



VILLAGE OF SWANSEA, ILLINOIS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
APRIL 30, 2015**

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VILLAGE OF SWANSEA, ILLINOIS

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C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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David M. Bartosiak
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INDEPENDENT AUDITOR'S REPORT

Honorable President and Board of Trustees
Village of Swansea
Swansea, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the of the Village of Swansea, Illinois as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we 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 overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Swansea, Illinois as of April 30, 2015, and

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the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 to 10), budgetary comparison information (pages 50 to 53) and schedules of funding progress and employer contributions (pages 54 to 61) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

C. J. Schwan / Copy 221

Certified Public Accountants
Alton, Illinois

September 25, 2015

VILLAGE OF SWANSEA, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Village of Swansea, Illinois' (Village) annual audit presents a management's discussion and analysis of the Village's financial activity during the fiscal year ended April 30, 2015. The Management's Discussion and Analysis is designed to focus on current activities, resulting changes and currently known facts and should be read in conjunction with the basic financial statements and footnotes. Responsibility for the completeness and fairness of this information rests with the Village.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the Village's basic financial statements. There are three components to the basic statements:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains Required Supplementary Information and Other Supplementary Information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government-wide financial statements exclude fiduciary fund activities.

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, culture and recreation, streets and public works and cemetery. The business-type activities relate entirely to operating the sewer system.

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

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. Changes in net position are reported on the modified cash basis for the governmental activities and for the business-type activities.

VILLAGE OF SWANSEA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL STATEMENTS

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

Governmental Funds. Governmental funds are used to account for essential functions reported as governmental activities in the government-wide financial statements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financial decisions. The governmental fund's Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between the governmental fund financial statements and the government-wide financial statements.

The Village maintains 6 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance for three major funds: General Fund, Tax Increment Financing Fund and Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "Other Governmental Funds." Individual fund data for the nonmajor governmental funds is provided in the form of combining schedules in the other supplementary information section of this report.

The Village adopts an annual budget for all governmental funds. Budget comparison schedules for the major funds have been provided to demonstrate legal compliance with the adopted budget.

Proprietary funds. Enterprise funds are used to report the same functions and the same type of information presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its sewer operations.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the Village's progress in funding its obligation to provide pension benefits to its

VILLAGE OF SWANSEA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

employees. The Village also reports expenditures of its major funds in comparison to appropriated amounts.

Other Supplementary Information. The combining fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the Required Supplementary Information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Village presents its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$46,663,075 at the close of the most recent fiscal year.

The largest portion of the Village's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The condensed statement of net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014
Current and other assets	\$ 6,644,026	\$ 7,368,976	\$ 7,399,208	\$ 8,844,407	\$ 14,043,234	\$ 16,213,383
Capital assets	25,952,370	25,478,958	27,242,402	28,003,592	53,194,772	53,482,550
Total assets	<u>32,596,396</u>	<u>32,847,934</u>	<u>34,641,610</u>	<u>36,847,999</u>	<u>67,238,006</u>	<u>69,695,933</u>
Long-term liabilities outstanding	3,186,570	3,223,097	16,882,843	18,967,530	20,069,413	22,190,627
Other liabilities	243,497	1,057,099	262,021	314,608	505,518	1,371,707
Total liabilities	<u>3,430,067</u>	<u>4,280,196</u>	<u>17,144,864</u>	<u>19,282,138</u>	<u>20,574,931</u>	<u>23,562,334</u>
Net position:						
Invested in capital assets, net of related debt	23,848,078	23,353,675	10,373,129	9,050,537	34,221,207	32,404,212
Restricted	3,129,457	3,455,847	-	-	3,129,457	3,455,847
Unrestricted	2,188,794	1,758,216	7,123,617	8,515,324	9,312,411	10,273,540
Total net position	<u>\$ 29,166,329</u>	<u>\$ 28,567,738</u>	<u>\$ 17,496,746</u>	<u>\$ 17,565,861</u>	<u>\$ 46,663,075</u>	<u>\$ 46,133,599</u>

Total net position increased \$529,476 resulting in a balance of \$46,663,075 as of April 30, 2015. Total current assets, which are comprised of cash and cash equivalents, decreased \$2,170,149. Non-current assets decreased \$287,778 due primarily to increases in capital assets of \$2,051,667 offset by the increase in accumulated depreciation of \$2,339,445.

VILLAGE OF SWANSEA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Total liabilities decreased in the current year by \$2,987,403 for an ending total balance of \$20,574,931. The decrease is due primarily to scheduled debt principal payments.

The change in net position is further examined in the Analysis of Net Position section of the MD&A.

ANALYSIS OF NET POSITION

<u>Analysis of Net Position</u>	<u>2015</u>		<u>2014</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Net invested in capital assets	73.3%	\$ 34,221,207	70.2%	\$ 32,404,212
Restricted	6.7%	3,129,457	7.5%	3,455,847
Unrestricted	<u>20.0%</u>	<u>9,312,411</u>	<u>22.3%</u>	<u>10,273,540</u>
Total net position	<u>100.0%</u>	<u>\$ 46,663,075</u>	<u>100.0%</u>	<u>\$ 46,133,599</u>

The Village had an increase in net position of \$529,476 for the government-wide financial statements for the year ended April 30, 2015. Capital net asset balances decreased by \$1,816,995 in the current year due to capital acquisitions of \$2,051,667 less current depreciation and overall debt reduction. The combined unrestricted net position balances changed by the net income of operating activities. The revenue and expenditure comparisons that comprise the current year increase follow.

REVENUE COMPARISON BY TYPE

<u>Governmental activities</u>	<u>2015</u>	<u>2014</u>
Property tax	\$ 1,527,280	\$ 1,770,172
Utility tax	799,551	809,015
Telecommunications tax	183,487	185,877
State income tax	1,353,015	1,282,543
Sales and use tax	2,450,178	2,111,848
Motor fuel tax	345,528	446,441
Replacement tax	15,540	14,847
Other taxes	21,649	15,182
Franchise fees	180,040	196,022
Operating grants and contributions	54,332	31,138
Capital grants and contributions	53,735	668,450
Charges for services	378,138	227,550
Investment earnings	11,662	14,445
Miscellaneous	<u>34,228</u>	<u>314,374</u>
Total revenues	<u>\$ 7,408,363</u>	<u>\$ 8,087,904</u>

Total revenues for the governmental activities decreased \$529,842 for the year ended April 30, 2015. The decrease is largely due to lower amounts for capital grants and miscellaneous income. These amounts were somewhat offset by an increase in income taxes and sales and use taxes.

VILLAGE OF SWANSEA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

<u>Business-type Activities</u>	<u>2015</u>	<u>2014</u>
Sewer Charges	\$ 2,570,685	\$ 2,445,413
Investment earnings	<u>24,427</u>	<u>33,136</u>
Total revenues	<u>\$ 2,595,112</u>	<u>\$ 2,478,549</u>

Total revenues for the business-type activities increased \$116,563 for the year ended April 30, 2015.

EXPENDITURES BY CATEGORY

GOVERNMENTAL ACTIVITIES

<u>Expenditures by category</u>	<u>2015</u>		<u>2014</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
General government	13.8%	\$ 950,095	13.2%	\$ 909,452
Public safety	55.9%	3,845,637	55.6%	3,825,094
Culture and recreation	2.6%	180,652	2.3%	161,486
Streets and public works	25.9%	1,784,830	27.4%	1,882,192
Community & Economic Dev	1.0%	70,664	0.6%	43,832
Interest on long-term debt	<u>0.8%</u>	<u>53,290</u>	<u>0.8%</u>	<u>55,673</u>
Total expenditures	<u>100.0%</u>	<u>\$ 6,885,168</u>	<u>100.0%</u>	<u>\$ 6,877,729</u>

The largest category of expenditures is public safety which consists of the Village's police and fire departments. Streets and public works expenses of the Village, was the second largest category of governmental activities expenses.

The above expenditure categories include amounts for depreciation expense on assets purchased in the current and prior years. The breakdown by category is as follows:

	<u>2015</u>	<u>2014</u>
General government	\$ 35,889	\$ 35,456
Public safety	180,577	220,230
Streets and public works	819,297	806,396
Culture and recreation	<u>101,233</u>	<u>99,193</u>
Total depreciation	<u>\$ 1,136,996</u>	<u>\$ 1,161,275</u>

Total capital outlay expenditures for governmental activities in the current year totaled \$1,610,408, which was \$473,412 higher than the related depreciation in the current year.

VILLAGE OF SWANSEA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS-TYPE ACTIVITIES

<u>Operating Expenditures</u>	<u>2015</u>		<u>2014</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Personal services	13.4%	\$ 287,964	11.8%	\$ 260,643
Contractual services	27.7%	594,096	33.1%	728,562
Supplies and materials	2.8%	60,518	2.1%	46,459
Depreciation	<u>56.1%</u>	<u>1,202,449</u>	<u>53.0%</u>	<u>1,167,315</u>
Total expenditures	<u>100.0%</u>	<u>\$ 2,145,027</u>	<u>100.0%</u>	<u>\$ 2,202,979</u>

Expenditures for the business-type activities decreased by \$57,952. The largest categories of operating disbursements related to personal and contractual services.

FUNDS FINANCIAL ANALYSIS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of 2015, the Village's governmental funds reported combined ending fund balances of \$5,676,055, a decrease of \$372,659 in comparison with prior year. Of the total fund balance, \$3,129,457 constitutes restricted fund balance, which is restricted primarily for restricted tax purposes and grant projects. The unassigned fund balance, \$2,074,016, constitutes amounts which are available for spending at the Village's discretion.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,074,016, while total fund balance was \$2,109,380. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39.2% of the total general fund expenditures, while total fund balance represents 39.8% of that same amount. The fund balance of the General Fund increased \$49,272 during the current fiscal year.

At the end of the current fiscal year, the restricted fund balance of the Tax Increment Financing Fund was \$1,172,511, a decrease of \$306,914 in comparison with prior year.

At the end of the current fiscal year, the restricted fund balance of the Capital Projects Fund was \$437,648, a decrease of \$81,685 in comparison with prior year.

VILLAGE OF SWANSEA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds. The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Factors concerning the finances of this fund have already been addressed in the discussion of the Village's government-wide financial statements.

BUDGETARY HIGHLIGHTS

The Village's expenditures exceeded the approved budget only in one of the major funds. The Capital Projects Fund reflects the purchase of a fire truck and this accounts for the difference. A comparison of budget and actual is as follows:

	<u>Budget</u>	<u>Actual</u>
General Fund	\$ 5,508,125	\$ 5,324,949
Tax Increment Financing Fund	667,150	657,573
Capital Projects Fund	628,856	929,855

The appropriations were not amended in the current year.

TRANSFERS

The Village made interfund transfers to provide sufficient funds to pay for expenses incurred in funds with related purposes. All transfers were from unrestricted funds.

Additional information related to transfers can be located in Note 8 of the financial statements.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2015 amounted to \$53,194,772 (net of accumulated depreciation). This investment in capital assets includes land, buildings, water and sewer system improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Engineering work and construction on Old Caseyville Road.
- Engineering work and construction on Richland Creek Roadway.
- Purchase of Garden Street land
- Engineering work and construction on Richland Creek Bikeway.
- Completion of construction for Smelting Works Road.
- Purchase of Fire Truck and Peterbilt Truck.

Additional information related to capital assets can be located in Note 5 of the financial statements.

VILLAGE OF SWANSEA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

LONG-TERM DEBT

At April 30, 2015, the Village reported outstanding debt of \$16,882,843 with the principal obligations extending until fiscal year 2032. The Village added new debt totaling \$165,870 in the current year. Total debt principal retirements were \$2,310,884 in the current year.

Additional information related to long-term debt can be located in Note 6 of the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Swansea, Illinois for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Swansea, 1400 N. Illinois, Swansea, IL 62226.

VILLAGE OF SWANSEA, ILLINOIS

STATEMENT OF NET POSITION
APRIL 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 4,534,666	\$ 3,315,608	\$ 7,850,274
Investments	500,794	3,521,004	4,021,798
Receivables (Net of allowance for uncollectibles):	1,291,808	550,011	1,841,819
Prepaid Expenses	34,934	12,585	47,519
Capital Assets:			
Land	2,191,918	30,000	2,221,918
Buildings and Improvements	6,206,692	444,030	6,650,722
Sewer Plant	-	22,819,973	22,819,973
Equipment and Vehicles	5,121,212	826,899	5,948,111
Infrastructure	31,048,618	13,724,311	44,772,929
Less: Accumulated Depreciation	<u>(18,616,070)</u>	<u>(10,602,811)</u>	<u>(29,218,881)</u>
Net Capital Assets	<u>25,952,370</u>	<u>27,242,402</u>	<u>53,194,772</u>
Other Assets:			
Insurance Trust	<u>211,116</u>	-	<u>211,116</u>
Total Assets	<u>32,525,688</u>	<u>34,641,610</u>	<u>67,167,298</u>
<u>Deferred Outflows of Resources</u>			
Loss on Bond Refunding	<u>70,708</u>	-	<u>70,708</u>
<u>Liabilities</u>			
Accounts Payable	124,075	60,051	184,126
Accrued Wages and Compensated Absences	101,677	9,174	110,851
Accrued Interest Payable	17,745	192,796	210,541
Noncurrent Liabilities:			
Due Within One Year	396,727	1,022,425	1,419,152
Due in More Than One Year	<u>2,789,843</u>	<u>15,860,418</u>	<u>18,650,261</u>
Total Liabilities	<u>3,430,067</u>	<u>17,144,864</u>	<u>20,574,931</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	23,848,078	10,373,129	34,221,207
Restricted for:			
Economic Development	1,172,511	-	1,172,511
Restricted Tax Revenues	1,956,516	-	1,956,516
Forfeitures and Seizures	430	-	430
Unrestricted	<u>2,188,794</u>	<u>7,123,617</u>	<u>9,312,411</u>
Total Net Position	<u>\$ 29,166,329</u>	<u>\$ 17,496,746</u>	<u>\$ 46,663,075</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF SWANSEA, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
		Capital Grants and Contributions				
Primary Government						
Governmental Activities:						
General Government	\$ 950,095	\$ 183,468	\$ 4,532	\$ (762,095)		\$ (762,095)
Public Safety	3,845,637	151,769	-	(3,693,868)		(3,693,868)
Public Works	1,784,830	34,518	49,250	(1,701,062)		(1,701,062)
Culture and Recreation	180,652	6,283	550	(120,084)		(120,084)
Community and Economic Development	70,664	2,100	-	(68,564)		(68,564)
Interest on Long-term Debt	53,290	-	-	(53,290)		(53,290)
Total Governmental Activities	6,885,168	378,138	54,332	(6,398,963)		(6,398,963)
Business-type Activities:						
Sewerage	2,588,831	2,570,685	-		\$ (18,146)	(18,146)
Total Business-type Activities	2,588,831	2,570,685	-		(18,146)	(18,146)
Total Primary Government	\$ 9,473,999	\$ 2,948,823	\$ 54,332	(6,398,963)	(18,146)	(6,417,109)
General Revenues:						
Property Tax, Levied for General Purposes				1,527,280		1,527,280
Intergovernmental Revenues:						
Sales and Use Tax				2,450,178		2,450,178
Replacement Tax				15,540		15,540
State Income Tax				1,353,015		1,353,015
Motor Fuel Tax				345,528		345,528
Telecommunications Tax				183,487		183,487
Utility Tax				799,551		799,551
Franchise Fees				180,040		180,040
Other Taxes				21,649		21,649
Unrestricted Investment Earnings				11,662	24,427	36,089
Miscellaneous				34,228		34,228
Transfers				75,396	(75,396)	-
Total General Revenues and Transfers				6,997,554	(50,969)	6,946,585
Change in Net Position				598,591	(69,115)	529,476
Net Position - Beginning				28,567,738	17,565,861	46,133,599
Net Position - Ending				\$ 29,166,329	\$ 17,496,746	\$ 46,663,075

VILLAGE OF SWANSEA, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2015**

	<u>General Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 1,088,572	\$ 1,213,172	\$ 382,096	\$ 1,850,826	\$ 4,534,666
Investments	500,794	-	-	-	500,794
Receivables (Net, where applicable, of allowances for uncollectibles):					
Property Tax	258,555	385,350	-	247,959	891,864
Services	1,657	-	-	-	1,657
Intergovernmental	958,845	-	88,483	150,130	1,197,458
Other	92,693	-	-	-	92,693
Prepaid Expenses	34,934	-	-	-	34,934
Total Assets	<u>\$ 2,936,050</u>	<u>\$ 1,598,522</u>	<u>\$ 470,579</u>	<u>\$ 2,248,915</u>	<u>\$ 7,254,066</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Equity</u>					
Liabilities:					
Accounts Payable	\$ 68,538	\$ 40,661	\$ 488	\$ 14,388	\$ 124,075
Accrued Wages and Compensated Absences	101,677	-	-	-	101,677
Total Liabilities	<u>170,215</u>	<u>40,661</u>	<u>488</u>	<u>14,388</u>	<u>225,752</u>
Deferred Inflows of Resources:					
Deferred Revenue	<u>656,455</u>	<u>385,350</u>	<u>32,443</u>	<u>278,011</u>	<u>1,352,259</u>
Fund Equity:					
Fund Balance:					
Nonspendable	34,934	-	-	-	34,934
Restricted	430	1,172,511	-	1,956,516	3,129,457
Committed	-	-	437,648	-	437,648
Unassigned	2,074,016	-	-	-	2,074,016
Total Fund Equity	<u>2,109,380</u>	<u>1,172,511</u>	<u>437,648</u>	<u>1,956,516</u>	<u>5,676,055</u>
Total Liabilities, Deferred Inflows of Resources and Fund Equity	<u>\$ 2,936,050</u>	<u>\$ 1,598,522</u>	<u>\$ 470,579</u>	<u>\$ 2,248,915</u>	<u>\$ 7,254,066</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF SWANSEA, ILLINOIS

RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED APRIL 30, 2015

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 5,676,055
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	25,952,370
The balance of the pooled insurance trust is not recorded as an asset on the balance sheet of the governmental funds.	211,116
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(136,084)
The amount of postemployment health care benefits is not recorded as a liability on the balance sheet of the governmental funds.	(497,715)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(2,134,005)
The loss on debt refunding is not reported as an asset on the balance sheet of the governmental funds.	70,708
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(17,745)
Net pension liabilities/assets are not reported on the balance sheet of the governmental funds.	(418,766)
Intergovernmental revenues that are not available for current use are reported as deferred on the balance sheet of the governmental funds but not on the statement of net position.	<u>460,395</u>
Net position of governmental activities	<u>\$ 29,166,329</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF SWANSEA, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2015**

	General Fund	Tax Increment Financing Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property Tax	\$ 1,008,828	\$ 344,123	\$ -	\$ 174,329	\$ 1,527,280
Intergovernmental:					
Sales and Use Tax	1,586,554	-	359,620	299,042	2,245,216
Replacement Tax	15,540	-	-	-	15,540
State Income Tax	1,315,261	-	-	-	1,315,261
Motor Fuel Tax	-	-	-	345,528	345,528
Telecommunications Tax	168,795	-	-	-	168,795
Grants	53,735	-	-	49,250	102,985
Other	21,649	-	-	-	21,649
Utility Tax	799,551	-	-	-	799,551
Licenses, Fees and Permits	113,910	-	-	-	113,910
Charges for Services	231,474	2,100	-	-	233,574
Fines	53,263	-	-	-	53,263
Investment Earnings	2,234	4,436	428	4,564	11,662
Gifts and Donations	5,082	-	-	-	5,082
Miscellaneous Revenues/Reimbursements	160,430	-	-	31,229	191,659
Total Revenues	<u>5,536,306</u>	<u>350,659</u>	<u>360,048</u>	<u>903,942</u>	<u>7,150,955</u>
Expenditures:					
Current:					
General Government	1,036,286	-	820	-	1,037,106
Public Safety	3,654,113	-	70,021	-	3,724,134
Public Works	540,677	-	14,625	410,954	966,256
Culture and Recreation	65,014	-	14,405	-	79,419
Community and Economic Development	-	50,454	-	20,210	70,664
Debt Service:					
Principal	-	9,090	28,012	190,000	227,102
Interest and Fees	-	2,059	3,205	44,527	49,791
Capital Outlay	-	595,970	742,855	271,583	1,610,408
Total Expenditures	<u>5,296,090</u>	<u>657,573</u>	<u>873,943</u>	<u>937,274</u>	<u>7,764,880</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>240,216</u>	<u>(306,914)</u>	<u>(513,895)</u>	<u>(33,332)</u>	<u>(613,925)</u>
Other Financing Sources (Uses):					
Transfers In	75,396	-	266,340	-	341,736
Transfers Out	(266,340)	-	-	-	(266,340)
Proceeds From Debt	-	-	165,870	-	165,870
Total Other Financing Sources	<u>(190,944)</u>	<u>-</u>	<u>432,210</u>	<u>-</u>	<u>241,266</u>
Net Change in Fund Balances	49,272	(306,914)	(81,685)	(33,332)	(372,659)
Fund Balance, Beginning of Year	<u>2,060,108</u>	<u>1,479,425</u>	<u>519,333</u>	<u>1,989,848</u>	<u>6,048,714</u>
Fund Balance, End of Year	<u>\$ 2,109,380</u>	<u>\$ 1,172,511</u>	<u>\$ 437,648</u>	<u>\$ 1,956,516</u>	<u>\$ 5,676,055</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF SWANSEA, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2015**

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

Net change in fund balances - total governmental funds	\$ (372,659)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$1,610,408 exceeded depreciation expense of \$1,136,996 in the current year.	473,412
The amount of compensated absences is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the difference between beginning and ending compensated absences balances that has been included in the statement of activities.	36,700
The amount of net pension liabilities/assets related to the police and fire departments are not recorded as an expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the public safety expense category. This amount is the difference between beginning and ending net pension liabilities/assets balances that has been included in the statement of activities.	18,927
The amount of postemployment healthcare benefits is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the difference between beginning and ending compensated absences balances that has been included in the statement of activities.	(84,046)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.	57,733
Intergovernmental revenues that are not available for current use are reported as deferred on the balance sheet of the governmental funds but not on the statement of net assets. This amount is the difference between beginning and ending deferred revenues that has been included in the statement of activities.	257,408
The balance of the City's portion of the pooled insurance trust is not recorded as an asset in the fund financial statements. In the statement of net assets, this amount is included and adjusted through the general functional expense category. This amount is the difference between beginning and ending insurance trust balance.	<u>211,116</u>
Change in net position of governmental activities	<u>\$ 598,591</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF SWANSEA, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUND - SEWERAGE
APRIL 30, 2015

<u>Assets:</u>		<u>Liabilities:</u>	
Current Assets:		Current Liabilities:	
Cash and Cash Equivalents	\$ 3,315,608	Accounts Payable	\$ 60,051
Investments	3,521,004	Accrued Wages	9,174
Receivables (Net, where applicable, of allowances for uncollectible):		Current Portion - Notes Payable	1,008,855
Services	550,011	Accrued Compensated Absences	13,570
Prepaid Insurance	12,585	Accrued Interest Payable	192,796
Total Current Assets	<u>7,399,208</u>	Total Current Liabilities	<u>1,284,446</u>
Noncurrent Assets:		Noncurrent Liabilities:	
Capital Assets:		Notes Payable	15,860,418
Land	30,000	Total Noncurrent Liabilities	15,860,418
Sewer Plant	22,819,973	Total Liabilities	<u>17,144,864</u>
Buildings and Improvements	444,030		
Equipment and Vehicles	826,899		
Sewer System	13,724,311		
Total	<u>37,845,213</u>		
Less - Accumulated Depreciation	<u>(10,602,811)</u>		
Net Capital Assets	<u>27,242,402</u>	<u>Net Position:</u>	
Total Noncurrent Assets	<u>27,242,402</u>	Invested in Capital Assets, Net of Related Debt	10,373,129
Total Assets	<u>\$ 34,641,610</u>	Unrestricted	7,123,617
		Total Net Position	<u>\$ 17,496,746</u>

VILLAGE OF SWANSEA, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND - SEWERAGE FUND
FOR THE YEAR ENDED APRIL 30, 2015

Operating Revenues:	
Charges for Services	\$ 2,506,388
Fees	64,109
Miscellaneous Revenue	188
Total Operating Revenues	<u>2,570,685</u>
Operating Expenses:	
Salaries	221,225
Employee Benefits	66,739
Contractual Services	594,096
Commodities	60,518
Depreciation	1,202,449
Total Operating Expenses	<u>2,145,027</u>
Operating Income	<u>425,658</u>
Nonoperating Revenues (Expenses):	
Investment Earnings	24,427
Interest and Fiscal Charges	(443,804)
Total Nonoperating Revenues (Expenses)	<u>(419,377)</u>
Income Before Capital Contributions and Transfers	6,281
Transfers Out	<u>(75,396)</u>
Change in Net Position	(69,115)
Net Position - Beginning of Year	<u>17,565,861</u>
Net Position - End of Year	<u>\$ 17,496,746</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF SWANSEA, ILLINOIS

STATEMENT OF CASH FLOWS PROPRIETARY FUND - SEWERAGE FUND FOR THE YEAR ENDED APRIL 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 2,441,556
Payments to Suppliers	(733,412)
Payments to Employees	(218,676)
Net Cash Provided by Operating Activities	<u>1,489,468</u>
Cash Flows from Noncapital Financing Activities:	
Payments to Other Funds	(75,396)
Net Cash Used by Noncapital Financing Activities	<u>(75,396)</u>
Cash Flows from Capital and Related Financing Activities:	
Capital Expenditures	(441,259)
Principal Payments on Notes	(2,083,782)
Interest Payments and Fiscal Charges	(460,183)
Net Cash Used by Capital and Related Financing Activities	<u>(2,985,224)</u>
Cash Flows from Investing Activities:	
Sales (Purchases) of Investments	(1,389,564)
Interest Received	27,080
Net Cash Used by Investing Activities	<u>(1,362,484)</u>
Net Change in Cash and Cash Equivalents	(2,933,636)
Cash and Cash Equivalents, Beginning of Year	<u>6,249,244</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,315,608</u>
Reconciliation of Operating Income to Net Cash Provided	
by Operating Activities:	
Operating Income	\$ 425,658
Adjustments to Reconcile Net Income to	
Net Cash Provided by Operating Activities:	
Depreciation	1,202,449
(Increase) Decrease in Assets:	
Services Receivables	(129,129)
Prepaid Expenses	27,603
Increase (Decrease) in Liabilities:	
Accrued Wages and Compensated Absences	2,549
Accounts Payable	(39,662)
Net Cash Provided by Operating Activities	<u>\$ 1,489,468</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF SWANSEA, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
APRIL 30, 2015

Assets:	
Cash and Cash Equivalents	\$ 1,281,429
Investments:	
Municipal Bonds	131,289
Certificate of Deposits	769,463
Corporate Bonds	1,686,970
U.S. Government Securities	1,795,107
Common Stock	2,352,165
Mutual Funds	1,316,068
Receivables:	
Property Tax	842,689
Accrued Interest	<u>24,137</u>
Total Assets	<u>10,199,317</u>
Liabilities:	
Accounts Payable	<u>-</u>
Total Liabilities	<u>-</u>
Net Position - Restricted for Pension Benefits	<u><u>\$ 10,199,317</u></u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF SWANSEA, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2015

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Motor Fuel Tax Fund</u>	<u>Special Business District Fund</u>	<u>Total</u>		
<u>Assets</u>					
Cash and Cash Equivalents	\$ 284,349	\$ 1,508,130	\$ 1,792,479	\$ 58,347	\$ 1,850,826
Receivables:					
Property Taxes	-	-	-	247,959	247,959
Intergovernmental	<u>70,052</u>	<u>80,078</u>	<u>150,130</u>	<u>-</u>	<u>150,130</u>
Total Assets	<u>\$ 354,401</u>	<u>\$ 1,588,208</u>	<u>\$ 1,942,609</u>	<u>\$ 306,306</u>	<u>\$ 2,248,915</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>					
Liabilities:					
Accounts Payable	<u>\$ 14,388</u>	<u>\$ -</u>	<u>\$ 14,388</u>	<u>\$ -</u>	<u>\$ 14,388</u>
Total Liabilities	<u>14,388</u>	<u>-</u>	<u>14,388</u>	<u>-</u>	<u>14,388</u>
Deferred Inflows of Resources:					
Deferred Revenue	<u>-</u>	<u>30,052</u>	<u>30,052</u>	<u>247,959</u>	<u>278,011</u>
Fund Balance:					
Restricted	<u>340,013</u>	<u>1,558,156</u>	<u>1,898,169</u>	<u>58,347</u>	<u>1,956,516</u>
Total Fund Balance	<u>340,013</u>	<u>1,558,156</u>	<u>1,898,169</u>	<u>58,347</u>	<u>1,956,516</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 354,401</u>	<u>\$ 1,588,208</u>	<u>\$ 1,942,609</u>	<u>\$ 306,306</u>	<u>\$ 2,248,915</u>

VILLAGE OF SWANSEA, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2015

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Special Business District Fund	Total		
Revenues:					
Property Tax	\$ -	\$ -	\$ -	\$ 174,329	\$ 174,329
Sales Tax	-	299,042	299,042	-	299,042
Motor Fuel Tax	345,528	-	345,528	-	345,528
Grant Revenue	49,250	-	49,250	-	49,250
Investment Earnings	536	3,656	4,192	372	4,564
Miscellaneous	31,229	-	31,229	-	31,229
Total Revenues	<u>426,543</u>	<u>302,698</u>	<u>729,241</u>	<u>174,701</u>	<u>903,942</u>
Expenditures:					
Public Works	410,954	-	410,954	-	410,954
Community/Economic Development	-	20,210	20,210	-	20,210
Capital Outlay	101,583	170,000	271,583	-	271,583
Debt Service	-	-	-	234,527	234,527
Total Expenditures	<u>512,537</u>	<u>190,210</u>	<u>702,747</u>	<u>234,527</u>	<u>937,274</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(85,994)</u>	<u>112,488</u>	<u>26,494</u>	<u>(59,826)</u>	<u>(33,332)</u>
Net Change in Fund Balances	(85,994)	112,488	26,494	(59,826)	(33,332)
Fund Balance, Beginning of Year	<u>426,007</u>	<u>1,445,668</u>	<u>1,871,675</u>	<u>118,173</u>	<u>1,989,848</u>
Fund Balance, End of Year	<u>\$ 340,013</u>	<u>\$ 1,558,156</u>	<u>\$ 1,898,169</u>	<u>\$ 58,347</u>	<u>\$ 1,956,516</u>

VILLAGE OF SWANSEA, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
APRIL 30, 2015

	<u>Pension Trust Funds</u>		
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 1,239,738	\$ 41,691	\$ 1,281,429
Investments:			
Municipal Bonds	131,289	-	131,289
Certificates of Deposit	302,887	466,576	769,463
Corporate Bonds	1,686,970	-	1,686,970
U.S. Government Securities	1,795,107	-	1,795,107
Common Stock	2,352,165	-	2,352,165
Mutual Funds	1,316,068	-	1,316,068
Receivables:			
Property Taxes	795,799	46,890	842,689
Accrued Interest	24,137	-	24,137
Total Assets	<u>9,644,160</u>	<u>555,157</u>	<u>10,199,317</u>
Liabilities:			
None	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position -			
Restricted for Pension Benefits	<u>\$ 9,644,160</u>	<u>\$ 555,157</u>	<u>\$ 10,199,317</u>

VILLAGE OF SWANSEA, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2015

	<u>Pension Trust Funds</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
Additions:			
Employer Contributions	\$ 794,979	\$ 46,844	\$ 841,823
Employee Contributions	142,668	12,113	154,781
Investment Earnings:			
Investment Earnings	450,030	1,191	451,221
Less: Investment Expense	<u>(59,357)</u>	<u>-</u>	<u>(59,357)</u>
Net Investment Earnings	<u>390,673</u>	<u>1,191</u>	<u>391,864</u>
Total Additions	<u>1,328,320</u>	<u>60,148</u>	<u>1,388,468</u>
Deductions:			
Benefit Payments	429,753	-	429,753
Refund of Contributions	71,029	-	71,029
Administrative Expenses	<u>4,416</u>	<u>88</u>	<u>4,504</u>
Total Deductions	<u>505,198</u>	<u>88</u>	<u>505,286</u>
Change in Net Position	823,122	60,060	883,182
Net Position, Beginning of Year	<u>8,821,038</u>	<u>495,097</u>	<u>9,316,135</u>
Net Position, End of Year	<u>\$ 9,644,160</u>	<u>\$ 555,157</u>	<u>\$ 10,199,317</u>



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

J. Terry Dooling
David M. Bartosiak
Cindy A. Tefteller
Kevin J. Tepen

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH TAX INCREMENT FINANCING ACT**

Honorable President and Board of Trustees
Village of Swansea
Swansea, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the of the Village of Swansea, Illinois as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we 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 overall presentation of the financial statements.

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

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Other Matters

The management of the Village of Swansea, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the Village of Swansea, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the Village of Swansea, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

C. G. Schlem & Company LLC
Certified Public Accountants

September 25, 2015