

VILLAGE OF DIMONDALE



FINANCIAL STATEMENTS

YEAR ENDED
FEBRUARY 28, 2017



Drake

Certified
Public
Accountants

VILLAGE OF DIMONDALE

Village Office:

136 N. Bridge St., PO Box 26
Dimondale, Michigan 48821
(517) 646-0230
www.villageofdimondale.org

Village Officers:

Ralph Reznick, Village President

Denise M. Parisian, Village Manager

Scott Ammarman, Street Administrator

Village Trustees:

Lori Conarton

Bill Bower

Scott Ammarman

Robert Campbell

Josh Grab

Andrea Tardino



VILLAGE OF DIMONDALE

TABLE OF CONTENTS

	<u>Page</u>
ACCOUNTANTS' COMPILATION REPORT	1
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet - Governmental Funds	5
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	6
Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Proprietary Fund	
Statement of Net Position	8
Statement of Revenue, Expenses, and Changes in Net Position	9
Statement of Cash Flow	10
Notes to Financial Statements	11-27
REQUIRED SUPPLEMENTAL INFORMATION	
Net Pension Liability	
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	29
Schedule of Employer's Contributions	30
Budgetary Comparison Schedule	
General Fund	31
Major Streets Fund	32
Local Streets Fund	33
OTHER SUPPLEMENTAL INFORMATION	
General Fund	
Statement of Revenue, Expenditures, and Changes in Fund Balance	35-36
Special Revenue Funds	
Combining Balance Sheet	38
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance	39
Statement of Revenue, Expenditures, and Changes in Fund Balance	
Budget and Actual - Major Streets Fund	40
Statement of Revenue, Expenditures, and Changes in Fund Balance	
Budget and Actual - Local Streets Fund	41





ACCOUNTANTS' COMPILATION REPORT

Village Council
Village of Dimondale
Dimondale, MI

We have compiled the accompanying financial statements of the Village of Dimondale as of and for the year ended February 28, 2017, as listed in the table of contents and the accompanying supplementary information contained in pages 29-41 which are presented only for supplementary analysis purposes. A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Karl Z. Drake

Drake Certified Public Accountants

April 21, 2017



BASIC FINANCIAL STATEMENTS



VILLAGE OF DIMONDALE

Government-Wide Financial Statements

STATEMENT OF NET POSITION

FEBRUARY 28, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 792,337	\$ 718,640	\$ 1,510,977
Due From Other Governmental Units	10,051	-	10,051
Accounts Receivable	10,373	54,161	64,534
Prepaid Expenses	19,269	19,986	39,255
TOTAL CURRENT ASSETS	832,030	792,787	1,624,817
NON-CURRENT ASSETS			
Capital Assets	5,866,989	10,110,923	15,977,912
Less: Accumulated Depreciation	(3,664,519)	(4,908,711)	(8,573,230)
TOTAL NON-CURRENT ASSETS	2,202,470	5,202,212	7,404,682
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	52,339	-	52,339
TOTAL DEFERRED OUTFLOWS OF RESOURCES	52,339	-	52,339
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,086,839	\$ 5,994,999	\$ 9,081,838
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 20,471	\$ -	\$ 20,471
Accrued Interest	-	-	-
Current Portion of Loans Payable	-	24,360	24,360
TOTAL CURRENT LIABILITIES	20,471	24,360	44,831
NON-CURRENT LIABILITIES			
Loans Payable	-	137,216	137,216
Compensated Absences and Severance Pay	24,832	4,174	29,006
Net Pension Liability	219,609	-	219,609
TOTAL NON-CURRENT LIABILITIES	244,441	141,390	385,831
TOTAL LIABILITIES	264,912	165,750	430,662
DEFERRED INFLOWS OF RESOURCES			
Pensions	11,278	-	11,278
TOTAL DEFERRED INFLOWS OF RESOURCES	11,278	-	11,278
NET POSITION			
Net Investment in Capital Assets	2,202,470	5,040,636	7,243,106
Restricted	211,551	-	211,551
Unrestricted	396,628	788,613	1,185,241
TOTAL NET POSITION	2,810,649	5,829,249	8,639,898
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 3,086,839	\$ 5,994,999	\$ 9,081,838

See Independent Accountants' Compilation Report



STATEMENT OF ACTIVITIES

YEAR ENDED FEBRUARY 28, 2017

	Program Revenue		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges	Operating Grants	Governmental Activities	Business- Type Activities	Total
		For Services				
FUNCTIONS/PROGRAMS						
Governmental Activities						
General Government	\$ 244,861	\$ -	\$ -	\$ (244,861)	\$ -	\$ (244,861)
Public Safety	3,779	-	-	(3,779)	-	(3,779)
Public Works	181,163	1,560	-	(179,603)	-	(179,603)
Recreational and Cultural	22,700	-	-	(22,700)	-	(22,700)
Interest on Long-Term Debt	1,659	-	-	(1,659)	(7,516)	(9,175)
Depreciation (Unallocated)	202,752	-	-	(202,752)	-	(202,752)
Total Governmental Activities	656,914	1,560	-	(655,354)	(7,516)	(662,870)
Business-Type Activities						
Sewer	575,257	586,201	-	-	10,944	10,944
Total Activities	1,232,171	587,761	-	(655,354)	3,428	(651,926)
General Revenue						
Taxes						
Property Taxes, Levied for General Operations				375,222	-	375,222
Property Taxes, Levied for Debt Service				-	-	-
State of Michigan Aid, Unrestricted				201,167	-	201,167
Interest Earnings				1,912	2,332	4,244
Other				89,713	(3,750)	85,963
Total General Revenue				668,014	(1,418)	666,596
CHANGE IN NET POSITION				12,660	2,010	14,670
NET POSITION - BEGINNING OF YEAR				2,797,989	5,827,239	8,625,228
NET POSITION - END OF YEAR				\$ 2,810,649	\$5,829,249	\$8,639,898



VILLAGE OF DIMONDALE

Governmental Funds

BALANCE SHEET

FEBRUARY 28, 2017

	General	Major Streets	Local Streets	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 577,523	\$ 137,977	\$ 76,837	\$ 792,337
Accounts Receivable	10,253	120	-	10,373
Due from Other Governmental Units	-	7,412	2,639	10,051
Due from Other Funds	846	-	-	846
Prepaid Expenditures	19,269	-	-	19,269
TOTAL ASSETS	\$ 607,891	\$ 145,509	\$ 79,476	\$ 832,876
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 7,883	\$ 12,588	\$ -	\$ 20,471
Due to Other Funds	-	596	250	846
Unearned Revenue	9,127	-	-	9,127
TOTAL LIABILITIES	17,010	13,184	250	30,444
FUND BALANCES				
Non-spendable	19,269	-	-	19,269
Restricted	-	132,325	79,226	211,551
Assigned	26,660	-	-	26,660
Unrestricted	544,952	-	-	544,952
TOTAL FUND BALANCES	590,881	132,325	79,226	802,432
TOTAL LIABILITIES AND FUND BALANCES	\$ 607,891	\$ 145,509	\$ 79,476	\$ 832,876
TOTAL GOVERNMENTAL FUND BALANCES				\$ 802,432
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources, and are not reported in the funds:				
Cost of the Capital Assets				5,866,989
Accumulated Depreciation				(3,664,519)
				<u>2,202,470</u>
Long-term liabilities are not due and payable in the current period and are not reported in the fund:				
Assessment Payable				-
Compensated Absences				(24,832)
Net Pension Liability				(219,609)
Accrued interest is not included as a liability in governmental fund				
Deferred property tax revenue				9,127
Deferred Outflows of Resources				52,339
Deferred Inflows of Resources				(11,278)
NET POSITION OF GOVERNMENTAL ACTIVITIES				\$ 2,810,649

See Independent Accountants' Compilation Report



STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED FEBRUARY 28, 2017

	General	Major Streets	Local Streets	Totals
REVENUE				
Property Taxes	\$ 327,916	\$ -	\$ 47,306	\$ 375,222
State Grants	95,128	71,979	34,060	201,167
Federal Grants	-	-	-	-
Charges for Services	-	1,560	-	1,560
Interest	1,691	175	46	1,912
Other	89,713	-	-	89,713
TOTAL REVENUE	<u>514,448</u>	<u>73,714</u>	<u>81,412</u>	<u>669,574</u>
EXPENDITURES				
General Government	234,383	-	-	234,383
Public Safety	3,779	-	-	3,779
Public Works	115,534	36,035	29,594	181,163
Recreational and Cultural	22,700	-	-	22,700
Debt Service	32,850	-	-	32,850
Capital Outlay	8,422	-	-	8,422
TOTAL EXPENDITURES	<u>417,668</u>	<u>36,035</u>	<u>29,594</u>	<u>483,297</u>
EXCESS OF REVENUE OVER EXPENDITURES	96,780	37,679	51,818	186,277
OTHER FINANCING SOURCES				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	96,780	37,679	51,818	186,277
FUND BALANCES - BEGINNING OF YEAR	<u>494,101</u>	<u>94,646</u>	<u>27,408</u>	<u>616,155</u>
FUND BALANCES - END OF YEAR	<u>\$ 590,881</u>	<u>\$ 132,325</u>	<u>\$ 79,226</u>	<u>\$ 802,432</u>



VILLAGE OF DIMONDALE

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED FEBRUARY 28, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 186,277
---	-------------------

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

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

Depreciation Expense	(202,752)	
Capital Outlay	<u>23,070</u>	
		(179,682)

- Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.

-

- Repayment of assessment principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt).

30,917

- Property tax revenue not collected is deferred in governmental funds, but not in the statement of activities

(177)

- Compensated absences are included in expenditures in the statement of activities but not in the governmental funds.

3,764

- Deferred outflows of resources are recorded on the statement of net position but not in the governmental funds.

48,743

- Deferred inflows of resources related to pensions are recorded on the statement of net position but not in the governmental funds.

(63,330)

- Net pension liability is recorded on the statement of net position but not in the governmental funds.

(13,852)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>12,660</u>
---	-------------------------



STATEMENT OF NET POSITION

FEBRUARY 28, 2017

ASSETS

Current Assets

Cash and Cash Equivalents	\$	718,640
Accounts Receivable		54,161
Prepaid Expenses		19,986

Total Current Assets		<u>792,787</u>
----------------------	--	----------------

Non-Current Assets

Capital Assets		<u>5,202,212</u>
----------------	--	------------------

TOTAL ASSETS	\$	<u>5,994,999</u>
---------------------	-----------	-------------------------

LIABILITIES

Current Liabilities

Current Portion	\$	24,360
Compensated Absences		4,174
Accounts Payable		-
Due to Other Funds		736

Total Current Liabilities		<u>29,270</u>
---------------------------	--	---------------

Long-Term Liabilities		<u>137,216</u>
-----------------------	--	----------------

TOTAL LIABILITIES	\$	<u>166,486</u>
--------------------------	-----------	-----------------------

NET POSITION

Net Investment in Capital Assets	\$	5,040,636
Restricted for Debt Service		-
Unrestricted		787,877

TOTAL NET POSITION	\$	<u>5,828,513</u>
---------------------------	-----------	-------------------------



VILLAGE OF DIMONDALE

Proprietary Fund

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED FEBRUARY 28, 2017

OPERATING REVENUE	
Charges for Services	\$ 586,201
OPERATING EXPENSES	
Salaries	16,965
Employee Benefits	6,698
Office Supplies	2,261
Contractual Services	102,455
Supplies and Chemicals	18,385
Maintenance	48,937
Utilities	61,333
Insurance	9,200
Communication	1,565
Permits	3,017
Depreciation	295,962
Other	6,916
Professional Fees	1,627
TOTAL OPERATING EXPENSES	575,321
OPERATING INCOME (LOSS)	10,880
NON-OPERATING REVENUE (EXPENSES)	
Interest Revenue	2,332
Interest Expense	(7,516)
Sale of Assets	-
Loss on Disposal of Assets	(3,750)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(8,934)
CHANGE IN NET POSITION	1,946
NET ASSETS - BEGINNING OF YEAR	5,826,567
NET ASSETS - END OF YEAR	\$ 5,828,513

See Independent Accountants' Compilation Report

**STATEMENT OF CASH FLOW****YEAR ENDED FEBRUARY 28, 2017****CASH FLOW FROM OPERATING ACTIVITIES**

Cash Received from Customers	\$ 586,201
Cash Payments for Good and Services	(247,256)
Cash Payments to Employees	(16,965)
Cash Payments for Employee Benefits	(6,698)

NET CASH PROVIDED BY OPERATING ACTIVITIES 315,282**CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES**

Contributions from Other Governments	<u>-</u>
--------------------------------------	----------

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Bond Proceeds	-
Principal Payments	(23,423)
Interest Payments	(7,516)

NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES (30,939)**CASH FLOW FROM INVESTING ACTIVITIES**

Receipts of Interest and Dividends	2,332
Sale of Assets	-
Purchase of Assets	(100,153)

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES (97,821)**NET INCREASE IN CASH** 186,522CASH - BEGINNING OF YEAR 532,118**CASH - END OF YEAR** \$ 718,640**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income (Loss) \$ 10,880

Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:

Depreciation Expense	295,962
Decrease (Increase) in Accounts Receivable	5,741
Decrease (Increase) in Prepaid Expenses	4,943
Increase (Decrease) in Accounts Payable	(2,244)

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 315,282

VILLAGE OF DIMONDALE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village conform to United States generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

A. REPORTING ENTITY

The Village of Dimondale is a general law village located in Eaton County, Michigan. The Village operates under an elected council consisting of seven members and provides various services to its approximately 1,234 residents.

As defined by Governmental Accounting Standards Board (GASB) No. 14, the financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government has financial accountability if it:

1. appoints a voting majority of the organization's board, and has the ability to impose its will on the organization; or
2. there is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

Based on the above criteria, no additional organizations or entities are included in these financial statements.

B. BASIS OF PRESENTATION

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenue are reported instead as general revenue.

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



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION (CONTINUED)

Government-Wide Statements

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

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Fund Based Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and severance pay, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than Building and Site Funds) that are legally restricted to expenditures for specified purposes. The Special Revenue Funds maintained by the Village are the Major Streets Fund and Local Streets Fund.

PROPRIETARY FUNDS

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



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF PRESENTATION (CONTINUED)

Fund Based Statements (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

C. BUDGETS AND BUDGETARY ACCOUNTING

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets are adopted on the modified accrual basis of accounting. Amendments are by action of the Board.

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Village for these budgetary funds were adopted at the functional level.

D. PROPERTY TAXES

Real and personal property taxes are assessed as of December 31, and attach as an enforceable lien on property as of July 1, of the subsequent year. Taxes are due and payable as of September 14. The County of Eaton prepares the tax bills for the Village of Dimondale, and the Village collects the taxes prior to return to the County. The property tax revenue in the accompanying financial statements was recognized as that levied during the year.

All unpaid taxes become delinquent after September 14, at which time the uncollected real taxes are returned to Eaton County for collection and to be added to the delinquent tax rolls. The County of Eaton purchases delinquent real property taxes of the Village of Dimondale. The County sells tax notes, the proceeds of which are used to pay the Village for the taxes. Such proceeds are included in the current year in the accompanying financial statements.

The Village is authorized to assess 12.5 mills for general operations. Millage rates levied for 2016 were 10.000 mills for operations. Total taxable value of real and personal property in the Village was \$32,453,262.

The Village is responsible for the collection of delinquent personal property taxes.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. CASH EQUIVALENTS

The Village considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

F. FINANCIAL INSTRUMENTS

The Village does not require collateral to support financial instruments subject to credit risk. However, Union Bank has pledged collateral to expand their risk coverage to \$450,000, which is \$200,000 more than current FDIC coverage.

G. SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

H. EQUITY

Net Position

Net position represents the difference between assets and deferred outflow of resources, less liabilities and deferred inflow of resources. The Village reports three categories of net position, as follows: (1) Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflow of resources attributable to the acquisition, construction, or improvement of those assets, and increases by balances of deferred outflow or resources related to those assets; (2) Restricted net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Village’s debt. Restricted net position is reduced by liabilities and deferred inflow of resources related to the restricted assets; (3) Unrestricted net position consists of all other net position that does not meet the definition of the above components and is available for general use by the Village.

Fund Balance

In the fund financial statements, governmental funds report the following components of fund balance:

- Non-spendable - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed - Amounts that have been formally set aside by the board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board.
- Assigned - Intent to spend resources on specific purposes expressed by the board.
- Unassigned - Balances that do not otherwise fall into one of the above categories.



VILLAGE OF DIMONDALE

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (e.g. streets, bridges, drains) are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value materially extended asset life are not capitalized.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Building and additions	15-50 years
Vehicles	5-10 years
Other equipment	5-20 years

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

M. ESTIMATES

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. LEGAL OR CONTRACTUAL PROVISIONS FOR DEPOSITS AND INVESTMENTS

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 217, Public Acts of 1982, states the Department, by resolution, may authorize investment of surplus funds as follows:



NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

A. LEGAL OR CONTRACTUAL PROVISIONS FOR DEPOSITS AND INVESTMENTS (CONTINUED)

1. In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
2. In certificates of deposit, savings accounts, or depository receipts of a bank, which is a member of the Federal Deposit Insurance Corporation; or a savings and loan association, which a member of the Federal Savings and Loan Insurance Corporation; or a credit union, which is insured by the National Credit Union Association; but only if the bank, savings and loan association, or credit union complies with Subsection (2).
3. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.
4. In United States government or Federal agency obligation repurchase agreements.
5. In bankers' acceptances of United States banks.
6. In mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Village is in compliance with State law regarding their cash deposits.

The Village maintains all of its cash deposits at three banks.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Village's cash deposits are as follows:

<u>Deposits</u>	<u>Book Value</u>	<u>Carrying Amounts</u>
Insured (FDIC)	\$ 1,096,036	\$ 1,096,036
Uninsured & Uncollateralized	414,941	463,372
Total Deposits	<u>\$ 1,510,977</u>	<u>\$ 1,559,408</u>

The differences between the book value and the bank carrying amounts are caused by deposits in transit and outstanding checks.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village does have a policy for custodial credit risk, requiring diligence and prudence of investment officials when considering investments in obligations other than those of an agency of the United States. At year end, the Village had no investment securities that were uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the Village's name.



VILLAGE OF DIMONDALE

Notes to Financial Statements

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

A. LEGAL OR CONTRACTUAL PROVISIONS FOR DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Village's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. At year end, the Village had no such investments.

Concentration of Credit Risk

The Authority does limit the amount the Village may invest in any one issuer. The Village currently has no one investment which exceeds 20 percent of its total investments.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The Village restricts the amount of investments in foreign currency and, thus, at year end had no securities subject to foreign currency risk.

NOTE 3 - ACCUMULATED FUND DEFICITS

There were no accumulated fund deficits at February 28, 2017.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Due from Other Governmental Units at February 28, 2017, is comprised of the following:

Major Streets Fund - Due from State of Michigan	\$	7,412
Local Streets Fund - Due from State of Michigan		2,639
	\$	10,051

NOTE 5 - DUE TO/FROM OTHER FUNDS

Due to/due from at February 28, 2017, consisted of the following:

Due To:		Due From:	
General Fund	\$ 596	Major Streets	\$ 596
General Fund	250	Local Streets	250
	\$ 846		\$ 846



NOTE 6 - JOINT VENTURE

In October 1995, the Village entered into an agreement with the Township of Windsor to create a wastewater treatment plant to serve the residents of the Village and the Township. The existing Village sewer plant was renovated and improved to accommodate the additional users. It was the intent of the Village and Township to create a separate entity to administer the sewer plant when construction was completed. This entity began March 1, 1997, and is a component unit of the Village.

NOTE 7 - FUND BALANCE

Components of Fund Balance at February 28, 2017, are as follows:

\$26,660 of fund balance in the General Fund is assigned. This amount represents money collected for future Parks and Recreation expenditures.

NOTE 8 - CAPITAL ASSETS

Capital asset activity of the Village’s Governmental activities was as follows:

	March 1, 2016	Additions	Disposals and Adjustments	February 28, 2017
Assets not being depreciated:				
Land	\$ 191,000	\$ -	\$ -	\$ 191,000
Capital assets being depreciated:				
Building and improvements	457,905	8,422	-	466,327
Vehicles	192,161	-	-	192,161
Furniture and equipment	86,460	-	-	86,460
Infrastructure	4,916,393	14,648	-	4,931,041
Subtotal	5,797,134	23,070	-	5,675,989
Accumulated depreciation:				
Building and improvements	176,117	18,699	-	194,816
Vehicles	124,899	435	-	125,334
Furniture and equipment	53,651	3,494	-	57,145
Infrastructure	3,107,100	180,124	-	3,287,224
Subtotal	3,702,655	202,752	-	3,664,519
Net capital assets being depreciated	2,094,479	(179,682)	-	2,011,470
Net Capital Assets	\$ 2,285,479	\$ (179,682)	\$ -	\$ 2,202,470

Depreciation expense was not charged to activities as the Department considers its assets to impact multiple activities and allocation is not practical.



VILLAGE OF DIMONDALE

Notes to Financial Statements

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Capital asset activity of the Village's Business-type activities was as follows:

	March 1, 2016	Additions	Disposals and Adjustments	February 28, 2017
Assets not being depreciated:				
Land	\$ 54,544	\$ -	\$ -	\$ 54,544
Capital assets being depreciated:				
Building and improvements	88,275	41,053	-	129,328
Sewer System	9,928,026	59,100	75,000	9,912,126
Equipment	14,925	-	-	14,925
Subtotal	9,993,365	100,153	75,000	10,056,379
Accumulated depreciation:				
Building and improvements	48,702	2,807	-	51,509
Sewer System	4,625,215	288,984	71,250	4,842,949
Equipment	10,082	4,171	-	14,253
Subtotal	4,474,506	295,962	71,250	4,908,711
Net capital assets being depreciated	5,518,859	(195,809)	3,750	5,147,668
Net capital assets	\$ 5,573,403	\$ (195,809)	\$ 3,750	\$ 5,202,212

NOTE 9 - BUDGETARY ACCOUNTING

During the year ended February 28, 2017, the Village incurred no expenditures that were in excess of the amounts appropriated.

NOTE 10 - RISK MANAGEMENT AND LITIGATION

The Village is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the past several years the Village has obtained coverage from commercial insurance companies and has effectively managed risk through various employee education and prevention programs. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. At February 28, 2017, no claims have been entered into the accounting records.



NOTE 11 - LONG-TERM DEBT

GENERAL LONG-TERM DEBT

ASSESSMENT PAYABLE

In the year ended February 28, 2007, the Village was assessed \$124,000 by the Eaton County Drain Commission for improvements that were made. These improvements are to be repaid over 15 years, with an effective interest rate of 5.35%. Principal of \$8,267 plus interest is due each year at February 28. In the year ended February 28, 2007, the Village paid the first installment of \$8,267, interest of \$6,674 and additional principal of \$25,000. The annual payments were then adjusted. The assessment payable was paid in full during the year ended February 28, 2017. The total balance due at February 28, 2017, was \$0. There are no future obligations as the assessment was paid in full.

SEWER FUND

INSTALLMENT PURCHASE AGREEMENT

The Village borrowed \$250,000 on October 1, 2012, to assist in the construction of the Bridge Street River Crossing Force Main and Pumping Station. The contract bears interest at 4% and will be repaid with semi-annual interest payments on April 1 and October 1 and annual principal payments on October 1. The total balance due at February 28, 2017, was \$161,576. Future obligations are as follows:

Year Ended February 28,	Interest April 1	Interest October 1	Principal October 1	Total
2018	\$ 3,232	\$ 3,231	\$ 24,360	\$ 30,823
2019	2,744	2,745	25,334	30,823
2020	2,238	2,238	26,347	30,823
2021	1,711	1,710	27,401	30,822
2022	1,163	1,162	28,497	30,822
2023	592	593	29,637	30,822
	<u>\$ 11,680</u>	<u>\$ 11,679</u>	<u>\$ 161,576</u>	<u>\$ 184,935</u>

Debt activity during the year ended February 28, 2017, was as follows:

	March 1, 2016	Additions	Disbursements	February 28, 2017
Assessment Payable	\$ 30,917	\$ -	\$ 30,917	\$ -
Sewer Loan	184,999	-	23,423	161,576
Total Long-Term Debt	<u>\$ 244,621</u>	<u>\$ -</u>	<u>\$ 54,340</u>	<u>\$ 161,576</u>



VILLAGE OF DIMONDALE

Notes to Financial Statements

NOTE 12 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Village maintains one Enterprise Fund providing sewer services. Segment information for the year ended February 28, 2017, is as follows:

Total Assets	\$ 5,994,999
Total Liabilities	\$ 166,486
Net Position	
Net Investment in Capital Assets	\$ 5,040,636
Restricted for Debt Service	-
Unrestricted	787,877
Total Net Position	\$ 5,828,513
Operating Revenue	\$ 586,201
Operating Expenses (less Depreciation)	279,359
Depreciation	295,962
Operating Income (Loss)	10,880
Non-Operating Revenue (Expenses)	(8,934)
Change in Net Position	1,946
Beginning Net Position	5,826,567
Ending Net Position	\$ 5,828,513
Cash Flow from Operating Activities	\$ 315,282
Cash Flow from Noncapital Financing Activities	-
Cash Flow from Capital and Related Financing Activities	(30,939)
Cash Flow from Investing Activities	(97,821)
Cash - Beginning of Year	532,118
Cash - End of Year	\$ 718,640

NOTE 13 - DEFINED BENEFIT PENSION PLAN

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN

Summary of Significant Accounting Policies

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan

The employer’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

BENEFITS PROVIDED

	2015 Valuation
Benefit Multiplier	2.00% Multiplier (no max)
Normal Retirement Age	60
Vesting	10 years
Early Retirement (Unreduced)	-
Early Retirement (Reduced)	50/25 55/15
Final Average Compensation	5 years
Member Contributions	3%
Act 88	Yes (Adopted 8/9/1999)

EMPLOYEES COVERED BY BENEFIT TERMS

At the December 31, 2015, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	1
Active employees	3
Total	9

CONTRIBUTIONS

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from 11%-14% based on annual payroll for open divisions.



NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

NET PENSION LIABILITY

The employer's Net Pension Liability was measured as of December 31, 2015, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

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

Inflation: 2.5%

Salary Increases: 3.75% in the long-term

Investment rate of return: 7.75%, net of investment expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.5%	5.02%
Global Fixed Income	20.0%	2.18%
Real Assets	12.5%	4.23%
Diversifying Strategies	10.0%	6.56%



NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

DISCOUNT RATE

The discount rate used to measure the total pension liability is 8.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 849,841	\$ 644,134	\$ 205,707
Changes for the Year			
Service Cost	12,834	-	12,834
Interest on Total Pension Liability	68,885	-	68,885
Changes in Benefits	34	-	34
Differences Between Expected and Actual Experience	(22,555)	-	(22,555)
Changes in Assumptions	52,346	-	52,346
Employer Contributions	-	17,083	(17,083)
Employee Contributions	-	4,403	(4,403)
Net Investment Income	-	72,779	(72,779)
Benefit Payments Including Employee Refunds	(42,574)	(42,574)	-
Administrative Expense	-	(1,437)	1,437
Other Changes	(4,814)	-	(4,814)
Net changes	64,156	50,254	13,902
Balances as of December 31, 2016	\$ 913,997	\$ 694,388	\$ 219,609



VILLAGE OF DIMONDALE

Notes to Financial Statements

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Net Pension Liability (Continued)

SENSITIVITY OF THE NET POSITION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8% as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7%) or 1% higher (9%) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability as 12/31/16		\$ 913,997	
Change in Net Pension Liability	90,349	-	(77,554)
Calculated Net Pension Liability	<u>\$ 1,004,346</u>	<u>\$ 913,997</u>	<u>\$ 836,443</u>

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended February 28, 2017, the employer recognized pension expense of \$145,143. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Experience	\$ -	\$ 11,278
Differences in Assumptions	26,173	-
Excess (Deficit) Investment Returns	22,585	-
Contributions Subsequent to the Measurement Date*	3,581	-
Total	<u>\$ 52,339</u>	<u>\$ 11,278</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending February 28, 2017.



NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

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

Year Ended February 28,	
2018	\$ 27,374
2019	8,900
2020	8,900
2021	(4,113)
2022	-
Thereafter	-
	<u>\$ 41,061</u>

Required Supplementary Information

Required supplementary information schedules are required with GASB 68. The Schedule of Employer Contributions shows the employer’s required annual contributions from the annual actuarial valuation, compared with the actual contributions remitted over the past ten years. Note that this is a 10 year schedule prospectively.

The Schedule of Changes in Employer’s Net Pension Liability and Related Ratios shows the changes in total pension liability less the statement of changes in fiduciary net position resulting in the Net Pension Liability calculation for the employer. There are ratios calculated, as well, involving covered employee payrolls. Note that this is a 10 year schedule prospectively.

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2015, the GASB issued Statement No. 74, Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans. Statement No. 74 requires governments to report information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that not administered through trusts that meet the specified criteria. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements beginning after June 15, 2016.



NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement No. 75 requires governments to report information about postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements beginning after June 15, 2017.



REQUIRED SUPPLEMENTAL INFORMATION



VILLAGE OF DIMONDALE

Net Pension Liability

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS (BEGINNING IN 2016)

AMOUNTS DETERMINED AS OF THE LAST DAY OF FEBRUARY OF EACH FISCAL YEAR

	2017	2016
Total Pension Liability		
Service Cost	\$ 12,834	\$ 12,247
Interest	68,885	66,328
Changes of Benefit Terms	34	-
Difference between expected and actual experience	(22,555)	-
Changes of assumptions	52,346	-
Benefit payments including employee refunds	(42,574)	(42,574)
Other	(4,814)	(5,247)
	64,156	30,754
Net Change in Total Pension Liability	64,156	30,754
Pension Liability Beginning of Year	849,841	819,137
Pension Liability End of Year	\$ 913,997	\$ 849,891
Plan Fiduciary Net Position		
Contributions - Employer	\$ 17,083	\$ 17,568
Contributions - Employee	4,403	4,084
Net Investment Income	72,779	(10,031)
Benefit Payments Included Employee Refunds	(42,574)	(42,574)
Administrative Expenses	(1,437)	(1,471)
	50,254	(32,424)
Net Change in Plan Fiduciary Net Position	50,254	(32,424)
Plan Fiduciary Net Position Beginning of Year	644,134	676,558
Plan Fiduciary Net Position End of Year	\$ 694,388	\$ 644,134
Employer Net Pension Liability	\$ 219,609	\$ 205,757
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76%	76%
Covered Employee Payroll	\$ 143,221	\$ 138,014
Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	153%	149%

Notes to Schedule:

Benefit changes: Participant contribution rate increased to 3%.

Changes in assumptions: Increase in final average compensation of 1%. Withdrawal rate scaling factor was changed to 100%.



SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

LAST 10 FISCAL YEARS (BEGINNING IN 2016)

AMOUNTS DETERMINED AS OF THE LAST DAY OF FEBRUARY OF EACH FISCAL YEAR

	2017	2016
Actuarial Determined Contributions	\$ 16,507	\$ 16,572
Contributions in Relation to the Actuarially Determined Contribution	17,083	17,568
Contribution Deficiency (Excess)	\$ (576)	\$ (996)
Covered Employee Payroll	\$ 143,221	\$ 138,014
Contributions as a Percentage of Covered Employee Payroll	12%	13%

Notes to Schedule:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, open
Remaining Amortization Period	23 years
Asset Valuation Method	5 year smoothed
Inflation	2.50%
Salary Increases	3.75%
Investment Rate of Return	7.75%
Retirement Age	Varies depending on plan adoption
Mortality	50% Female/50% Male RP-2014 Group Annuity Mortality Table



VILLAGE OF DIMONDALE

Budgetary Comparison Schedule

GENERAL FUND

YEAR ENDED FEBRUARY 28, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	
REVENUE				
Property Taxes	\$ 329,600	\$ 329,600	\$ 327,916	\$ (1,684)
State Grants	93,000	93,000	95,128	2,128
Charges for Services	-	-	-	-
Interest	1,500	1,500	1,691	191
Other	30,200	30,200	89,713	59,513
Transfers In	-	-	-	-
TOTAL REVENUE	454,300	454,300	514,448	60,148
EXPENDITURES				
General Government	253,350	253,350	234,383	18,967
Public Safety	7,800	7,800	3,779	4,021
Public Works	131,900	131,900	115,534	16,366
Recreation and Culture	25,000	25,000	22,700	2,300
Debt Service	32,900	32,900	32,850	50
Capital Outlay	40,000	40,000	8,422	31,578
Other Uses-Operating Transfers Out	-	-	-	-
TOTAL EXPENDITURES	490,950	490,950	417,668	73,282
EXCESS OF REVENUE OVER EXPENDITURES AND OTHER USES	(36,650)	(36,650)	96,780	133,430
BUDGETARY FUND BALANCE- MARCH 1, 2016	494,101	494,101	494,101	-
BUDGETARY FUND BALANCE- FEBRUARY 28, 2017	\$ 457,451	\$ 457,451	\$ 590,881	\$ 133,430



Budgetary Comparison Schedule

MAJOR STREETS

YEAR ENDED FEBRUARY 28, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		
REVENUE				
Property Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	109,800	109,800	71,979	(37,821)
Federal Grants	-	-	-	-
Charges for Services	1,500	1,500	1,560	60
Interest	50	50	175	125
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL REVENUE	111,350	111,350	73,714	(37,636)
EXPENDITURES				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	57,780	57,780	36,035	21,745
Recreation and Culture	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Other Uses-Operating Transfers Out	-	-	-	-
TOTAL EXPENDITURES	57,780	57,780	36,035	21,745
EXCESS OF REVENUE OVER EXPENDITURES AND OTHER USES	53,570	53,570	37,679	(15,891)
BUDGETARY FUND BALANCE- MARCH 1, 2016	94,646	94,646	94,646	-
BUDGETARY FUND BALANCE- FEBRUARY 28, 2017	\$ 148,216	\$ 148,216	\$ 132,325	\$ (15,891)



VILLAGE OF DIMONDALE

Budgetary Comparison Schedule

LOCAL STREETS

YEAR ENDED FEBRUARY 28, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		
REVENUE				
Property Taxes	\$ 45,000	\$ 45,000	\$ 47,306	\$ 2,306
State Grants	28,200	28,200	34,060	5,860
Charges for Services	-	-	-	-
Interest	25	25	46	21
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL REVENUE	<u>73,225</u>	<u>73,225</u>	<u>81,412</u>	<u>8,187</u>
EXPENDITURES				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	50,600	50,600	29,594	21,006
Recreation and Culture	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Other Uses-Operating Transfers Out	-	-	-	-
TOTAL EXPENDITURES	<u>50,600</u>	<u>50,600</u>	<u>29,594</u>	<u>21,006</u>
EXCESS OF REVENUE OVER EXPENDITURES AND OTHER USES	22,625	22,625	51,818	29,193
BUDGETARY FUND BALANCE- MARCH 1, 2016	<u>27,408</u>	<u>27,408</u>	<u>27,408</u>	<u>-</u>
BUDGETARY FUND BALANCE- FEBRUARY 28, 2017	<u>\$ 50,033</u>	<u>\$ 50,033</u>	<u>\$ 79,226</u>	<u>\$ 29,193</u>



OTHER SUPPLEMENTAL INFORMATION



VILLAGE OF DIMONDALE

General Fund

STATEMENT OF REVENUE EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET TO ACTUAL

YEAR ENDED FEBRUARY 28, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Taxes	\$ 329,600	\$ 327,916	\$ (1,684)
State Shared Revenue	93,000	95,128	2,128
State Grant Revenue	-	-	-
Other State Revenue	-	47,774	47,774
Other Grant Revenue	4,000	4,000	-
Reimbursements	5,000	6,305	1,305
Donations	3,000	10,084	7,084
Charges for Services	-	-	-
Interest	1,500	1,691	191
Rentals	6,200	5,760	(440)
CATV Franchise	6,500	7,271	771
Payroll Administration	3,600	3,600	-
Miscellaneous	1,900	4,919	3,019
TOTAL REVENUE	454,300	514,448	60,148
EXPENDITURES			
GENERAL GOVERNMENT			
Village Council	11,100	9,084	2,016
Village President	2,700	2,390	310
Elections	-	-	-
Attorney	3,000	846	2,154
Clerk's Office	101,350	97,231	4,119
Auditor	3,000	3,000	-
Treasurer	2,000	285	1,715
Village Hall and Grounds	8,750	6,002	2,748
Christmas Decorations	1,000	25	975
Engineers	1,000	-	1,000
Rubbish Collection	48,000	47,478	522
Employee Benefits	55,950	53,427	2,523
Insurance	10,000	8,974	1,026
EC Surcharge	3,600	3,542	58
Other	1,900	2,099	(199)
TOTAL GENERAL GOVERNMENT	\$ 253,350	\$ 234,383	\$ 18,967



General Fund

STATEMENT OF REVENUE EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONTINUED)

YEAR ENDED FEBRUARY 28, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (CONTINUED)			
PUBLIC SAFETY			
Code Enforcement	\$ 2,300	\$ 1,374	\$ 926
Emergency Disaster	2,000	-	2,000
Fire Chief	400	350	50
Planning Commission	3,100	2,055	1,045
TOTAL PUBLIC SAFETY	7,800	3,779	4,021
PUBLIC WORKS			
Public Works	121,400	100,549	20,851
Sidewalks	7,500	7,200	300
Trees	1,000	7,415	(6,415)
Drains	2,000	370	1,630
TOTAL PUBLIC WORKS	131,900	115,534	16,366
RECREATION AND CULTURE			
Parks and Recreation	25,000	22,700	2,300
DEBT SERVICE	32,900	32,850	50
CAPITAL OUTALY	40,000	8,422	31,578
TOTAL EXPENDITURES	490,950	417,668	73,282
EXCESS OF REVENUE OVER EXPENDITURES	(36,650)	96,780	133,430
OTHER FINANCING SOURCES (USES)			
Bond Proceeds	-	-	-
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(36,650)	96,780	133,430
BUDGETARY FUND BALANCE- MARCH 1, 2016	494,101	494,101	-
BUDGETARY FUND BALANCE- FEBRUARY 28, 2017	\$ 457,451	\$ 590,881	\$ 133,430



VILLAGE OF DIMONDALE

SPECIAL REVENUE FUNDS



COMBINING BALANCE SHEET

FEBRUARY 28, 2017

	Major Streets	Local Streets	Totals
ASSETS			
Cash	\$ 137,977	\$ 76,837	\$ 214,814
Accounts Receivable	120	-	120
Prepaid Expenses	-	-	-
Due from State	7,412	2,639	10,051
Due from General Fund	-	-	-
TOTAL ASSETS	\$ 145,509	\$ 79,476	\$ 224,985
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	\$ 12,588	\$ -	12,588
Due to Other Funds	596	250	846
TOTAL LIABILITIES	13,184	250	13,434
FUND EQUITY			
Fund Balance	132,325	79,226	211,551
TOTAL LIABILITIES AND FUND EQUITY	\$ 145,509	\$ 79,476	\$ 224,985



VILLAGE OF DIMONDALE

Special Revenue Funds

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED FEBRUARY 28, 2017

	Major Streets	Local Streets	Totals
REVENUE			
Taxes	\$ -	\$ 47,306	\$ 47,306
State Grants	71,979	34,060	106,039
Federal Grants	-	-	-
Miscellaneous Services	1,560	-	1,560
Interest	175	46	221
TOTAL REVENUE	73,714	81,412	155,126
EXPENDITURES			
Public Works	36,035	29,594	65,629
Capital Outlay	-	-	-
TOTAL EXPENDITURES	36,035	29,594	65,629
EXCESS OF REVENUE OVER EXPENDITURES	37,679	51,818	89,497
FUND BALANCE - MARCH 1, 2016	94,646	27,408	122,054
FUND BALANCE - FEBRUARY 28, 2017	\$ 132,325	\$ 79,226	\$ 211,551



Major Streets Fund

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL

YEAR ENDED FEBRUARY 28, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
State Grants	\$ 109,800	\$ 71,979	\$ (37,821)
Federal Grants	-	-	-
Miscellaneous Services	1,500	1,560	60
Interest	50	175	125
TOTAL REVENUE	111,350	73,714	(37,636)
EXPENDITURES			
PUBLIC WORKS			
Construction	2,000	-	2,000
Routine Maintenance	30,790	25,353	5,437
Traffic Services	7,100	2,238	4,862
Non-motorized	400	113	287
Winter Maintenance	16,390	7,581	8,809
Administration	1,100	750	350
TOTAL PUBLIC WORKS	57,780	36,035	21,745
CAPITAL OUTLAY	-	-	-
TOTAL EXPENDITURES	57,780	36,035	21,745
EXCESS OF REVENUE OVER EXPENDITURES	53,570	37,679	(15,891)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	53,570	37,679	(15,891)
FUND BALANCE - MARCH 1, 2016	94,646	94,646	-
FUND BALANCE - FEBRUARY 28, 2017	\$ 148,216	\$ 132,325	\$ (15,891)



VILLAGE OF DIMONDALE

Local Streets Fund

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

YEAR ENDED FEBRUARY 29, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Current Taxes	\$ 45,000	\$ 47,306	\$ 2,306
State Grants	28,200	34,060	5,860
Miscellaneous Services	-	-	-
Interest	25	46	21
TOTAL REVENUE	73,225	81,412	8,187
EXPENDITURES			
PUBLIC WORKS			
Construction	8,000	6,650	1,350
Routine Maintenance	29,365	17,305	12,060
Traffic Services	-	-	-
Non-motorized	-	-	-
Winter Maintenance	12,135	4,889	7,246
Administration	1,100	750	350
TOTAL PUBLIC WORKS	50,600	29,594	21,006
CAPITAL OUTLAY	-	-	-
TOTAL EXPENDITURES	50,600	29,594	21,006
EXCESS OF REVENUE OVER EXPENDITURES	22,625	51,818	29,193
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	22,625	51,818	29,193
FUND BALANCE - MARCH 1, 2016	27,408	27,408	-
FUND BALANCE - FEBRUARY 28, 2017	\$ 50,033	\$ 79,226	\$ 29,193