u>5,226</u>	<u>28,087</u>	<u>20,000</u>	<u>158,352</u>	<u>211,665</u>
Net Assets Held in Trust April 30, 2015	\$ <u>5,228</u>	<u>-0-</u>	<u>38,517</u>	<u>-0-</u>	<u>43,745</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2015

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, 2015, 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, 2015, 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	Accounts for revenues received and expenditures paid for recreational services	Nonmajor
Motor Fuel Tax Fund	Accounts for revenues received and expenditures paid with State Motor Fuel Tax Funds	Major
TIF Fund	Accounts for revenues received and expenditures paid using TIF revenue	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 reported as major funds:

<u>Fund</u>	<u>Brief Description</u>
Water Fund	Accounts for activities necessary to provide water services to the public.
Sewer Fund	Accounts for activities necessary to provide wastewater services to the public.
Sanitation Fund	Accounts for activities necessary to provide sanitation services to the public.

All are major funds. Additionally, the Village reports the following fund types:

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 no balance 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 \$ 5,228 which includes interest income of \$ 3,295.

On November 17, 2013, a tornado caused major damage to areas of the Village of Diamond. A fund was established to handle the donations received to assist the tornado victims. Businesses and individuals contributed these funds. Criteria was established to manage the distribution of these funds. As of April 30, 2015, no funds remained to be distributed.

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 Grant
Streets and Public Works	Grants
Public Safety	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, 2015, 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.

1.H. Compensated Absences

Accumulated unpaid vacations, and other employee benefit amounts are not accrued in governmental funds. At April 30, 2015, the Village's liability for unpaid vacations and other employee benefits was immaterial in amount.

Note 2: 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 3: Deposits and Investments

(a) Custodial Credit Risk-Cash and Cash Equivalents

At April 30, 2015, the carrying amount of the Village's deposits was \$ 3,854,277 and the bank balance was \$ 3,887,666. 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, 2015 the Village had the following investments:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Certificates of Deposit	\$ <u>23,758</u>	<u>23,758</u>

(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, 2015, the Fund had no custodial credit risk in that all of its investments were covered by federal depository insurance.

(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, 2015, the Fund's only investment was in Certificates of Deposit.

(d) Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. Collateral is obtained from financial institutions.

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>3,878,035</u>	<u>3,911,424</u>

NOTE 4. 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 2014 levy was passed by the board on December 9, 2014. 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 2013 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>2014 Levy</u>	<u>2013 Levy</u>
Corporate	.3330	.3239	.3200
Audit	As Needed	.0212	.0211
Police Protection	.0750	.0711	.0701
Parks	.1000	.0673	.0421
Workman's Comp	As Needed	.0374	.0351
Social Security	As Needed	<u>.0623</u>	<u>.0584</u>
		<u>.5832</u>	<u>.5468</u>

NOTE 5. 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 6. 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, 2015:

	<u>Payable At</u> <u>April 30,</u> <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Payable At</u> <u>April 30,</u> <u>2015</u>
Sewer				
Revenue Bonds	\$5,538,961	-0-	308,537	5,230,424
Water Alternative				
Revenue Bonds	<u>1,590,000</u>	<u>-0-</u>	<u>70,000</u>	<u>1,520,000</u>
Total Debt	<u>\$7,128,961</u>	<u>-0-</u>	<u>378,537</u>	<u>6,750,424</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 Maturities:

<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 316,299	128,796
2017	324,256	120,839
2018	332,413	112,682
2019	340,775	104,320
2020	349,348	95,747
2021	358,136	86,959
2022	367,145	77,950
2023	376,381	68,714
2024	385,850	59,245
2025	395,556	49,539
2026	405,507	39,588
2027	415,707	29,387
2028	426,165	18,929
2029	436,886	8,208
	<u>\$ 5,230,424</u>	<u>1,000,903</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 Maturities:

<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Gross Interest</u>	<u>Less Tax Rebate</u>	<u>Net Interest</u>
2016	\$ 75,000	97,714	34,199	63,515
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	125,000	9,000	3,150	5,850
	<u>\$ 1,520,000</u>	<u>955,107</u>	<u>334,288</u>	<u>620,819</u>

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

NOTE 7. INTERFUND TRANSACTIONS

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. No transfers were made during the fiscal year ending April 30, 2015.

There were no interfund balances as of April 30, 2015.

NOTE 8. LITIGATION

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

NOTE 9. DEFICIT NET POSITION BALANCES

As of April 30, 2015, there were no deficit net position balances.

NOTE 10. 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, 2015

NOTE 11. 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 12. 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 \$ 5,326.

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 \$ 11,495.

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 \$ 11,297.

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

Note 13. RESTRICTED FUND BALANCE

Business - Type Activities

Debt Service - Current	
Bond Obligation	\$ <u>583,610</u>

Note 14. 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, 2015 the Village contributed \$ 39,634 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 15. 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, 2015 is as follows:

Governmental Funds Capital Assets:

	<u>Balance</u> <u>4/30/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>4/30/15</u>
Governmental Activities Capital Assets:				
Improvements Other Than Buildings	\$ 1,115,400	577,788	-0-	1,693,188
Buildings & Improvements	215,937	13,981	-0-	229,918
Equipment	<u>544,428</u>	<u>18,952</u>	<u>-0-</u>	<u>563,380</u>
Total Governmental Activities Capital Assets	\$ <u>1,875,765</u>	<u>610,721</u>	<u>-0-</u>	<u>2,486,486</u>
Accumulated Depreciation	\$ <u>726,852</u>	<u>105,010</u>	<u>-0-</u>	<u>831,862</u>
Total Governmental Activities Capital Assets, net of Accumulated Depreciation	\$ <u>1,148,913</u>	<u>505,711</u>	<u>-0-</u>	<u>1,654,624</u>
Business - Type Activities Capital Assets:				
Water	\$ 4,792,873	295,516	-0-	5,088,389
Sewer	<u>9,853,364</u>	<u>675</u>	<u>-0-</u>	<u>9,854,039</u>
Total Business - Type Activities Capital Assets	\$ <u>14,646,237</u>	<u>296,191</u>	<u>-0-</u>	<u>14,942,428</u>
Accumulated Depreciation Water	\$ <u>1,501,506</u>	<u>168,847</u>	<u>-0-</u>	<u>1,670,353</u>
Accumulated Depreciation Sewer	\$ <u>4,326,560</u>	<u>351,880</u>	<u>-0-</u>	<u>4,678,440</u>
Total Business - Type Activities Capital Assets, net of accumulated depreciated	\$ <u>8,818,171</u>	<u>(224,536)</u>	<u>-0-</u>	<u>8,593,635</u>

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

Primary Government:		
Governmental Activities:		
General Government	\$	19,806
Streets and Public Works		<u>85,204</u>
Total depreciation expense for governmental activities	\$	<u>105,010</u>
Business - Type Activities:		
Water	\$	168,847
Sewer		<u>351,880</u>
Total depreciation expense for business - type activities	\$	<u>520,727</u>

Note 16. LEGAL DEBT LIMIT

The statutory debt limits are calculated and displayed as Supplemental Information (unaudited). The legal debt margin for 15-16 is \$ 3,462,102, due to the statutory debt limit of \$ 3,462,102 and the applicable current debt of \$ -0-.

Note 17. 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 18. RETIREMENT FUND COMMITMENTS

1. Defined Benefit Pension Plan

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 and other supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 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 2014 was 11.56 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.

Annual Pension Cost. The required contribution for calendar year 2014 was \$ 38,190.

Three-Year Trend Information for the Regular Plan

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/14	38,190	100%	\$ -0-
12/31/13	37,652	100%	-0-
12/31/12	36,027	100%	-0-

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 63.49 percent funded. The actuarial accrued liability for benefits was \$ 576,109 and the actuarial value of assets was \$ 365,794, resulting in an underfunded actuarial accrued liability (UAAL) of \$ 210,315. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$ 330,360 and the ratio of the UAAL to the covered payroll was 64 percent.

The schedule of funding progress, presented as OSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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 \$ 27,641 the total required contribution for the current fiscal year.

Note 19. EXCESS OF EXPENDITURES DISBURSED OVER APPROPRIATIONS

For the year ended April 30, 2015, there were the following over expenditures of budget in individual funds.

1. Water Fund expenditures of \$666,890 exceeded the budget of \$605,940.
2. Sanitation Fund expenditures of \$171,570 exceeded the budget of \$170,000.

Note 20. GRANTS IN PROGRESS

Grant	Receipts/Revenues	
	Prior Years	Year 5/01/14-4/30/15
1.) CDAP	\$ 288,215	103,414
2.) IDOT Tornado Roads	-0-	388,360
3.) ITEP Bike Path	-0-	-0-
4.) STP Grant	115,109	150,000
5.) STP 2014	-0-	-0-
6.) Tornado 2013	<u>4,236</u>	<u>29,790</u>
Total Receipts/Revenues	\$ <u>407,560</u>	<u>671,564</u>

Grant	Expenditure/Disbursements			Obligation/ Encumb.	Final Status	Budget
	Prior Years	Year 5/01/14-4/30/15				
1.) CDAP	\$ 460,041	194,217	-0-		N/A	660,000
2.) IDOT Tornado Roads	-0-	369,935	-0-		N/A	408,800
3.) ITEP Bike Path	-0-	3,100	-0-		N/A	N/A
4.) STP Grant	600,994	109,564	-0-		N/A	750,000
5.) STP 2014	1,521	64,722	-0-		N/A	250,000
6.) Tornado 2013	<u>92,692</u>	<u>27,124</u>	<u>-0-</u>		<u>119,816</u>	<u>N/A</u>
Total Expenditures/ Disbursements	\$ <u>1,155,248</u>	<u>768,662</u>	<u>-0-</u>		<u>119,816</u>	<u>2,068,800</u>

Federal Fund expenditures do not exceed \$750,000 for the year ended April 30, 2015. The single audit is not necessary.

Note 21. 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 27, 2014.

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

Note 22. SUBSEQUENT EVENTS

Recognized and non-recognized subsequent events have been evaluated through September 30, 2015. No events have occurred that would cause the April 30, 2015 financial statements to be misleading.

VILLAGE OF DIAMOND, ILLINOIS

Schedule of Funding Progress - Defined Benefit Retirement Plan
(Unaudited)

GASB 50 OSI Information for Employers

Employer Number: 06489R
OTHER SUPPLEMENTARY INFORMATION

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/14	\$ 365,794	576,109	210,315	63.49	330,360	63.66%
12/31/13	293,754	479,248	185,494	61.29	316,402	58.63%
12/31/12	443,247	618,904	175,657	71.62	301,989	58.17%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$ 419,869. On a market basis, the funded ratio would be 72.88%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Diamond. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

VILLAGE OF DIAMOND, ILLINOIS

Combining Statement of Assets, Liabilities, and Fund
Balance - Modified Cash Basis

Nonmajor Governmental Funds

April 30, 2015

	<u>Totals</u>	<u>Park Fund</u>	<u>TIF Fund</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ <u>55,606</u>	<u>46,059</u>	<u>9,547</u>
<u>Fund Balance</u>			
Unreserved	\$ <u>55,606</u>	<u>46,059</u>	<u>9,547</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, 2015

	<u>Park Fund</u>
Revenues Received:	
Property Taxes	\$ 17,994
Miscellaneous Income	30
Interest Income	<u>16</u>
Total Revenue Received	\$ <u>18,040</u>
Expenditures Disbursed:	
Culture and Recreation	\$ 2,154
Capital Outlay	-0-
Total Expenditures Disbursed	<u>\$ 2,154</u>
Net Change in Fund Balance	\$ 15,886
Fund Balance, Beginning	<u>30,173</u>
Fund Balance, Ending	<u>\$ 46,059</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, 2015

		TIF Fund	Total
Revenues Received:			
Property Taxes	\$	9,396	27,390
Miscellaneous Income		-0-	30
Interest Income		3	19
		<u> </u>	<u> </u>
Total Revenues Received	\$	<u>9,399</u>	<u>27,439</u>
Expenditures Disbursed:			
Culture and Recreation	\$	-0-	2,154
Capital Outlay		-0-	-0-
Total Expenditures Disbursed	\$	<u>-0-</u>	<u>2,154</u>
Net Change in fund balance	\$	9,399	25,285
Fund Balance, Beginning		<u>148</u>	<u>30,321</u>
Fund Balance, Ending	\$	<u>9,547</u>	<u>55,606</u>

The Accompanying Notes are an Integral Part of this Statement.

Continued

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

Major Governmental Funds
General Fund
For the Year Ended April 30, 2015

		Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
		<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Beginning Budgetary Fund Balance:	\$	2,033,844	2,033,844	-0-
Resources (Inflows):				
Taxes:				
Property		270,000	262,409	(7,591)
Utility		100,000	100,217	217
Intergovernmental:				
State Income Tax		265,000	245,385	(19,615)
Replacement Tax		200	257	57
Telecommunication Tax		60,000	47,427	(12,573)
Sales Tax		240,000	238,711	(1,289)
Advanced Auto Sales Tax		5,000	6,306	1,306
Local Use Tax		40,000	48,662	8,662
Video Gaming Tax		12,000	17,538	5,538
Licenses and Permits		52,200	65,242	13,042
Interest Income		7,000	8,867	1,867
Grants Reimbursement		722,005	179,790	(542,215)
Fees		2,000	200	(1,800)
Plan Reviews		3,000	-0-	(3,000)
Miscellaneous		10,000	31,925	21,925
Transfers		-0-	328,157	328,157
Amounts available for Appropriation	\$	<u>3,822,249</u>	<u>3,614,937</u>	<u>(207,312)</u>
<u>Charges to Appropriations (Outflows):</u>				
General Government	\$	627,000	605,559	21,441
Public Safety		115,600	60,805	54,795
Streets and Public Works		150,000	131,793	18,207
Culture & Recreation		1,000	-0-	1,000
Capital Outlay		870,150	568,943	301,207
Transfers		150,000	90,000	60,000
Total Charges to Appropriations	\$	<u>1,913,750</u>	<u>1,457,100</u>	<u>456,650</u>
Ending Budgetary Fund Balance	\$	<u>1,908,499</u>	<u>2,157,837</u>	<u>249,338</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, 2015

		Budgeted Amounts		Variance with Final Budget
		<u>Original & Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$	291,717	291,717	-0-
Resources (Inflows):				
Intergovernmental		60,000	72,809	12,809
Interest Income		400	1,212	812
Grants		<u>-0-</u>	<u>388,360</u>	<u>388,360</u>
Amounts available for Appropriation	\$	<u>352,117</u>	<u>754,098</u>	<u>401,981</u>
<u>Charges to Appropriations (Outflows):</u>				
Capital Expenditures	\$	150,000	41,778	108,222
Transfers		<u>-0-</u>	<u>328,157</u>	<u>(328,157)</u>
Total Charges to Appropriations	\$	<u>150,000</u>	<u>369,935</u>	<u>(219,935)</u>
Ending Budgetary Fund Balance	\$	<u>202,117</u>	<u>384,163</u>	<u>182,046</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, 2015

		Budgeted Amounts <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$	30,173	30,173	-0-
Resources (Inflows):				
Taxes:				
Property		7,000	17,994	10,994
Miscellaneous Income		-0-	30	30
Interest Income		<u>50</u>	<u>16</u>	<u>(34)</u>
Amounts available for Appropriation	\$	<u>37,223</u>	<u>48,213</u>	<u>10,990</u>
<u>Charges to Appropriations (Outflows):</u>				
Culture and Recreation	\$	-0-	-0-	-0-
Maintenance of Parks		4,000	2,154	1,846
Capital Outlay		<u>25,000</u>	<u>-0-</u>	<u>25,000</u>
Total Charges to Appropriations	\$	<u>29,000</u>	<u>2,154</u>	<u>26,846</u>
Ending Budgetary Fund Balance	\$	<u><u>8,223</u></u>	<u><u>46,059</u></u>	<u><u>37,836</u></u>

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

Budgeted Nonmajor Governmental Funds
 TIF Fund
For the Year Ended April 30, 2015

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Beginning Budgetary Fund Balance:	\$ 148	148	-0-
Resources (Inflows):			
Property Tax	200	9,396	9,196
Interest Income	<u>-0-</u>	<u>3</u>	<u>3</u>
Amounts available for Appropriation	\$ <u>348</u>	<u>9,547</u>	<u>9,199</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>348</u></u>	<u><u>9,547</u></u>	<u><u>9,199</u></u>

VILLAGE OF DIAMOND, ILLINOIS

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

2014

Assessed Valuation \$ 40,140,311

Tax Rates:

Corporate	.3239
Police	.0711
Audit	.0212
Park	.0673
Social Security	.0623
Workmen's Comp	<u>.0374</u>
	<u>.5832</u>

Tax Extensions:

Corporate	\$	130,014
Police		28,540
Audit		8,510
Park		27,014
Social Security		25,007
Workmen's Comp		<u>15,013</u>
	\$	234,098

Township Road and Bridge		<u>45,638</u>
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Totals	\$	<u>279,736</u>
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Tax Collections	\$	<u>-0-</u>
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Continued

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>

Continued

VILLAGE OF DIAMOND, ILLINOIS

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Assessed Valuation	\$ <u>22,761,279</u>	<u>26,913,167</u>	<u>34,508,541</u>
Tax Rates:			
Corporate	.1260	.1118	.0914
Police	.0170	.0151	.0123
Audit	.0122	.0108	.0088
Liability Ins.	.0097	.0086	.0070
Park	.0170	.0151	.0124
Social Security	.0034	.0030	.0025
Workmen's Comp	<u>.0093</u>	<u>.0082</u>	<u>.0067</u>
	<u>.1946</u>	<u>.1726</u>	<u>.1411</u>
Tax Extensions:			
Corporate	\$ 28,679	30,089	31,541
Police	3,869	4,064	4,244
Audit	2,777	2,907	3,037
Liability Ins.	2,208	2,315	2,416
Park	3,869	4,064	4,279
Social Security	774	807	863
Workmen's Comp	<u>2,117</u>	<u>2,207</u>	<u>2,312</u>
	\$ 44,293	46,453	48,692
Township Road And Bridge	<u>22,905</u>	<u>28,810</u>	<u>31,762</u>
Totals	\$ <u>67,198</u>	<u>75,263</u>	<u>80,454</u>
Tax Collections	\$ <u>66,570</u>	<u>73,402</u>	<u>80,049</u>

VILLAGE OF DIAMOND, ILLINOIS

Legal Debt Margin
April 30, 2015

Assessed Valuation - 2014	\$ <u>40,140,311</u>
Statutory Debt Limit (8.625% of Assessed Valuation)	\$ <u>3,462,102</u>
Debt-	
Sewer Revenue Bonds	\$ 5,230,424
Less Sewer Revenue Bonds	(5,230,424)
Water Alternate Revenue Bonds	1,520,000
Less Water Alternative Revenue Bonds @	<u>(1,520,000)</u>
Total Debt	\$ <u>-0-</u>
Legal Debt Margin	\$ <u>3,462,102</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.