

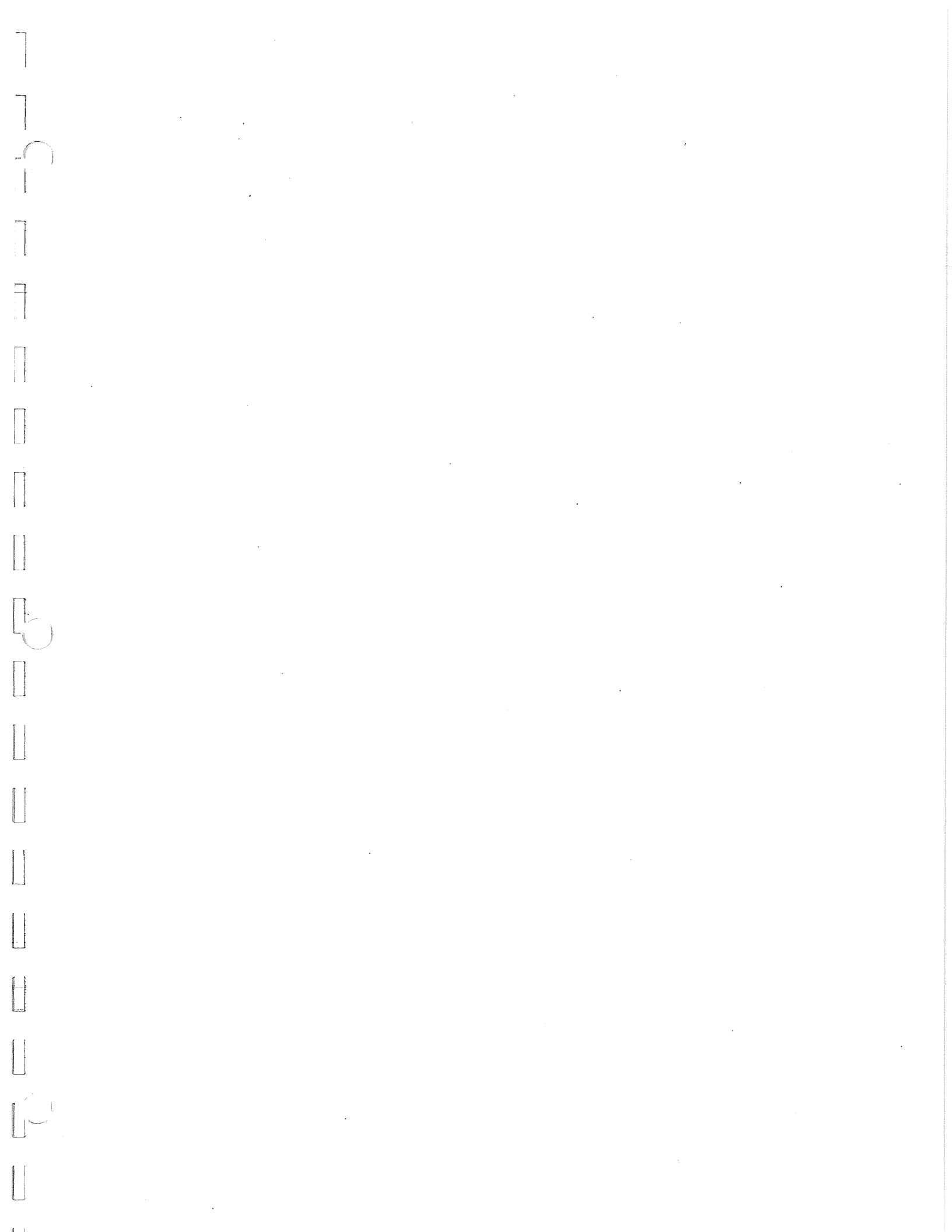
VILLAGE OF DIAMOND
Grundy County, Illinois

Independent Auditor's Report

Annual Financial Report

For the Year Ended
April 30, 2018

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, 2018
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VILLAGE OF DIAMOND, ILLINOIS

Annual Financial Report
Year Ended April 30, 2018
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Independent Auditor's Report

September 7, 2018

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, 2018 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.

Independent Auditor's Responsibility

My responsibility is to express an opinion 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that 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 village'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 includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the 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 for Modified Cash Basis Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from the modified cash transactions of the Village of Diamond, Illinois as of April 30, 2018, and its revenues received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1.

Other Reporting Required Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated September 7, 2018 on my consideration of the Village of Diamond, Illinois internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the village's internal control over financial reporting and compliance.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information listed in the table of contents as "Supplementary Information" is presented for the purposes of additional analysis and is not a required part of the financial statements of the Village of Diamond, Illinois. Such information is the responsibility of management and has been derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements taken as whole. The "Statistical 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.



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Coal City, Illinois

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Independent Auditor's Report on Internal Control Over Financial Reporting And on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

September 7, 2018

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

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, 2018 and the related notes to the financial statements, which collectively comprise the Village's financial statements as listed in the table of contents and have issued my report thereon dated September 7, 2018. The financial statements are found to be fairly stated on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Village of Diamond's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Diamond's internal control. Accordingly, I do not express an opinion on the effectiveness of the village's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

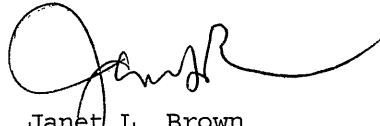
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Diamond's financial

statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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



Janet L. Brown
Certified Public Accountant
Coal City, Illinois

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

April 30, 2018

	<u>Governmental Activities</u>	<u>Primary Government Business-type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$ 1,860,970	1,053,557	2,914,527
Capital Assets, net of Accumulated Depreciation	<u>2,775,885</u>	<u>7,417,087</u>	<u>10,192,972</u>
Total Assets	\$ <u>4,636,855</u>	<u>8,470,644</u>	<u>13,107,499</u>
<u>Liabilities:</u>			
<u>Noncurrent liabilities:</u>			
Due within one year	\$ -0-	420,775	420,775
Due in more than one year	<u>-0-</u>	<u>5,126,681</u>	<u>5,126,681</u>
Total Liabilities	\$ <u>-0-</u>	<u>5,547,456</u>	<u>5,547,456</u>
<u>Net Position:</u>			
Net Investment in Capital Assets	\$ 2,775,885	1,869,631	4,645,516
<u>Restricted for:</u>			
Debt Service	-0-	581,273	581,273
Audit	16,840	-0-	16,840
Social Security	30,114	-0-	30,114
Workman's Comp	27,436	-0-	27,436
Motor Fuel Tax Fund	205,042	-0-	205,042
Park Fund	49,081	-0-	49,081
TIF Fund	38,146	-0-	38,146
Enterprise Zone Fund	1,488	-0-	1,488
Unrestricted	<u>1,492,823</u>	<u>472,284</u>	<u>1,965,107</u>
Total Net Position	\$ <u>4,636,855</u>	<u>2,923,188</u>	<u>7,560,043</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, 2018

<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	\$ 690,823	62,617	-0-	-0-
Public Safety	69,717	-0-	-0-	-0-
Streets and Public Works	252,850	215,000	-0-	115,744
Culture and Recreation	<u>2,128</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Governmental Activities	\$ <u>1,015,518</u>	<u>277,617</u>	<u>-0-</u>	<u>115,744</u>
<u>Business-type Activities</u>				
Water	\$ 664,959	540,109	-0-	-0-
Sewer	621,720	539,982	-0-	-0-
Sanitation	<u>165,488</u>	<u>165,443</u>	<u>-0-</u>	<u>-0-</u>
Total Business-type Activities	\$ <u>1,452,167</u>	<u>1,245,534</u>	<u>-0-</u>	<u>-0-</u>
Total Government	\$ <u>2,467,685</u>	<u>1,523,151</u>	<u>-0-</u>	<u>115,744</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, 2018

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	\$ (628,206)	-0-	(628,206)
Public Safety	(69,717)	-0-	(69,717)
Streets and Public Works	77,894	-0-	77,894
Culture and Recreation	(2,128)	-0-	(2,128)
Total Governmental Activities	\$ (622,157)	-0-	(622,157)
<u>Business-type Activities</u>			
Water	\$ -0-	(124,850)	(124,850)
Sewer	-0-	(81,738)	(81,738)
Sanitation	-0-	(45)	(45)
Total Business-type Activities	\$ -0-	(206,633)	(206,633)
Total Government	\$ (622,157)	(206,633)	(828,790)
General Revenues:			
Taxes:			
Property Tax	\$ 298,779	-0-	298,779
Utility	92,695	-0-	92,695
Miscellaneous Income	9,824	2,010	11,834
Income Tax	267,673	-0-	267,673
Sales Tax	222,577	-0-	222,577
Other Intergovernmental Tax	225,555	-0-	225,555
Investment earnings	7,145	1,636	8,781
Transfers	(100,000)	100,000	-0-
Total General Revenues	\$ 1,024,248	103,646	1,127,894
Change in Net Position	402,091	(102,987)	299,104
Net position at beginning of year	4,234,764	3,026,175	7,260,939
Net position at end of year	\$ 4,636,855	2,923,188	7,560,043

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

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

Governmental Funds
April 30, 2018

	General Fund	Motor Fuel Tax Fund	Other Governmental Fund	Total Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ <u>1,567,213</u>	<u>205,042</u>	<u>88,715</u>	<u>1,860,970</u>
Total Assets and Other Debits	\$ <u>1,567,213</u>	<u>205,042</u>	<u>88,715</u>	<u>1,860,970</u>
Funds Balances:				
Unassigned	\$ 1,492,823	-0-	-0-	1,492,823
Restricted Fund Balance:				
Audit	16,840	-0-	-0-	16,840
Social Security	30,114	-0-	-0-	30,114
Workman's Comp	27,436	-0-	-0-	27,436
Motor Fuel Tax	-0-	205,042	-0-	205,042
Park Fund	-0-	-0-	49,081	49,081
TIF Fund	-0-	-0-	38,146	38,146
Enterprise Zone Fund	-0-	-0-	1,488	1,488
Total Fund Balances	\$ <u>1,567,213</u>	<u>205,042</u>	<u>88,715</u>	<u>1,860,970</u>

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

Capital assets used in governmental activities of
\$ 4,082,863 net of accumulated depreciation of
\$ 1,306,978 are not financial resources and
therefore are not reported in the funds.

2,775,885

Net Position of governmental activities

\$ 4,636,855

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, 2018

	General Fund	Motor Fuel Tax Fund	Nonmajor Funds	Total Governmental Funds
<u>Revenues Received:</u>				
Property Taxes	\$ 268,580	-0-	30,199	298,779
Utility Taxes	92,695	-0-	-0-	92,695
Licenses and Permits	62,051	-0-	-0-	62,051
<u>Intergovernmental:</u>				
State Income Tax	267,673	-0-	-0-	267,673
Replacement Tax	223	-0-	-0-	223
Sales Tax	222,577	-0-	-0-	222,577
Other Illinois Tax	161,062	-0-	-0-	161,062
Motor Fuel Tax	-0-	64,270	-0-	64,270
Grants	115,379	-0-	-0-	115,379
Charge for Service	365	-0-	-0-	365
Investment Earnings	5,795	1,235	115	7,145
Fees	435	-0-	131	566
Miscellaneous	222,944	-0-	1,880	224,824
Transfers	-0-	-0-	2,500	2,500
Total Revenues Received	\$ 1,419,779	65,505	34,825	1,520,109
<u>Expenditures Disbursed:</u>				
<u>Current:</u>				
General Government	\$ 629,705	-0-	3,672	633,377
Public Safety	69,271	-0-	-0-	69,271
Streets and Public Works	128,663	-0-	-0-	128,663
Culture & Recreation	-0-	-0-	2,128	2,128
Capital Outlay	465,277	357,906	-0-	823,183
Transfers	102,500	-0-	-0-	102,500
Total Expenditures Disbursed	\$ 1,395,416	357,906	5,800	1,759,122
Excess (deficiency) of Revenues Received Over Expenditures Disbursed and/Net Change in fund balance	\$ 24,363	(292,401)	29,025	(239,013)
Fund Balance at beginning of year	1,542,850	497,443	59,690	2,099,983
Fund Balance at end of year	\$ 1,567,213	205,042	88,715	1,860,970
Reconciliation to the Statement of Activities:				
Net change in fund balances - total governmental funds			\$	(239,013)
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:				
			\$	823,183
				182,079
			\$	641,104
Change in Net Position of Governmental Activities			\$	402,091

The Notes are an Integral Part of these Statements.

Continued

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

Major Governmental Funds
General Fund
For the Year Ended April 30, 2018

		Budgeted Amounts		Variance with Final Budget
		<u>Original & Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$	1,542,850	1,542,850	-0-
Resources (Inflows):				
Taxes:				
Property		260,000	268,580	8,580
Utility		95,000	92,695	(2,305)
Intergovernmental:				
State Income Tax		250,000	267,673	17,673
Replacement Tax		300	223	(77)
Telecommunication Tax		48,000	42,557	(5,443)
Sales Tax		210,000	215,036	5,036
Advanced Auto Sales Tax		8,000	7,541	(459)
Local Use Tax		57,000	65,553	8,553
Video Gaming Tax		45,000	52,952	7,952
Licenses and Permits		68,550	62,051	(6,499)
Interest Income		6,000	5,795	(205)
Grants		357,860	115,379	(242,481)
Fees		4,500	435	(4,065)
Charge for Services		100,400	365	(100,035)
Miscellaneous		<u>25,000</u>	<u>222,944</u>	<u>197,944</u>
Amounts available for Appropriation	\$	<u>3,078,460</u>	<u>2,962,629</u>	<u>(115,831)</u>
Charges to Appropriations (Outflows):				
General Government	\$	837,000	629,705	207,295
Public Safety		89,000	69,271	19,729
Streets and Public Works		115,000	128,663	(13,663)
Culture & Recreation		-0-	-0-	-0-
Capital Outlay		742,000	465,277	276,723
Transfers		<u>102,500</u>	<u>102,500</u>	<u>-0-</u>
Total Charges to Appropriations	\$	<u>1,885,500</u>	<u>1,395,416</u>	<u>490,084</u>
Ending Budgetary Fund Balance	\$	<u>1,192,960</u>	<u>1,567,213</u>	<u>374,253</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, 2018

		Budgeted Amounts		Variance with Final Budget
		<u>Original & Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$	497,443	497,443	-0-
Resources (Inflows):				
Intergovernmental		64,000	64,270	270
Interest Income		<u>1,500</u>	<u>1,235</u>	<u>(265)</u>
Amounts available for Appropriation	\$	<u>562,943</u>	<u>562,948</u>	<u>5</u>
<u>Charges to Appropriations (Outflows):</u>				
Capital Expenditures	\$	<u>445,000</u>	<u>357,906</u>	<u>87,094</u>
Total Charges to Appropriations	\$	<u>445,000</u>	<u>357,906</u>	<u>87,094</u>
Ending Budgetary Fund Balance	\$	<u>117,943</u>	<u>205,042</u>	<u>87,099</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, 2018

		Budgeted Amounts <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$	31,082	31,082	-0-
Resources (Inflows):				
Taxes:				
Property		16,500	20,065	3,565
Miscellaneous Income		1,000	-0-	(1,000)
Interest Income		<u>50</u>	<u>62</u>	<u>12</u>
Amounts available for Appropriation	\$	<u>48,632</u>	<u>51,209</u>	<u>2,577</u>
<u>Charges to Appropriations (Outflows):</u>				
Culture and Recreation	\$	22,000	2,128	19,872
Capital Outlay		<u>6,000</u>	<u>-0-</u>	<u>6,000</u>
Total Charges to Appropriations	\$	<u>28,000</u>	<u>2,128</u>	<u>25,872</u>
Ending Budgetary Fund Balance	\$	<u><u>20,632</u></u>	<u><u>49,081</u></u>	<u><u>28,449</u></u>

The Notes are an Integral Part of these Statements.

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

Budgeted Nonmajor Governmental Funds
 TIF Fund
For the Year Ended April 30, 2018

		Budgeted Amounts <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$	28,407	28,407	-0-
Resources (Inflows):				
Property Tax		11,000	10,134	(866)
Interest Income		<u>-0-</u>	<u>51</u>	<u>51</u>
Amounts available for Appropriation	\$	<u>39,407</u>	<u>38,592</u>	<u>(815)</u>
<u>Charges to Appropriations (Outflows):</u>				
General Government	\$	<u>3,000</u>	<u>446</u>	<u>2,554</u>
Total Charges to Appropriations	\$	<u>3,000</u>	<u>446</u>	<u>2,554</u>
Ending Budgetary Fund Balance	\$	<u><u>36,407</u></u>	<u><u>38,146</u></u>	<u><u>1,739</u></u>

The Notes are an Integral Part of these Statements.

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

Major Governmental Funds
 Enterprise Zone Fund
For the Year Ended April 30, 2018

		Budgeted Amounts <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Beginning Budgetary Fund Balance:	\$	201	201	-0-
Resources (Inflows):				
Charge for Service		-0-	131	131
Miscellaneous Income		75,000	1,880	(73,120)
Interest Income		-0-	2	2
Transfers		<u>2,500</u>	<u>2,500</u>	<u>-0-</u>
Amounts available for Appropriation	\$	<u>77,701</u>	<u>4,714</u>	<u>(72,987)</u>
<u>Charges to Appropriations (Outflows):</u>				
General Government	\$	<u>75,000</u>	<u>3,226</u>	<u>71,774</u>
Total Charges to Appropriations	\$	<u>75,000</u>	<u>3,226</u>	<u>71,774</u>
Ending Budgetary Fund Balance	\$	<u><u>2,701</u></u>	<u><u>1,488</u></u>	<u><u>(1,213)</u></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, 2018

Business Type Activities - Enterprise Funds

Assets	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Totals</u>
Current Assets:				
Cash and Cash Equivalents	\$ 714,857	301,671	37,029	1,053,557
Non Current Assets:				
Other Capital Assets, net of Accumulated Depreciation	<u>3,097,079</u>	<u>4,320,008</u>	<u>-0-</u>	<u>7,417,087</u>
Total Assets	\$ <u>3,811,936</u>	<u>4,621,679</u>	<u>37,029</u>	<u>8,470,644</u>
Liabilities				
Current Liabilities:				
Alternate Revenue Bonds	\$ <u>80,000</u>	<u>340,775</u>	<u>-0-</u>	<u>420,775</u>
Total Current Liabilities	\$ <u>80,000</u>	<u>340,775</u>	<u>-0-</u>	<u>420,775</u>
Non Current Liabilities:				
Alternate Revenue Bonds	\$ <u>1,210,000</u>	<u>3,916,681</u>	<u>-0-</u>	<u>5,126,681</u>
Total Non Current Liabilities	\$ <u>1,210,000</u>	<u>3,916,681</u>	<u>-0-</u>	<u>5,126,681</u>
Total Liabilities	\$ <u>1,290,000</u>	<u>4,257,456</u>	<u>-0-</u>	<u>5,547,456</u>
Net Position				
Net Investment in Capital Assets,	\$ 1,807,079	62,552	-0-	1,869,631
Restricted for:				
Debt retirement	136,178	445,095	0-	581,273
Unrestricted	<u>578,679</u>	<u>(143,424)</u>	<u>37,029</u>	<u>472,284</u>
Total Net Position	\$ <u>2,521,936</u>	<u>364,223</u>	<u>37,029</u>	<u>2,923,188</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, 2018

Business Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Totals</u>
Operating Revenues Collected:				
Charges for services	\$ 525,709	523,882	165,443	1,215,034
Operating Expenditures Disbursed:				
Personal Services	\$ (144,105)	(39,395)	-0-	(183,500)
Supplies and Services	(242,790)	(83,112)	(165,488)	(491,390)
Utilities	(52,939)	(51,004)	-0-	(103,943)
Depreciation	(165,271)	(335,527)	-0-	(500,798)
Total Operating Expenditures Disbursed	\$ (605,105)	(509,038)	(165,488)	(1,279,631)
Income (Loss) from operations	\$ (79,396)	14,844	(45)	(64,597)
Nonoperating Revenues Collected (Expenditures Disbursed):				
Investment Income	\$ 1,110	447	79	1,636
Interest & Fiscal Charges	(59,854)	(112,682)	-0-	(172,536)
Permits	14,400	16,100	-0-	30,500
Miscellaneous	380	1,630	-0-	2,010
Total Nonoperating Revenues Collected (Expenditures Disbursed)	(43,964)	(94,505)	79	(138,390)
Income (Loss) before Contributions and transfers/ Change in net assets	\$ (123,360)	(79,661)	34	(202,987)
Transfers	-0-	100,000	-0-	100,000
Net Position at beginning of year	2,645,296	343,884	36,995	3,026,175
Net Position at end of year	\$ 2,521,936	364,223	37,029	2,923,188

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, 2018

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	\$ 525,709	523,882	165,443	1,215,034
Cash payments to suppliers for Goods and services	(295,729)	(134,116)	(165,488)	(595,333)
Cash Payments to employees for Services	<u>(144,105)</u>	<u>(39,395)</u>	<u>-0-</u>	<u>(183,500)</u>
Net Cash provided by Operating activities	\$ <u>85,875</u>	<u>350,371</u>	<u>(45)</u>	<u>436,201</u>
Cash flows from capital and Related financing activities:				
Acquisition and construction of capital assets	\$ (16,844)	(76,665)	-0-	(93,509)
Interest Paid on bonds & fees	(59,854)	(112,682)	-0-	(172,536)
Retirement of bonds	<u>(80,000)</u>	<u>(332,413)</u>	<u>-0-</u>	<u>(412,413)</u>
Net cash used by capital and Related financing activities	\$ <u>(156,698)</u>	<u>(521,760)</u>	<u>-0-</u>	<u>(678,458)</u>
Cash flow from investing activities:				
Interest on cash and cash equivalents	\$ <u>1,110</u>	<u>447</u>	<u>79</u>	<u>1,636</u>
Cash flows from noncapital Financing activities:				
Permits	\$ 14,400	16,100	-0-	30,500
Transfers	-0-	100,000	-0-	100,000
Miscellaneous	<u>380</u>	<u>1,630</u>	<u>-0-</u>	<u>2,010</u>
Net Cash used by noncapital Financing activities	\$ <u>14,780</u>	<u>117,730</u>	<u>-0-</u>	<u>132,510</u>
Net increase (decrease) in cash and cash equivalents	\$ (54,933)	(53,212)	34	(108,111)
Cash and cash equivalents, May 1, 2017	<u>769,790</u>	<u>354,883</u>	<u>36,995</u>	<u>1,161,668</u>
Cash and cash equivalents, April 30, 2018	\$ <u>714,857</u>	<u>301,671</u>	<u>37,029</u>	<u>1,053,557</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS

Statement of Fiduciary Net Position
Fiduciary Funds

April 30, 2018

	<u>Subdivision Development</u>	<u>School Site Donation</u>	<u>Development Reimbursements</u>	<u>Total Agency Funds</u>
Assets				
Cash and Cash Equivalents	\$ <u>-0-</u>	<u>-0-</u>	<u>30,000</u>	<u>30,000</u>
Net Position Reserve for Refunds payable & other reimbursements	\$ <u>-0-</u>	<u>-0-</u>	<u>30,000</u>	<u>30,000</u>

Statement of Changes in Net Position
Fiduciary Funds

For the Year Ended April 30, 2018

Additions:				
Interest Income	\$ 1	-0-	-0-	1
Permits	-0-	10,500	-0-	10,500
Reimbursements	<u>-0-</u>	<u>-0-</u>	<u>242,481</u>	<u>242,481</u>
Total Additions	\$ <u>1</u>	<u>10,500</u>	<u>242,481</u>	<u>252,982</u>
Subtractions:				
School Site Donation	\$ -0-	12,802	-0-	12,802
Developers Expenses	<u>1,941</u>	<u>-0-</u>	<u>237,481</u>	<u>239,422</u>
Total Subtractions	\$ <u>1,941</u>	<u>12,802</u>	<u>237,481</u>	<u>252,224</u>
Change in Net Position	\$ (1,940)	(2,302)	5,000	758
Net Position May 1, 2017	<u>1,940</u>	<u>2,302</u>	<u>25,000</u>	<u>29,242</u>
Net Position April 30, 2018	\$ <u>-0-</u>	<u>-0-</u>	<u>30,000</u>	<u>30,000</u>

The Notes are an Integral Part of these Statements.

VILLAGE OF DIAMOND, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2018

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, 2018, 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, 2018, 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 received, and expenditures disbursed. Funds are organized into two major categories: governmental and enterprise. The Village presently has three fiduciary funds. An emphasis is placed on major funds within the governmental and enterprise 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 received, or expenditures disbursed of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.

b. Total assets, liabilities, revenues received, or expenditures disbursed 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
Enterprise Zone Fund	Established to account for Enterprise Zone fees received to stimulate economic development within the boundaries of the Diamond Enterprise Zone	Nonmajor

Business-Type 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.

Additionally, the District reports the following fund type:

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 \$ -0- 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. The developers are current with their deposit balances. The development reimbursement balance at year end was \$ 30,000. The deposits are \$ 5,000 each for 6 developments.

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 \$ -0-.

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 enterprise 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. Enterprise 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 position/fund equity, revenues received, and expenditures disbursed when they result from cash transactions with a provision for depreciation in the government-wide statements and the enterprise 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 enterprise 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 enterprise 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 "net investment in capital assets."

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. Enterprise 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, Permits, and Fees
Streets and Public Works	Grants and Subdivider Fee

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 received and expenditures disbursed.
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, 2018, 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, 2018, 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, 2018, the carrying amount of the Village's deposits was \$ 2,942,457 and the bank balance was \$ 2,950,083. 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.

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. As of April 30, 2018 the Village had the following investment:

<u>Government Pool Ratings Not Available</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
The Illinois Fund	\$ <u>2,070</u>	<u>2,070</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, 2018, 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, 2018, 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>2,944,527</u>	<u>2,952,153</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 2017 levy was passed by the board on December 12, 2017. 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 2016 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>2017 Levy</u>	<u>2016 Levy</u>
Corporate	.3330	.2939	.3097
Audit	As Needed	.0321	.0338
Police Protection	.0750	.0631	.0665
Parks	.1000	.0428	.0451
Workman's Comp	As Needed	.0428	.0451
Social Security	As Needed	<u>.0748</u>	<u>.0789</u>
		<u>.5495</u>	<u>.5791</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 transactions of the Village for the year ended April 30, 2018 and the annual cash flow requirements of bond principal and interest:

	Payable At April 30, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Payable At April 30, <u>2018</u>
Sewer Revenue Bonds	\$4,589,869	-0-	332,413	4,257,456
Water Alternative Revenue Bonds	<u>1,370,000</u>	<u>-0-</u>	<u>80,000</u>	<u>1,290,000</u>
Total Debt	<u>\$5,959,869</u>	<u>-0-</u>	<u>412,413</u>	<u>5,547,456</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>
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		<u>436,886</u>	<u>8,208</u>
	\$	<u>4,257,456</u>	<u>638,586</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>
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>1,290,000</u>	<u>671,376</u>	<u>234,984</u>	<u>436,392</u>

A summary of revenue bond ordinance restrictions is shown in Note 11 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 enterprise type funds financial statements generally reflect such transactions as transfers. At April 30, 2018, there were no individual fund Interfund receivable or payable balances.

For the fiscal year ended April 30, 2018, \$ 100,000 was transferred from the General Fund to the Sewer Fund, to satisfy debt service requirements and \$ 2,500 was transferred from the General Fund to the Enterprise Zone Fund to pay startup costs.

NOTE 9. LITIGATION

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

NOTE 10. DEFICIT NET POSITION BALANCES

As of April 30, 2018, 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, 2018

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 \$ 16,840.

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 \$ 30,114.

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 \$ 27,436.

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>581,273</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, 2018 the Village contributed \$ 45,226 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 Enterprise 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, 2018 is as follows:

Governmental - Wide Capital Assets:

	<u>Balance 4/30/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 4/30/18</u>
Governmental Activities Capital Assets:				
Improvements Other Than Buildings	\$ 2,092,988	774,974	-0-	2,867,962
Buildings & Improvements	354,410	-0-	-0-	354,410
Equipment	<u>812,282</u>	<u>48,209</u>	<u>-0-</u>	<u>860,491</u>
Total Governmental Activities Capital Assets	\$ <u>3,259,680</u>	<u>823,183</u>	<u>-0-</u>	<u>4,082,863</u>
Accumulated Depreciation	\$ <u>1,124,899</u>	<u>182,079</u>	<u>-0-</u>	<u>1,306,978</u>
Total Governmental Activities Capital Assets, net of Accumulated Depreciation	\$ <u>2,134,781</u>	<u>641,104</u>	<u>-0-</u>	<u>2,775,885</u>
Business - Type Activities Capital Assets:				
Water	\$ 5,254,078	16,844	-0-	5,270,922
Sewer	<u>9,937,817</u>	<u>76,665</u>	<u>-0-</u>	<u>10,014,482</u>
Total Business - Type Activities Capital Assets	\$ <u>15,191,895</u>	<u>93,509</u>	<u>-0-</u>	<u>15,285,404</u>
Accumulated Depreciation Water	\$ <u>2,008,572</u>	<u>165,271</u>	<u>-0-</u>	<u>2,173,843</u>
Accumulated Depreciation Sewer	\$ <u>5,358,947</u>	<u>335,527</u>	<u>-0-</u>	<u>5,694,474</u>
Total Business - Type Activities Capital Assets, net of accumulated depreciated	\$ <u>7,824,376</u>	<u>(407,289)</u>	<u>-0-</u>	<u>7,417,087</u>

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

Primary Government:

Governmental Activities:

General Government	\$	57,892
Streets and Public Works		<u>124,187</u>
Total depreciation expense for governmental activities	\$	<u>182,079</u>

Business - Type Activities:

Water	\$	165,271
Sewer		<u>335,527</u>
Total depreciation expense for business - type activities	\$	<u>500,798</u>

Note 17. LEGAL DEBT MARGIN

The statutory debt limits are calculated and displayed as Additional Supplementary Information (unaudited). The legal debt margin for 17-18 is \$ 4,036,174, due to the statutory debt limit of \$ 4,036,174 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

Plan Descriptions

1. Illinois Municipal Retirement Fund
Village of Diamond contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois (other than those covered by the Police Pension Plan). The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained on-line at www.imrf.org.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2017, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>8</u>
TOTAL	<u>15</u>

Covered Valuation Payroll \$ 418,766

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides health and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.5% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2017 was 11.14% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry Age Normal
Assumptions	
Price Inflation	2.50%
Salary increases	3.39% to 14.25%
Investment rate of return	7.50%
Wage growth	3.50%
Asset valuation method	Market Value of Assets

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Single Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Village's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the municipal bond rate of 3.31% for tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating at December 31, 2017 to arrive at a single discount rate of 7.50% used to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 929,927	\$ 687,129	\$ 242,798
Changes for the period			
Service cost	\$ 40,617	\$ -0-	\$ 40,617
Interest	69,882	-0-	69,882
Difference between expected and actual experience	85,274	-0-	85,274
Changes in assumptions	(35,543)	-0-	(35,543)
Employer contributions	-0-	46,650	(46,650)
Employee contributions	-0-	18,844	(18,844)
Net investment income	-0-	107,881	(107,881)
Benefit payments and refunds	(36,955)	(36,955)	-0-
Administrative expense	-0-	-0-	-0-
Other (net transfer)	-0-	14,181	(14,181)
Net changes	\$ 123,275	\$ 150,601	\$ (27,326)
BALANCES AT DECEMBER 31, 2017	\$ <u>1,053,202</u>	\$ <u>837,730</u>	\$ <u>215,472</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2017, the Village pension expense was \$29,922. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 72,974	\$ 5,434
Changes in assumption	2,248	34,656
Net difference between projected and actual earnings on pension plan investments	19,259	43,795
TOTAL	\$ <u>94,481</u>	\$ <u>83,885</u>

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

Year Ending December 31,	Net Deferred Outflows of Resources
2018	\$ 5,585
2019	5,583
2020	(2,232)
2021	(1,696)
2022	3,356
Thereafter	<u>-0-</u>
TOTAL	\$ <u>10,596</u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Single Discount Rate (7.50%)	1% Increase (8.50%)
Total Pension Liability	\$ 1,212,825	\$ 1,053,202	\$ 921,406
Plan Fiduciary Net Position	<u>837,730</u>	<u>837,730</u>	<u>837,730</u>
Net Pension Liability (asset)	\$ <u>375,095</u>	\$ <u>215,472</u>	\$ <u>83,676</u>

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 \$ 34,742 the total required contribution for the current fiscal year.

Note 20. EXCESS OF EXPENDITURES DISBURSED OVER APPROPRIATIONS

For the year ended April 30, 2018, there were no overexpenditures of budget in individual funds.

Note 21. GRANTS IN PROGRESS

ITEP - Shared Path Amber Lane to McGinty Street
 STP1 - Intersection Roadway Will & 113
 STP2 - Rt. 113 Roadway
 STP3 - Will Rd. Roadway will be applied for in 2019. Preliminary expenses \$74,807.

**VILLAGE OF DIAMOND
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED APRIL 30, 2018**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Illinois Department of Transportation: Programs:				
STP 1				
ILL 113	20.205	-----	\$ -0-	\$ 175,256
STP 2				
ILL 113	20.205	-----	-0-	421,264
ITEP				
Shared Path Amber Lane To McGinty Street	20.205	-----	-0-	16,315
	-----	331006	<u>-0-</u>	<u>22,628</u>
Total Expenditures of Federal Awards			\$ <u>-0-</u>	\$ <u>635,463</u>

Federal Fund expenditures do not exceed \$750,000 for the year ended April 30, 2018. The single audit is not necessary.

Note 22. SUBSEQUENT EVENTS

Recognized and non-recognized subsequent events have been evaluated through July 23, 2018, the date these financial statements were available to be issued. No events have occurred that would cause the April 30, 2018 financial statements to be misleading.

Note 23. 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 Unrestricted 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 modified 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 \$ 16,840 for the Audit Levy, \$ 30,114 for the Social Security Levy and \$ 27,436 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 \$ 136,178 and the Sewer Fund payment of \$ 445,095 are shown as restricted.

4. Restricted Balances

The Motor Fuel Tax Fund Balance of \$ 205,042, Park Fund Balance of \$ 49,081, TIF Fund Balance of \$ 38,146 and the Enterprise Zone Fund Balance of \$ 1,488 are restricted for expenses pertaining to the Fund's specified purpose.

5. State Grants

Proceeds from state grants and the related expenditures have been included in the General Fund. At April 30, 2018, expenditures disbursed exceeded revenues received from state grants, resulting in no restricted balances.

6. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the General Fund. At April 30, 2018, 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.

Generally Accepted Accounting Principles

Modified Cash Basis

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned	Financial Statements- Restricted	Financial Statements- Unrestricted
General	0	74,390	0	0	1,492,823	74,390	1,492,823
Motor Fuel Tax	0	205,042	0	0	0	205,042	0
Park	0	49,081	0	0	0	49,081	0
TIF	0	38,146	0	0	0	38,146	0
Enterprise Zone	0	1,488	0	0	0	1,488	0
Water	0	136,178	0	0	578,679	136,178	578,679
Sewer	0	445,095	0	0	(143,424)	445,095	(143,424)
Sanitation	0	0	0	0	37,029	37,029	0

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.

Note 24. 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 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 23, 2017.

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

VILLAGE OF DIAMOND, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Illinois Municipal Retirement Fund
Last 10 Calendar Years
(schedule to be built prospectively from 2015)

Calendar year ending December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service Cost	\$ 40,617	37,630	35,834
Interest on the Total Pension Liability	69,882	64,161	59,748
Benefit Changes	-0-	-0-	-0-
Difference between Expected and Actual Experience	85,274	5,978	(12,001)
Assumption Changes	(35,543)	(9,526)	4,963
Benefit Payments and Refunds	<u>(36,955)</u>	<u>(26,087)</u>	<u>(25,389)</u>
Net Change in Total Pension Liability	123,275	72,156	63,155
Total Pension Liability -Beginning	<u>929,927</u>	<u>857,771</u>	<u>794,616</u>
Total Pension Liability -Ending (a)	\$ <u>1,053,202</u>	<u>929,927</u>	<u>857,771</u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 46,650	40,667	39,068
Employee Contributions	18,844	16,167	15,435
Pension Plan Net Investment Income	107,881	43,349	3,081
Benefit Payments and Refunds	(36,955)	(26,087)	(25,389)
Other	<u>14,181</u>	<u>(1,378)</u>	<u>(19,367)</u>
Net Change in Plan Fiduciary Net Position	150,601	72,718	12,828
Plan Fiduciary Net Position -Beginning	<u>687,129</u>	<u>614,411</u>	<u>601,583</u>
Plan Fiduciary Net Position -Ending (b)	\$ <u>837,730</u>	<u>687,129</u>	<u>614,411</u>
Net Pension Liability/(Asset) -Ending (a) - (b)	215,472	242,798	243,360
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.54%	73.89%	71.63%
Covered Valuation Payroll	\$ 418,766	359,258	343,001
Net Pension Liability as a Percentage of Covered Valuation Payroll	51.45%	67.58%	70.95%

VILLAGE OF DIAMOND, ILLINOIS

SCHEDULE OF THE NET PENSION LIABILITY
 Illinois Municipal Retirement Fund

<u>Fiscal Year Ending April 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as Percentage of Total Pension Liability</u>	<u>Covered Payroll</u>
2015	\$ 857,771	\$ 614,411	\$ 243,360	71.63%	\$ 343,001
2016	929,927	687,129	242,798	73.89%	359,258
2017	1,053,202	837,730	215,472	79.54%	418,766

Note: GASB was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

VILLAGE OF DIAMOND, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
Illinois Municipal Retirement Fund

Last 10 Calendar Years
(Schedule to be built prospectively from 2015)

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 39,068	39,068	-0-	343,001	11.39%
2016	40,668	40,667	1	359,258	11.32%
2017	46,651	46,650	1	418,766	11.14%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

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

Methods and assumptions used to determine 2017 contribution rates:

Actuarial cost method	Aggregate Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization Period	26 year closed period
Asset valuation method	5 Year smooth market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate, no explicit price inflation is used in the valuation
Salary increases	3.75% to 14.50% including inflation
Investment rate of Return	7.50%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	Mortality rates used were based on the MRP-2014 (base year 2012)

VILLAGE OF DIAMOND, ILLINOIS

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

Nonmajor Governmental Funds
Other Information

April 30, 2018

	<u>Totals</u>	<u>Park Fund</u>	<u>TIF Fund</u>	<u>Enterprise Zone Fund</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ <u>88,715</u>	<u>49,081</u>	<u>38,146</u>	<u>1,488</u>
<u>Fund Balance</u>				
Restricted Fund Balance:				
Park	\$ 49,081	49,081	-0-	-0-
TIF	38,146	-0-	38,146	-0-
Enterprise Zone	<u>1,488</u>	<u>-0-</u>	<u>-0-</u>	<u>1,488</u>
Total Restricted Fund Balance	\$ <u>88,715</u>	<u>49,081</u>	<u>38,146</u>	<u>1,488</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, 2018

	<u>Park Fund</u>	<u>TIF Fund</u>
Revenues Received:		
Property Taxes	\$ 20,065	10,134
Miscellaneous Income	-0-	-0-
Enterprise Zone Fee	-0-	-0-
Interest Income	62	51
Transfer	-0-	-0-
	<hr/>	<hr/>
Total Revenue Received	\$ 20,127	10,185
Expenditures Disbursed:		
General Government	\$ -0-	446
Public Safety	-0-	-0-
Culture and Recreation	2,128	-0-
Capital Outlay	-0-	-0-
	<hr/>	<hr/>
Total Expenditures Disbursed	\$ 2,128	446
Net Change in Fund Balance	\$ 17,999	9,739
Fund Balance, Beginning	<hr/> 31,082	<hr/> 28,407
Fund Balance, Ending	\$ <u>49,081</u>	<u>38,146</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, 2018

		Enterprise Fund	Total
Revenues Received:			
Property Taxes	\$	-0-	30,199
Miscellaneous Income		1,880	1,880
Enterprise Zone Fee		131	131
Interest Income		2	115
Transfer		<u>2,500</u>	<u>2,500</u>
Total Revenues Received	\$	<u>4,513</u>	<u>34,825</u>
Expenditures Disbursed:			
General Government	\$	3,226	3,672
Public Safety		-0-	-0-
Culture and Recreation		-0-	2,128
Capital Outlay		-0-	-0-
Total Expenditures Disbursed	\$	<u>3,226</u>	<u>5,800</u>
Net Change in fund balance	\$	1,287	29,025
Fund Balance, Beginning		<u>201</u>	<u>59,690</u>
Fund Balance, Ending	\$	<u>1,488</u>	<u>88,715</u>

The Accompanying Notes are an Integral Part of this Statement.

Continued

VILLAGE OF DIAMOND, ILLINOIS

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed Valuation	\$ <u>40,140,311</u>	<u>41,340,950</u>	<u>44,411,134</u>	<u>46,796,217</u>
Tax Rates:				
Corporate	.3239	.3157	.3097	.2939
Police	.0711	.0690	.0665	.0631
Audit	.0212	.0363	.0338	.0321
Park	.0673	.0388	.0451	.0428
Social Security	.0623	.0847	.0789	.0748
Workmen's Comp	<u>.0374</u>	<u>.0484</u>	<u>.0451</u>	<u>.0428</u>
	<u>.5832</u>	<u>.5929</u>	<u>.5791</u>	<u>.5495</u>
Tax Extensions:				
Corporate	\$ 130,014	130,513	137,541	137,534
Police	28,540	28,525	29,533	29,528
Audit	8,510	15,007	15,011	15,021
Park	27,014	16,040	20,029	20,029
Social Security	25,007	35,016	35,040	35,004
Workmen's Comp	<u>15,013</u>	<u>20,009</u>	<u>20,029</u>	<u>20,029</u>
	\$ 234,098	245,110	257,183	257,145
Township Road and Bridge	<u>45,638</u>	<u>29,302</u>	<u>30,145</u>	<u>31,688</u>
Totals	\$ <u>279,736</u>	<u>274,412</u>	<u>287,328</u>	<u>288,833</u>
Tax Collections	\$ <u>279,404</u>	<u>274,355</u>	<u>286,794</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, 2018

Assessed Valuation - 2017	\$ <u>46,796,217</u>
Statutory Debt Limit (8.625% of Assessed Valuation)	\$ <u>4,036,174</u>
Debt-	
Sewer Revenue Bonds	\$ 4,257,456
Less Sewer Revenue Bonds	(4,257,456)
Water Alternate Revenue Bonds	1,290,000
Less Water Alternative Revenue Bonds @	<u>(1,290,000)</u>
Total Debt	\$ <u>-0-</u>
Legal Debt Margin	\$ <u>4,036,174</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.