

VILLAGE OF DIAMOND, ILLINOIS
ANNUAL FINANCIAL REPORT
APRIL 30, 2021



VILLAGE OF
Diamond

VILLAGE OF DIAMOND, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Diamond, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 auditors' 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Diamond, Illinois, as of April 30, 2021, and the respective changes in modified cash basis financial position and, where applicable, cash flows, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Diamond, Illinois' basic financial statements. The other information, including notes to other information, and the supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other information and the combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The notes to other information, IMRF pension data schedules, and the schedules of assessed valuations, tax rates, tax extensions and tax collections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Diamond, Illinois, for the year ended April 30, 2020, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated July 28, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2021, on our consideration of the Village of Diamond, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Diamond, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
April 30, 2021

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2021	2020
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 2,763,620	1,100,234	3,863,854	3,234,235
Total current assets	2,763,620	1,100,234	3,863,854	3,234,235
Non-current assets:				
Capital Assets				
Equipment	904,634	-	904,634	904,634
Buildings and improvements	356,120	-	356,120	356,120
Infrastructure	2,993,135	15,557,189	18,550,324	18,520,408
Accumulated Depreciation	(1,900,323)	(9,365,446)	(11,265,769)	(10,572,504)
Total non-current assets	2,353,566	6,191,743	8,545,309	9,208,658
Total assets	5,117,186	7,291,977	12,409,163	12,442,893
<u>Liabilities</u>				
Current Liabilities:				
Customer deposits	-	-	-	1,252
Total current liabilities	-	-	-	1,252
Non-current Liabilities:				
Due in one year:				
Bonds payable	-	485,000	485,000	443,136
Due in more than one year:				
Bonds payable	-	3,760,000	3,760,000	4,254,197
Total long-term liabilities	-	4,245,000	4,245,000	4,697,333
Total liabilities	-	4,245,000	4,245,000	4,698,585
<u>Net Position</u>				
Net investment in capital assets	2,353,566	1,946,743	4,300,309	4,511,325
Restricted	823,583	1,079,656	1,903,239	1,157,844
Assigned	51,258	-	51,258	-
Unrestricted	1,888,779	20,578	1,909,357	2,075,139
Total net position	\$ 5,117,186	3,046,977	8,164,163	7,744,308

The Notes to Basic Financial Statements are an integral part of this statement.

**Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended April 30, 2021**

Program Activities	Expenditures	Program Revenues			Governmental Activities	Net (Expenditures) Revenue and Changes in Net Position		
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Business-Type Activities	Total	
						2021	2020	
Governmental activities:								
General government	\$ 824,156	126,495	-	88,407	(609,254)	-	(609,254)	(867,757)
Public Safety	94,748	-	-	-	(94,748)	-	(94,748)	(85,004)
Streets and public works	165,522	-	-	-	(165,522)	-	(165,522)	(83,966)
Culture and recreation	10,298	-	-	-	(10,298)	-	(10,298)	(21,141)
Total governmental activities	1,094,724	126,495	-	88,407	(879,822)	-	(879,822)	(1,057,868)
Business-type activities:								
Water	595,053	640,283	-	-	-	45,230	45,230	(21,869)
Sewer	718,305	595,118	-	-	-	(123,187)	(123,187)	(54,661)
Sanitation	189,816	123,678	-	-	-	(66,138)	(66,138)	(32,274)
Total business-type activities	1,503,174	1,359,079	-	-	-	(144,095)	(144,095)	(108,804)
Total primary government	\$ 2,597,898	1,485,574	-	88,407	(879,822)	(144,095)	(1,023,917)	(1,166,672)
General revenues:								
Taxes:								
					324,235	-	324,235	313,717
					98,533	-	98,533	95,162
					289,688	-	289,688	273,887
					196,117	-	196,117	183,945
					325,258	64,112	389,370	306,235
					11,581	35,596	47,177	47,314
					4,715	25,485	30,200	44,360
					1,250,127	125,193	1,375,320	1,264,620
Special items:								
					-	132,048	132,048	-
					-	(63,596)	(63,596)	-
					(100,000)	100,000	-	-
					(100,000)	168,452	68,452	-
Change in net position					270,305	149,550	419,855	97,948
Net position, beginning of year					4,846,881	2,897,427	7,744,308	7,646,360
Net position, end of year					\$ 5,117,186	3,046,977	8,164,163	7,744,308

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Assets, Liabilities and Fund Balances
Modified Cash Basis - Governmental Funds
April 30, 2021**

		Major Funds			Total	
		General Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Governmental Funds	
					2021	2020
<u>Assets</u>						
Cash		\$ 2,029,626	541,236	192,758	2,763,620	2,294,679
Total assets		<u>\$ 2,029,626</u>	<u>541,236</u>	<u>192,758</u>	<u>2,763,620</u>	<u>2,294,679</u>
<u>Fund Balances</u>						
Unassigned		\$ 1,888,779	-	-	1,888,779	1,690,027
Assigned		-	-	51,258	51,258	-
Restricted		140,847	541,236	141,500	823,583	604,652
Total fund balances		<u>\$ 2,029,626</u>	<u>541,236</u>	<u>192,758</u>	<u>2,763,620</u>	<u>2,294,679</u>

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities of \$4,253,889 (net of accumulated depreciation of \$1,900,323) are not financial resources and, therefore, are not reported in the funds.

	<u>2,353,566</u>	<u>2,552,202</u>
Net position of governmental activities	<u>\$ 5,117,186</u>	<u>4,846,881</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended April 30, 2021

	Major Funds			Total Governmental Funds	
	General Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	2021	2020
Revenues received:					
Property taxes	\$ 296,214	-	28,021	324,235	313,717
Utility taxes	98,533	-	-	98,533	95,162
Licenses and permits	62,473	-	-	62,473	80,565
State income taxes	289,688	-	-	289,688	273,887
Replacement taxes	286	-	-	286	303
State sales taxes	196,117	-	-	196,117	183,945
Other state taxes	152,055	-	-	152,055	177,318
Motor Fuel Tax	-	172,917	-	172,917	91,349
Grants	88,407	-	-	88,407	4,250
Charges for Services	297	-	-	297	615
Investments earnings	1,850	2,865	-	4,715	16,882
Fees	5,191	-	50,000	55,191	50,977
School site donation permits	8,534	-	-	8,534	-
Miscellaneous	11,581	-	-	11,581	23,210
Total revenues received	1,211,226	175,782	78,021	1,465,029	1,312,180
Expenditures disbursed:					
Current:					
General government	608,885	-	677	609,562	652,259
Public safety	94,748	-	-	94,748	85,004
Streets and public works	165,522	-	-	165,522	187,302
Culture and recreation	-	-	10,298	10,298	21,141
Capital Outlay	15,958	-	-	15,958	152,362
Total expenditures disbursed	885,113	-	10,975	896,088	1,098,068
Excess (deficiency) of revenues received over (under) expenditures disbursed	326,113	175,782	67,046	568,941	214,112

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2021

	Major Funds			Total Governmental Funds	
	General Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	2021	2020
	Other financing sources (uses):				
Transfers in (out)	\$ (100,000)	-	-	(100,000)	(100,000)
Total other financing sources (uses)	(100,000)	-	-	(100,000)	(100,000)
Net change in fund balance	226,113	175,782	67,046	468,941	114,112
Fund balances, beginning	1,803,513	365,454	125,712	2,294,679	2,180,567
Fund balances, ending	\$ 2,029,626	541,236	192,758	2,763,620	2,294,679

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds \$ 468,941 114,112

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

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. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.

Purchase of capital assets	-	103,336
Depreciation	(198,636)	(199,543)
Change in net position of governmental activities (Statement B)	\$ 270,305	17,905

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Fund Net Position - Modified Cash Basis
 Proprietary Funds
 April 30, 2021

	Major Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total Proprietary Funds	
				2021	2020
<u>Assets</u>					
Current assets:					
Cash	\$ 782,545	277,902	39,787	1,100,234	939,556
Total current assets	782,545	277,902	39,787	1,100,234	939,556
Non-current assets:					
Infrastructure	5,512,791	10,044,398	-	15,557,189	15,527,273
Accumulated depreciation	(2,664,743)	(6,700,703)	-	(9,365,446)	(8,870,817)
Total non-current assets	2,848,048	3,343,695	-	6,191,743	6,656,456
Total assets	3,630,593	3,621,597	39,787	7,291,977	7,596,012
<u>Liabilities</u>					
Current liabilities:					
Customer deposits	-	-	-	-	1,252
Total current liabilities	-	-	-	-	1,252
Non-current liabilities:					
Alternate revenue bonds due in one year	130,000	355,000	-	485,000	443,136
Alternate revenue bonds due in more than one year	960,000	2,800,000	-	3,760,000	4,254,197
Total non-current liabilities	1,090,000	3,155,000	-	4,245,000	4,697,333
Total liabilities	1,090,000	3,155,000	-	4,245,000	4,698,585
<u>Net Position</u>					
Invested in capital assets, net of related debt	1,758,048	188,695	-	1,946,743	1,959,123
Restricted	369,189	710,467	-	1,079,656	553,192
Unrestricted	413,356	(432,565)	39,787	20,578	385,112
Total net position (deficit)	\$ 2,540,593	466,597	39,787	3,046,977	2,897,427

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Revenues, Expenses, and Changes in Fund Net Position - Modified Cash Basis
Proprietary Funds
For the Year Ended April 30, 2021**

	Major Funds			Total Proprietary Funds	
	Water	Sewer	Sanitation	2021	2020
	Fund	Fund	Fund		
Operating revenues:					
Sewer charges	\$ -	576,718	-	576,718	556,316
Water charges	624,283	-	-	624,283	585,243
Reimbursements	33,059	-	-	33,059	-
Sanitation charges	-	-	123,678	123,678	150,242
Permits	16,000	18,400	-	34,400	17,200
Total operating revenues	673,342	595,118	123,678	1,392,138	1,309,001
Operating expenses:					
Personal services	83,944	46,340	-	130,284	146,683
Supplies and services	254,748	187,339	189,816	631,903	487,538
Utilities	46,389	64,259	-	110,648	104,661
Depreciation	157,872	336,757	-	494,629	503,148
Total operating expenses	542,953	634,695	189,816	1,367,464	1,242,030
Operating income (loss)	130,389	(39,577)	(66,138)	24,674	66,971
Non-operating revenues (expenses):					
Investments income	25,485	-	-	25,485	27,478
Interest expense	(94,831)	(83,610)	-	(178,441)	(175,775)
Bond premiums	20,261	111,787	-	132,048	-
Bond issuance fee	-	(20,865)	-	(20,865)	-
Video gaming tax	-	-	64,112	64,112	37,265
Miscellaneous	(394)	3,166	(235)	2,537	24,104
Total non-operating revenues (expenses)	(49,479)	10,478	63,877	24,876	(86,928)
Income (loss) before contributions and transfers	80,910	(29,099)	(2,261)	49,550	(19,957)
Transfers in	-	100,000	-	100,000	100,000
Change in net position	80,910	70,901	(2,261)	149,550	80,043
Total net position, beginning	2,459,683	395,696	42,048	2,897,427	2,817,384
Total net position, ending	\$ 2,540,593	466,597	39,787	3,046,977	2,897,427

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Cash Flows - Modified Cash Basis
Proprietary Funds
For the Year Ended April 30, 2021**

	Major Funds			Total Proprietary Funds	
	Water Fund	Sewer Fund	Sanitation Fund	2021	2020
Cash flows from operating activities:					
Receipts from customers	\$ 672,090	595,118	123,678	1,390,886	1,310,253
Payments for goods and services	(301,137)	(251,598)	(189,816)	(742,551)	(592,199)
Payments to employees	(83,944)	(46,340)	-	(130,284)	(146,683)
Net cash provided by (used in) operating activities	<u>287,009</u>	<u>297,180</u>	<u>(66,138)</u>	<u>518,051</u>	<u>571,371</u>
Cash flows from noncapital financing activities:					
Video gaming tax	-	-	64,112	64,112	37,265
Miscellaneous	(394)	3,166	(235)	2,537	24,104
Transfers (to) from other funds	-	100,000	-	100,000	100,000
Net cash provided by noncapital financing activities	<u>(394)</u>	<u>103,166</u>	<u>63,877</u>	<u>166,649</u>	<u>161,369</u>
Cash flows from capital financing activities:					
Capital purchases	-	(29,916)	-	(29,916)	(241,869)
Principal paid on capital debt	(40,000)	(412,333)	-	(452,333)	(429,348)
Interest paid on loan payable	(94,831)	(83,610)	-	(178,441)	(175,775)
Bond premiums	20,261	111,787	-	132,048	-
Bond issuance fee	-	(20,865)	-	(20,865)	-
Net cash (used in) capital financing activities	<u>(114,570)</u>	<u>(434,937)</u>	<u>-</u>	<u>(549,507)</u>	<u>(846,992)</u>
Cash flows from investing activities:					
Interest received	<u>25,485</u>	<u>-</u>	<u>-</u>	<u>25,485</u>	<u>27,478</u>
Net cash provided by investing activities	<u>25,485</u>	<u>-</u>	<u>-</u>	<u>25,485</u>	<u>27,478</u>
Net increase (decrease) in cash and cash equivalents	197,530	(34,591)	(2,261)	160,678	(86,774)
Cash balance - beginning of the year	<u>585,015</u>	<u>312,493</u>	<u>42,048</u>	<u>939,556</u>	<u>1,026,330</u>
Cash Balance - end of the year	<u>\$ 782,545</u>	<u>277,902</u>	<u>39,787</u>	<u>1,100,234</u>	<u>939,556</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 130,389	(39,577)	(66,138)	24,674	66,971
Adjustments to reconcile operating income to net cash provided by operating activities:					
Increase (decrease) in customer deposits	(1,252)	-	-	(1,252)	1,252
Depreciation	<u>157,872</u>	<u>336,757</u>	<u>-</u>	<u>494,629</u>	<u>503,148</u>
Net cash provided by operating activities	<u>\$ 287,009</u>	<u>297,180</u>	<u>(66,138)</u>	<u>518,051</u>	<u>571,371</u>

Statement of Custodial Net Position - Cash Basis
Custodial Funds
April 30, 2021

		April 30,	
		2021	2020
	<u>Assets</u>		
Cash		\$ 195,401	185,401
Total assets		<u>\$ 195,401</u>	<u>185,401</u>
	<u>Liabilities</u>		
Payable to others		\$ 195,401	185,401
Total liabilities		<u>\$ 195,401</u>	<u>185,401</u>

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Diamond, Illinois is an Illinois unit of local government. The Village provides general governmental services to citizens.

The financial statements of the Village of Diamond have been prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Illinois, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

A. Reporting Entity

The Village Board is the basic level of government which has oversight responsibility and control over all activities related to the operation of the Village of Diamond, the primary government unit. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding sources entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The Village follows the provision of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of Statement No. 14." As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

The Village, for financial purposes, includes all funds relevant to the operations of the Village. The accompanying financial statements present the Village's primary government over which the Village exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Village. The Village did not omit from the financial statements any agency that met the inclusion criteria. In addition, the Village is not aware of any entity which would exercise such oversight as to result in the Village being considered a component unit of the entity.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of the inter-fund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to citizens 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 and other items not included among program revenues are reported instead as general revenues.

Earnings on investments not included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the modified cash basis of accounting. Revenues are recorded when cash is received and expenses are recorded when cash is paid.

Fund Financial Statements:

Separate financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, or expenses, as appropriate. Village resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental category.

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. at least 10 percent of the corresponding total for all funds of total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at that category or type, and
- b. total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Government-wide and Fund Financial Statements – (Continued)

Governmental Fund Types - Governmental funds are those through which general governmental functions of the Village are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the Village’s major governmental funds:

General Fund - The General Fund is the primary operating fund of the Village. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the most important activities of the Village, including operation of the Village’s general service departments, street maintenance, and public safety are accounted for in this fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds to specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes. The only major special revenue fund is:

Motor Fuel Tax Fund - The Motor Fuel Tax Fund is a Special Revenue Fund used to account for the motor fuel tax monies received from the State of Illinois. These monies are restricted for street and road project expenditures approved by the State of Illinois.

The other governmental funds of the Village are considered non-major and are as follows:

Park Fund – The Park Fund is a Special Revenue Fund used to account for property tax and grants received to maintain the village parks and recreational activities.

TIF Fund – Established to account for tax revenue above a preset threshold generated by capital improvements within a specific section of the community.

Enterprise Zone Fund – Established to account for Enterprise Zone fees received to stimulate economic development within the boundaries of the Diamond Enterprise Zone.

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed and recovered primarily through user charges. The Water Fund, Sewer Fund, and Sanitation Fund are the major enterprise funds of the Village. Operating revenues include user charges and reimbursements, and operating expenses include the costs associated with providing goods and services to the public. Non-operating revenues and expenses include interest and fiscal agent fees, as well as certain tax revenues allocated to the proprietary funds.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Government-wide and Fund Financial Statements – (Continued)

Fiduciary Funds

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

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

The Developers deposit funds which are then used to pay engineering and legal fees. The Development Reimbursement balance at year end was \$195,401.

C. Measurement Focus and Basis of Accounting

Measurement Focus

In the Government-wide Statement of Net Position and the Statement of Activities, the governmental and business-type activities are presented using the economic resources measurement focus.

In the fund financial statements, the governmental and business-type activities are presented using the “current financial resources” measurement focus or the “economic resources” measurement focus, as applicable.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses).

All proprietary funds are accounted for using an economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Net position is segregated into contributed capital and net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Measurement Focus and Basis of Accounting – (Continued)

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

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

All governmental funds are accounted for using the cash basis of accounting. Revenues are recognized when cash is received. Expenditures are recognized when checks are written.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

All proprietary funds are accounted for using the modified cash basis of accounting.

D. Assets, Liabilities, and Net Position

Cash and Investments

Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agency, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

Cash and cash equivalents, for reporting purposes, include bank accounts, petty cash and all short-term investments with a remaining maturity of three months or less when purchased, such as certificates of deposit. All amounts are stated at cost which approximates market.

Capital Assets and Long-term Liabilities

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets.

The reported fund balance (net position) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. *Assets, Liabilities, and Net Position – (Continued)*

Capital Assets and Long-term Liabilities – Continued

Depreciation is provided in amounts sufficient to relate costs of the depreciable assets to operations over their estimated service lives on the straight-line basis. Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. The service lives by type of asset are as follows:

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

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

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

Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At April 30, 2021, net investment in capital assets consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, at cost	\$ 4,253,889	15,557,189
Less: Accumulated depreciation	(1,900,323)	(9,365,446)
Less: Bonds payable	-	(4,245,000)
Net investment in capital assets	<u>\$ 2,353,566</u>	<u>1,946,743</u>

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Assets, Liabilities, and Net Position – (Continued)

Net Position – Continued

- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, then unrestricted resources as they are needed.

E. Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

F. Property Taxes

On the cash basis of accounting, property taxes are recognized as revenues when they are received. Property taxes are levied and attach as an enforceable lien on property on January 1 and are payable in two installments due on June 1 and September 1 subsequent to the year of levy.

The 2019 property tax levy in the amount of \$279,000, was received by the Village in the current fiscal year. The 2020 tax levy in the amount of \$279,000, was adopted on December 8, 2021 and will be received by the Village in the subsequent fiscal year.

NOTE 2: CASH AND CASH EQUIVALENTS

Illinois statute authorizes the Village to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by the federal depository insurance. The Village may also invest in commercial paper of U.S. corporations with assets exceeding \$500,000,000 provided that (a) the obligations are rated with the three highest classifications by at least two standards rating services and they mature within 180 days from the date of purchase, and (b) no more than 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation’s outstanding obligations.

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

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS – (Continued)

Common Bank Account:

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

Occasionally funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board. Such overdrafts constitute inter-fund loans.

Custodial Credit Risk:

The custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of another party. The Village does not have a deposit policy for custodial credit risk.

The Village's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Village's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. At April 30, 2021, the bank balance of the Village's deposits (including agency funds) was \$4,099,411 and the carrying amount was \$4,059,255. All of the Village's uninsured deposits (\$3,422,371) were collateralized with securities held by the pledging financial institution.

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The Village receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

VILLAGE OF DIAMOND, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2021**

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital Assets:				
Equipment	\$ 904,634	-	-	904,634
Infrastructure	2,993,135	-	-	2,993,135
Buildings	356,120	-	-	356,120
Total capital assets	4,253,889	-	-	4,253,889
Less accumulated depreciation:				
Equipment	(641,410)	(45,336)	-	(686,746)
Infrastructure	(951,027)	(142,023)	-	(1,093,050)
Buildings	(109,250)	(11,277)	-	(120,527)
Total accumulated depreciation	(1,701,687)	(198,636)	-	(1,900,323)
Governmental activities capital assets, net	\$ 2,552,202	(198,636)	-	2,353,566
Business-Type Activities:				
Capital Assets:				
Water Infrastructure	\$ 5,512,791	-	-	5,512,791
Sewer Infrastructure	10,014,482	29,916	-	10,044,398
Total capital assets	15,527,273	29,916	-	15,557,189
Less accumulated depreciation:				
Water Infrastructure	(2,506,871)	(157,872)	-	(2,664,743)
Sewer Infrastructure	(6,363,946)	(336,757)	-	(6,700,703)
Total accumulated depreciation	(8,870,817)	(494,629)	-	(9,365,446)
Business-type activities capital assets, net	\$ 6,656,456	(464,713)	-	6,191,743

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 4: CAPITAL ASSETS – (Continued)

Significant additions for the year ended April 30, 2021 included the following:

Business-Type Activities:		
Waste Water Influent PLC	\$	19,500

Depreciation allocation is as follows:

Governmental activities	\$	198,636
Business-type activities		
Water	157,872	
Sewer	336,757	
Total Business-type activities	494,629	
Total Depreciation	\$	693,265

NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS

The following is a summary of general long-term debt transactions of the Village for the year ended April 30, 2021:

Type of Debt	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
<u>Business-type Activities:</u>					
Water Alternate Revenue Bonds	\$ 1,130,000	-	1,130,000	-	-
Sewer Alternate Revenue Bonds	3,567,333	-	3,567,333	-	-
GO Series 2020A (ARS)	-	3,550,000	395,000	3,155,000	355,000
GO Series 2020B (ARS)	-	1,115,000	25,000	1,090,000	130,000
Total Business-type Activities	<u>\$ 4,697,333</u>	<u>4,665,000</u>	<u>5,117,333</u>	<u>4,245,000</u>	<u>485,000</u>

Building America Bonds, Series 2010

\$1,800,000 – Building America Bonds, Series 2010, payable semi-annually beginning June 1, 2011 through December 1, 2031, interest rate ranges from 2.25% to 7.20%. Payments will be made from the Water Fund. A 35% tax rebate is applied for after payment of interest. The Village received a rebate of \$25,485 during the year ended April 30, 2021. In June 2020, the Village repaid these bonds in full using proceeds from the General Obligation Refunding Bond, Series 2020B.

Illinois Environmental Protection Agency

\$6,772,881 – Illinois Environmental Protection Agency, payable semi – annually beginning July 11, 2009 through January 11 2029, interest rate at 2.50%, Payments will be made from the Sewer Fund. In June 2020, the Village repaid these bonds in full using proceeds from the General Obligation Refunding Bond, Series 2020A.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)

Series 2020A General Obligation Refunding Bonds (Alternative Revenue Source)

\$3,550,000 – Series 2020A General Obligation Refunding Bonds (Alternative Revenue Source), payable annually beginning December 1, 2020 through December 1, 2028, interest rate ranges from 1.90% to 3.00%. Payments will be made from the Sewer Fund. The bonds were issued to refinance the Building America Bonds, Series 2010.

Due During Year Ended April 30,	Principal	Interest	Total
2022	\$ 355,000	86,050	441,050
2023	365,000	75,400	440,400
2024	375,000	64,450	439,450
2025	390,000	53,200	443,200
2026	400,000	41,500	441,500
2027-2029	<u>1,270,000</u>	<u>55,400</u>	<u>1,325,400</u>
	<u>\$ 3,155,000</u>	<u>376,000</u>	<u>3,531,000</u>

Series 2020B General Obligation Refunding Bonds (Alternative Revenue Source)

\$1,115,000 – Series 2020B General Obligation Refunding Bonds (Alternative Revenue Source), payable annually beginning December 1, 2020 through December 1, 2028, interest rate ranges from 1.90% to 3.00%. Payments will be made from the Water Fund. The bonds were issued to refinance the Illinois Environmental Protection Agency bonds.

Due During Year Ended April 30,	Principal	Interest	Total
2022	\$ 130,000	26,775	156,775
2023	130,000	22,875	152,875
2024	135,000	18,975	153,975
2025	130,000	14,925	144,925
2026	135,000	11,025	146,025
2027-2029	<u>430,000</u>	<u>17,160</u>	<u>447,160</u>
	<u>\$ 1,090,000</u>	<u>111,735</u>	<u>1,201,735</u>

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

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)

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

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

NOTE 6: CONTRACTS & CONTINGENCIES

Litigation

The Village is not a defendant in any current litigation. With regards to other pending matters, the eventual outcome and the related liability, if any, is not determinable at this time.

Grant Revenues

The Village receives funding from state and federal grants which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the granting agencies. Any disallowed claims resulting from such audits could become a liability of the Village. In the opinion of the Village, any such disallowed claims will not have a material adverse effect on the overall financial position of the Village.

Contractual Agreements

The Village outsources police protection services to Grundy and Will Counties (each covering the portions of the Village located within the respective counties). The contract with Grundy County is based on a fixed annual fee, while the contract with Will County is based on actual time spent by the Will County Sheriff's department on calls within the Village. Total payments under these contracts were \$90,908 for the year ended April 30, 2021, and were made from the General Fund.

The Village also outsources Animal Control services to Grundy County based on an annually agreed-upon contract. Contract payments were \$3,840 for the year ended April 30, 2021.

During the course of the year, the Village enters into various agreements for road maintenance and other construction projects. Any projects ongoing at year-end are intended to be paid from subsequent years' budgets, and are not reported as commitments as of April 30, 2021.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 7: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

Plan Description – The Village’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided – IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All of the Village’s employees participate in the Regular Plan.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings in the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of services, credit plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 7: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) - (Continued)

Employees Covered by Benefit Terms – As of December 31, 2020, the following Village employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	3
Inactive Plan Members entitled to but not yet receiving benefits	5
Active Plan Members	<u>7</u>
Total	<u>15</u>

Contributions – As set by statute, the Village’s Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate and actual Village contributions for calendar year 2020 and the fiscal year ended April 30, 2021 are summarized below. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
Village required contribution rate for 2020	10.99%
Village required contribution rate for 2021	10.82%
Village actual contributions for 2020	\$ 38,860
Village actual contributions for fiscal year 2021	\$ 38,767

NOTE 8: COMPENSATED ABSENCES

The Village provides full-time employees with vacation, sick, and personal leave in varying amounts.

Vacation pay is awarded, based on years of service, annually at the beginning of each employee’s employment anniversary date. Vacation must be taken during the year and may only be carried over if approved by the employee’s department head. Unused vacation days are paid to all employees upon separation of service. The Village’s obligation for unused vacation at April 30, 2021 was \$16,562.

Each employee will accrue up to 10 days of sick leave per year. Sick leave may be accumulated for a maximum of 30 days. The total accumulated sick leave obligation at year end was \$19,973.

Full time employees are eligible, after one year’s employment, to take two paid personal days per year. Personal days are paid at the employee’s base rate of pay at the time of the absence. The Village’s obligation for unused personal days at April 30, 2021 was \$1,512.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 9: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of April 30, 2021:

Assessed valuation - 2020		<u>\$ 54,434,121</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 4,694,943
Debt outstanding at April 30, 2021:		
GO Series 2020A (ARS)	3,155,000	
GO Series 2020B (ARS)	<u>1,090,000</u>	
Total debt		<u>4,245,000</u>
Legal debt margin		<u>\$ 449,943</u>

NOTE 10: SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Retirement Fund are considered as “non-participating employees.” These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security. The Village paid \$23,139, the total required contribution for the year ended April 30, 2021.

NOTE 11: RESTRICTED FUND BALANCE

Amounts classified as restricted fund balance represent portions of fund balance which are specifically restricted by legal or administrative policy are not available for general operation expenditures.

Restricted tax levies:

Cash receipts and the related disbursements of the following restricted tax levies are accounted for in the General Fund. A portion of the General Fund’s equity represents cumulative receipts over cumulative disbursements which is restricted for future expenditures for the following purposes:

	<u>Beginning Balance</u>	<u>Levy</u>	<u>Expenditure</u>	<u>Restricted Balance</u>
Audit	\$ 23,938	15,074	12,242	26,770
Social Security	48,185	37,174	23,139	62,220
Workman's Comp	41,363	21,098	10,604	51,857
Total	<u>\$ 113,486</u>	<u>73,346</u>	<u>45,985</u>	<u>140,847</u>

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 12: MOTOR FUEL TAX ALLOTMENTS

Allotments to the Village are being received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois. The Motor Fuel Tax Allotments are accounted for in a separate Motor Fuel Tax Fund.

NOTE 13: RISK MANAGEMENT

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

NOTE 14: TIF DISTRICT

The Village has one Tax Increment Financing (TIF) district within which the Village collects taxes. The TIF Fund was established in 2012 to account for tax revenue above a preset threshold generated by capital improvements within a specific section of the community. The goal of the TIF district is to induce private development, which would not occur without public expenditures, in economically depressed areas in order to improve property value. The TIF district collects property taxes based on the equalized assessed valuation (EAV) of property within the district. While the TIF district exists, the assessed valuation of property within that district is deducted from the overall EAV of the other municipalities that would otherwise receive those tax dollars. The taxes instead are received by the Village within the TIF fund and can only be spent on redevelopment project costs defined by state statutes. The TIF district is set to expire in 2035.

NOTE 15: INTERFUND BALANCES AND TRANSFERS

During the course of normal operations, the Village has transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and enterprise type funds financial statements generally reflect such transactions as transfers. At April 30, 2021, there were no individual fund interfund receivable or payable balances.

For the fiscal year ended April 30, 2021, \$100,000 was transferred from the General Fund to the Sewer Fund to satisfy debt service requirements.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 16: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Non-spendable Fund Balance

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The Village has several different funds that also fall into these categories – see Note 11 for restricted levies accounted for in the General Fund. Additionally, the Village has the following restricted balances:

1. Motor Fuel Tax - Cash disbursed and the related cash receipts of this restricted income source are accounted for in the Motor Fuel Tax Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$541,236.
2. Park – Restricted fund balances in the Park Fund included \$70,126 for Village parks as a result of restricted contributions and donations.
3. TIF – Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the TIF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$71,374.

C. Committed Fund Balance

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

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2021

NOTE 16: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Village Board itself or (b) the finance committee or by the Treasurer/Administrator when the Village Board has delegated the authority to assign amounts to be used for specific purposes. At April 30, 2021, the Enterprise Zone Fund had an assigned fund balance of \$51,258.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. At April 30, 2021, the General Fund had an unassigned fund balance of \$1,888,779.

F. Expenditures of Fund Balance

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

NOTE 17: GASB 84 IMPLEMENTATION

GASB 84 redefined activities in fiduciary funds as follows:

1. Pension (and other employee benefit) trust funds - Used to report pension plans and OPEB plans administered through trusts that meet the criteria in paragraph 3 of Statement 74, as well as other employee benefit plans for which resources are held in a trust which meet the criteria in paragraph 11(c) and contributions to the trust and earnings on those contributions are irrevocable.
2. Investment Trust Funds – Used to report fiduciary activities from the external portion of investment pools and individual investment accounts that are held in a trust that meets the criteria in GASB 84, paragraph 11c(1).
3. Private-purpose trust funds – Used to report all fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds and are held in a trust that meets the criteria in GASB 84, paragraph 11c(1).
4. Custodial Funds – Used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The external portion of investment pools that are not held in a trust that meets the criteria in GASB 84, paragraph 11c(1) should be reported in a separate external investment pool fund column, under the custodial funds classification.

VILLAGE OF DIAMOND, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2021**

NOTE 17: GASB 84 IMPLEMENTATION – (Continued)

For the year ended April 30, 2021, the Developer Reimbursement Fund was classified as a custodial fund. The School Site Donation Fund was included in the General Fund.

NOTE 18: SUBSEQUENT EVENTS

Management evaluated subsequent events through July 13, 2021, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of April 30, 2021.

OTHER INFORMATION

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2021**

	<u>Assets</u>	
Cash		\$ 2,029,626
		<u>\$ 2,029,626</u>
	<u>Fund Balance</u>	
Unassigned		\$ 1,888,779
Restricted for social security		62,220
Restricted for audit		26,770
Restricted for workman's compensation		<u>51,857</u>
		<u>\$ 2,029,626</u>

VILLAGE OF DIAMOND, ILLINOIS
GENERAL FUND

SCHEDULE A-2

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)

	Original and Final Budget	Year Ended April 30,	
		2021	2020
Revenues received:			
Property taxes	\$ 270,000	296,214	282,249
Utility tax	93,000	98,533	95,162
State income taxes	270,000	289,688	273,887
Replacement taxes	300	286	303
Telecommunication taxes	43,000	28,946	32,673
State sales taxes	200,000	196,117	183,945
Advanced auto sales tax	8,000	8,064	8,076
Local use taxes	66,000	112,980	87,196
Video gaming taxes	35,000	-	48,959
Cannabis use tax	2,500	2,065	414
Licenses and permits	69,200	62,473	80,565
Interest income	6,000	1,850	13,231
Grants	7,000,000	-	4,250
Fees	2,500	185	1,362
STP 1 developer match	93,370	-	-
STP 2 developer match	100,000	-	-
STP 3 developer match	50,000	-	-
IDOT Reimbursement Traffic Signal	7,000	297	615
Local Cure Program (CARES Act)	-	88,407	-
Traffic signal RT 113 Business match	86,482	-	-
Plan reviews/inspections	50,000	5,006	49,615
Miscellaneous	625,000	11,581	20,235
School site donation permits	-	8,534	-
Total revenues received	9,077,352	1,211,226	1,182,737

VILLAGE OF DIAMOND, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)

	Original and Final Budget	Year Ended April 30,	
		2021	2020
Expenditures disbursed:			
General Government:			
Salaries-regular	\$ 235,000	206,437	228,786
Salaries-overtime	12,000	8,487	12,004
Salaries Mayor & Commissioner	28,000	28,000	28,000
P&Z Board/Commissioners	5,000	-	900
Health Insurance	140,000	116,148	98,835
COBRA Health Insurance	-	-	9,414
Unemployment insurance	12,000	566	607
Workman's Compensation	21,000	10,604	12,798
Social security	37,000	23,139	25,823
IMRF contribution	53,000	38,767	38,860
Medicare	9,000	5,411	6,039
Municipal audit	15,000	12,242	12,939
Legal service	40,000	28,145	35,737
P&Z legal service	10,000	-	-
Codification legal service	4,000	2,799	4,283
Building consulting service	50,000	4,609	39,940
Website	2,000	820	520
Postage	3,500	1,692	1,163
Telephone	4,600	3,743	3,531
Publishing/legal service	2,700	1,152	2,920
Smart message alert system	750	750	750
Dues/subscriptions	9,000	8,153	8,597
Travel expense	2,500	985	2,405
Training/education	4,500	50	1,220
Utilities	23,000	20,980	21,529
Insurance/building	20,000	17,305	16,499
Insurance/auto	15,000	12,870	14,159
Insurance/equipment	2,000	3,514	3,451
Insurance/CPber liability	4,000	4,764	3,626
Office supplies	5,500	5,275	5,291
Office equipment rental	-	3,572	-
Grundy Transit	1,000	1,000	-
Economic development local	5,000	-	320
School site donation	-	8,534	-
Miscellaneous expense	200,000	28,372	10,459
Total General Government	976,050	608,885	651,405

VILLAGE OF DIAMOND, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)

	Original and Final Budget	Year Ended April 30,	
		2021	2020
Expenditures disbursed (Continued):			
Public Safety:			
Police protection	\$ 100,000	90,908	81,524
Animal control	4,250	3,840	3,480
Total Public Safety	104,250	94,748	85,004
Streets and Public Works:			
Building maintenance	10,000	14,949	13,326
Equipment maintenance	10,000	7,461	7,791
Street & Alley	80,000	74,623	177,205
Mosquito abatement	4,000	-	-
Street maintenance supplies	20,000	20,004	12,485
General maintenance supplies	7,500	3,681	7,431
Engineering services	30,000	32,078	61,460
Traffic signal Rt 113	-	1,698	-
Tools	3,000	4,309	1,187
Gasoline/diesel fuel	8,500	6,719	9,753
Total Streets and Public Works	173,000	165,522	290,638
Culture and Recreation:			
Community events	10,000	-	12,096
Total Culture and Recreation	10,000	-	12,096
Capital Outlay:			
Computer system fees	13,000	14,199	13,402
Connect GIS	1,500	1,759	1,506
Buildings/parking lot	-	-	6,667
Equipment	13,000	-	5,077
Office equipment	15,000	-	15,831
ITEP Bike Path Grant	-	-	-
STP 2 Grant	10,000	-	-
Traffic Signal RT 113/Will Rd	50,000	-	-
STP 3 Grant	7,000,000	-	-
Total Capital Outlay	7,102,500	15,958	42,483
Total expenditures disbursed	8,365,800	885,113	1,081,626
Excess (deficiency) of revenues received over (under) expenditures disbursed	711,552	326,113	101,111
Other financing sources (uses):			
Transfers in (out)	(100,000)	(100,000)	(100,000)
Total other financing sources (uses)	(100,000)	(100,000)	(100,000)
Net change in fund balance	\$ 611,552	226,113	1,111
Fund balance, beginning of year		1,803,513	1,802,402
Fund balance, end of year		2,029,626	1,803,513

VILLAGE OF DIAMOND, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE B-1

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2021

<u>Assets</u>	
Cash	\$ 541,236
Total assets	<u>\$ 541,236</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 541,236
Total fund balance	<u>\$ 541,236</u>

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)

SCHEDULE B-2

	Original and Final Budget	Year Ended <u>April 30,</u>	
		2021	2020
Revenues received:			
Motor fuel tax revenue	\$ 35,000	172,917	91,349
Interest	1,500	2,865	3,576
Total revenues received	<u>36,500</u>	<u>175,782</u>	<u>94,925</u>
Expenditures disbursed:			
STP 3 Grant	50,000	-	-
Total expenditures disbursed	<u>50,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (13,500)</u>	<u>175,782</u>	<u>94,925</u>
Fund balance, beginning of year		<u>365,454</u>	<u>270,529</u>
Fund balance, end of year		<u>541,236</u>	<u>365,454</u>

NOTES TO OTHER INFORMATION

VILLAGE OF DIAMOND, ILLINOIS

**Notes to Other Information
For the Year Ended April 30, 2021**

NOTE 1: BUDGETARY PROCEDURES

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

1. During the first two months of the fiscal year, the Village officials prepare the proposed appropriation and budget ordinance.
2. The proposed appropriation ordinance is placed on file and a public hearing is conducted at a public meeting to obtain comments from the community. The appropriation ordinance for all governmental fund types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budgeted and actual amounts. Prior to July 31, the appropriation ordinance is legally adopted through passage of an ordinance.
3. Transfers between line items of the appropriation must be approved by the Village officials. All annual appropriations lapse at the fiscal year end.
4. On May 12, 2021, the Village approved an ordinance adopting the annual budget for the fiscal year ending April 30, 2021, which was not amended.

NOTE 2: BUDGETARY COMPARISONS – MAJOR FUNDS

The following is an analysis of budget versus actual expenditures for the Village's major funds for the year ended April 30, 2021:

<u>Description</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
General Fund	\$ 8,365,800	885,113	7,480,687	845.17%
Motor Fuel Tax Fund	50,000	-	50,000	N/A

SUPPLEMENTARY INFORMATION

VILLAGE OF DIAMOND, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1

Combining Statement of Assets, Liabilities and
Fund Balances Arising from Cash Transactions
April 30, 2021

	Special Revenue Funds			Total Non-major Governmental Funds	
	Park Fund	Enterprise Zone Fund	TIF Fund	April 30,	
				2021	2020
<u>Assets</u>					
Cash in bank	\$ 70,126	51,258	71,374	192,758	125,712
Total assets	<u>\$ 70,126</u>	<u>51,258</u>	<u>71,374</u>	<u>192,758</u>	<u>125,712</u>
<u>Fund Balance</u>					
Fund balance:					
Restricted	\$ 70,126	-	71,374	141,500	125,712
Assigned	-	51,258	-	51,258	-
Total fund balance	<u>\$ 70,126</u>	<u>51,258</u>	<u>71,374</u>	<u>192,758</u>	<u>125,712</u>

VILLAGE OF DIAMOND, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2

Combining Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balances
For the Year Ended April 30, 2021

	Special Revenue Funds			Total Non-major Governmental Funds	
	Park Fund	Enterprise Zone Fund	TIF Fund	April 30,	
				2021	2020
Revenues received:					
Property taxes	\$ 16,085	-	11,936	28,021	31,468
Interest income	-	-	-	-	75
Fees	-	50,000	-	50,000	-
Miscellaneous income	-	-	-	-	2,975
Total revenues received	16,085	50,000	11,936	78,021	34,518
Expenditures disbursed:					
Current:					
General government	-	320	357	677	854
Culture and recreation	10,298	-	-	10,298	9,045
Capital outlay	-	-	-	-	6,543
Total expenditures disbursed	10,298	320	357	10,975	16,442
Excess (deficiency) of revenues received over (under) expenditures disbursed	5,787	49,680	11,579	67,046	18,076
Other financing sources (uses):					
Transfers in (out)	-	-	-	-	-
Net change in fund balance	5,787	49,680	11,579	67,046	18,076
Fund balance, beginning of year	64,339	1,578	59,795	125,712	107,636
Fund balance, end of year	\$ 70,126	51,258	71,374	192,758	125,712

VILLAGE OF DIAMOND, ILLINOIS
PARK FUND

SCHEDULE C-3

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2021

<u>Assets</u>		
Cash		\$ 70,126
Total assets		<u>\$ 70,126</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 70,126
Total fund balance		<u>\$ 70,126</u>

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)

SCHEDULE C-4

	Original and Final Budget	Year Ended April 30,	
		2021	2020
Revenues received:			
Property taxes	\$ 20,000	16,085	20,103
Miscellaneous income	1,000	-	2,975
Interest income	100	-	38
Total revenues received	<u>21,100</u>	<u>16,085</u>	<u>23,116</u>
Expenditures disbursed:			
Maintenance of parks	10,000	4,780	8,165
Rubber mulch	2,000	1,850	-
Park supplies	2,000	2,723	638
Miscellaneous expense	2,000	945	242
Park equipment	10,000	-	6,543
Total expenditures disbursed	<u>26,000</u>	<u>10,298</u>	<u>15,588</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (4,900)</u>	<u>5,787</u>	<u>7,528</u>
Fund balance, beginning of year		<u>64,339</u>	<u>56,811</u>
Fund balance, end of year		<u>70,126</u>	<u>64,339</u>

**Statement of Assets, Liabilities and
 Fund Balance Arising from Cash Transactions
 April 30, 2021**

<u>Assets</u>		
Cash		\$ 51,258
Total assets		<u>\$ 51,258</u>
<u>Fund Balance</u>		
Assigned fund balance		\$ 51,258
Total fund balance		<u>\$ 51,258</u>

**Statement of Revenues Received, Expenditures Disbursed
 and Changes in Fund Balance - Budget & Actual
 For the Year Ended April 30, 2021
 (With Comparative Figures for 2020)**

	Original and Final Budget	Year Ended <u>April 30,</u>	
		2021	2020
Revenues received:			
Miscellaneous income	\$ 175,000	-	-
Interest income	-	-	1
Diamond enterprise zone fee	-	50,000	-
Total revenues received	<u>175,000</u>	<u>50,000</u>	<u>1</u>
Expenditures disbursed:			
Dues & subscriptions	-	200	200
Miscellaneous expense	1,000	120	229
Total expenditures disbursed	<u>1,000</u>	<u>320</u>	<u>429</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 174,000</u>	<u>49,680</u>	<u>(428)</u>
Fund balance, beginning of year		<u>1,578</u>	<u>2,006</u>
Fund balance, end of year		<u><u>51,258</u></u>	<u><u>1,578</u></u>

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2021**

<u>Assets</u>		
Cash		\$ 71,374
Total assets		<u>\$ 71,374</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 71,374
Total fund balance		<u>\$ 71,374</u>

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)**

	Original and Final Budget	Year Ended April 30,	
		2021	2020
Revenues received:			
Property taxes	\$ 11,000	11,936	11,365
Interest income	-	-	36
Total revenues received	<u>11,000</u>	<u>11,936</u>	<u>11,401</u>
Expenditures disbursed:			
Legal services	1,000	255	425
Miscellaneous expense	-	102	-
Total expenditures disbursed	<u>1,000</u>	<u>357</u>	<u>425</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 10,000</u>	<u>11,579</u>	<u>10,976</u>
Fund balance, beginning of year		<u>59,795</u>	<u>48,819</u>
Fund balance, end of year		<u>71,374</u>	<u>59,795</u>

**Statement of Net Position - Modified Cash
April 30, 2021**

		<u>Assets</u>
Current assets:		
Cash		\$ 782,545
Total current assets		<u>782,545</u>
Non-current assets:		
Capital assets		5,512,791
Accumulated depreciation		<u>(2,664,743)</u>
Total non-current assets		<u>2,848,048</u>
Total assets		<u>\$ 3,630,593</u>
 <u>Liabilities</u> 		
Non-current liabilities:		
Alternate revenue bonds due one year		130,000
Alternate revenue bonds due in more than one year		<u>960,000</u>
Total non-current liabilities		<u>1,090,000</u>
Total liabilities		<u>1,090,000</u>
 <u>Net Position</u> 		
Net investment in capital assets		1,758,048
Restricted		369,189
Unrestricted		<u>413,356</u>
Total net position		<u>\$ 2,540,593</u>

VILLAGE OF DIAMOND, ILLINOIS
WATER FUND

SCHEDULE D-2

Statement of Revenues, Expenses and Changes in Fund Net Position - Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)

	Original and Final Budget	Year Ended April 30,	
		2021	2020
Revenues:			
Water sales	\$ 500,000	615,135	577,282
Water meters	5,000	3,200	3,678
Water penalties	2,500	5,948	4,283
Permits & tap-on fees	16,000	16,000	8,000
Interest	2,000	-	437
Bond interest rebate	29,400	25,485	26,841
Insurance reimbursement	-	33,059	-
Miscellaneous	10,000	1,886	1,260
Total revenues	564,900	700,713	621,781
Expenses:			
Clerical salaries	32,000	30,064	30,585
Water maintenance salaries	80,000	47,562	61,702
Salaries - OT	10,000	6,318	5,076
Engineering service	30,000	8,518	22,775
Legal service/publication	10,000	41	-
Other professional service	8,000	19,375	8,608
Postage	3,500	3,240	2,235
Travel expense	1,000	-	138
Training/education	2,000	1,560	-
Utilities	57,750	46,389	45,022
Water samples	4,500	3,950	1,748
Meter	50,000	841	44,116
Maintenance-water main system	270,000	58,065	53,200
Maintenance-water works	100,000	60,943	7,637
Office supplies	500	309	-
Maintenance service-equipment	5,000	4,545	605
Computer system fees	11,000	10,823	7,609
Chemicals/supplies	65,000	76,818	63,361
Connect GIS	4,500	5,720	4,517
Equipment	10,000	-	7,289
Miscellaneous expense	125,000	2,280	948
Principal payment	80,000	-	-
Interest expense	84,050	52,100	79,228
Fiscal agent fees	800	42,731	800
Depreciation	-	157,872	168,861
Total expenses	1,044,600	640,064	616,060
Excess of revenues over (under) expenses	(479,700)	60,649	5,721
Other financing sources (uses):			
Bond Premium	-	20,261	-
Total other financing sources (uses)	-	20,261	-
Change in net position	\$ (479,700)	80,910	5,721
Net position, beginning of year		2,459,683	2,453,962
Net position, end of year		2,540,593	2,459,683

Statement of Net Position - Modified Cash
April 30, 2021

<u>Assets</u>	
Current assets:	
Cash	\$ 277,902
Total current assets	<u>277,902</u>
Non-current assets:	
Capital assets	10,044,398
Accumulated depreciation	<u>(6,700,703)</u>
Total non-current assets	<u>3,343,695</u>
Total assets	<u>3,621,597</u>
 <u>Liabilities</u>	
Non-current liabilities:	
Alternate revenue bonds due in one year	355,000
Alternate revenue bonds due in more than one year	<u>2,800,000</u>
Total non-current liabilities	<u>3,155,000</u>
Total liabilities	<u>3,155,000</u>
 <u>Net Position</u>	
Net investment in capital assets	188,695
Restricted	710,467
Unrestricted	<u>(432,565)</u>
Total net position	<u>\$ 466,597</u>

VILLAGE OF DIAMOND, ILLINOIS
SEWER FUND

SCHEDULE D-4

Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)

	Original and Final Budget	Year Ended April 30,	
		2021	2020
Revenues:			
Sewer charge	\$ 300,000	377,807	358,197
Sewer penalties	3,000	3,279	3,946
Surcharge	195,000	195,632	194,173
Permits & tap-on fees	16,000	18,400	9,200
Interest	1,000	-	160
Insurance reimbursement	-	-	20,871
Miscellaneous	2,000	3,752	3,845
Total revenues	517,000	598,870	590,392
Expenses:			
Salaries-clerical	10,500	10,021	10,195
Salaries-maintenance	30,000	31,421	29,621
Salaries - OT	8,400	4,898	9,504
Maintenance - sewer plant	75,000	64,002	30,677
Maintenance - lift stations	40,000	41,396	23,686
Engineering service	10,000	19,500	430
Legal service/Publication	1,000	-	-
Sewer sample test	13,000	11,748	11,070
Other Professional fees	10,000	43,988	8,981
Telephone	3,000	3,206	2,954
Utilities	60,000	64,259	59,639
Maintenance supplies -other	1,000	662	419
Supplies & chemicals	1,000	193	-
Computer system fees	1,000	2,200	1,875
GIS expense	-	444	-
Equipment	10,000	-	1,092
Miscellaneous expense	50,000	586	897
Loan - Principal payment	340,780	-	-
Loan - Interest expense	104,320	83,610	95,747
Bond issue fee	-	20,865	-
Depreciation	-	336,757	334,287
Total expenses	769,000	739,756	621,074
Excess of revenues over (under) expenses	(252,000)	(140,886)	(30,682)
Other financing sources (uses):			
Transfers in	100,000	100,000	100,000
Bond Premium	-	111,787	-
Total other financing sources (uses)	100,000	211,787	100,000
Change in net position	\$ (152,000)	70,901	69,318
Net position, beginning of year		395,696	326,378
Net position, end of year		466,597	395,696

VILLAGE OF DIAMOND, ILLINOIS
SANITATION FUND

SCHEDULE D-5

Statement of Net Position - Modified Cash
April 30, 2021

<u>Assets</u>		
Cash		\$ 39,787
Total assets		<u>39,787</u>
<u>Net Position</u>		
Unrestricted		39,787
Total net position		<u>\$ 39,787</u>

Statement of Revenues, Expenses, & Changes in Fund Net Position -
Budget & Actual
For the Year Ended April 30, 2021
(With Comparative Figures for 2020)

SCHEDULE D-6

	Original and Final Budget	Year Ended April 30,	
		2021	2020
Revenues:			
Garbage penalties	\$ 1,000	741	1,247
Garbage receipts	85,000	122,937	148,995
Video gaming tax	65,000	64,112	37,265
Interest income	100	-	40
Total revenues	<u>151,100</u>	<u>187,790</u>	<u>187,547</u>
Expenses:			
Garbage Removal	188,500	189,816	182,516
Miscellaneous expense	10,000	235	27
Total expenses	<u>198,500</u>	<u>190,051</u>	<u>182,543</u>
Excess of revenues over (under) expenses	<u>\$ (47,400)</u>	<u>(2,261)</u>	<u>5,004</u>
Net position, beginning of year		<u>42,048</u>	<u>37,044</u>
Net position, end of year		<u>39,787</u>	<u>42,048</u>

VILLAGE OF DIAMOND, ILLINOIS
 CUSTODIAL FUNDS

SCHEDULE E

Statement of Changes in Net Position
 For the Year Ended April 30, 2021
 (With Comparative Figures for 2020)

	Totals Year Ended April 30,	
	2021	2020
Additions:		
Permits	\$ 12,708	12,302
Reimbursements	26,592	21,299
Total Additions	39,300	33,601
Deductions:		
Expenditures	29,300	31,717
Net increase (decrease)	10,000	1,884
Cash balance, beginning of year	185,401	183,517
Cash balance, end of year	\$ 195,401	185,401

**Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios**

Calendar Year Ending December 31,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service Cost	\$ 37,893	43,655	37,356	40,617	37,630	35,834	-	-	-	-
Interest on the Total Pension Liability	86,997	85,048	78,265	69,882	64,161	59,748	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(23,422)	(48,038)	26,252	85,274	5,978	(12,001)	-	-	-	-
Assumption Changes	(13,263)	-	40,132	(35,543)	(9,526)	4,963	-	-	-	-
Benefit Payments and Refunds	(47,420)	(54,551)	(56,690)	(36,955)	(26,087)	(25,389)	-	-	-	-
Net Change in Total Pension Liability	40,785	26,114	125,315	123,275	72,156	63,155	-	-	-	-
Total Pension Liability - Beginning	1,204,631	1,178,517	1,053,202	929,927	857,771	794,616	-	-	-	-
Total Pension Liability - Ending	\$ 1,245,416	1,204,631	1,178,517	1,053,202	929,927	857,771	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	\$ 38,860	39,699	42,926	46,650	40,667	39,068	-	-	-	-
Employee Contributions	15,912	17,361	17,787	18,844	16,167	15,435	-	-	-	-
Net Investment Income	132,376	146,053	(37,446)	107,881	43,349	3,081	-	-	-	-
Benefit Payments and Refunds	(47,240)	(54,551)	(56,690)	(36,955)	(26,087)	(25,389)	-	-	-	-
Other (Net Transfer)	3,363	5,468	20,446	14,181	(1,378)	(19,367)	-	-	-	-
Net Change in Plan Fiduciary Net Position	143,271	154,030	(12,977)	150,601	72,718	12,828	-	-	-	-
Plan Fiduciary Net Position - Beginning	978,783	824,753	837,730	687,129	614,411	601,583	-	-	-	-
Plan Fiduciary Net Position - Ending	\$ 1,122,054	978,783	824,753	837,730	687,129	614,411	-	-	-	-
Net Pension Liability (Asset)	\$ 123,362	225,848	353,764	215,472	242,798	243,360	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.09%	81.25%	69.98%	79.54%	73.89%	71.63%	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 353,595	385,799	395,270	418,766	359,258	343,001	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	34.94%	58.54%	89.50%	51.45%	67.58%	70.95%	N/A	N/A	N/A	N/A

Notes to Schedule:

This Schedule is presented to illustrate the requirement to report information for 10 years. However, until a full 10-year trend is compiled, information is only presented for years for which information is available.

**Illinois Municipal Retirement Fund
Schedule of Contributions**

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2020	\$ 38,860	38,860	-	353,595	10.99%
12/31/2019	39,699	39,699	-	385,799	10.29%
12/31/2018	42,926	42,926	-	395,270	10.86%
12/31/2017	46,651	46,650	1	418,766	11.14%
12/31/2016	40,668	40,667	1	359,258	11.32%
12/31/2015	39,068	39,068	-	343,001	11.39%

Notes to Schedule:

Valuation Date:

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

Methods and Assumptions Used to Determine 2020 Contribution Rate:

Actuarial Cost Method Aggregate Entry Age Normal
 Amortization Method Level Percentage of Payroll, Closed
 Remaining Amortization Period Non-Taxing bodies: 10-year rolling period.
 Taxing bodies (Regular, SLEP, and ECO Groups): 23-year closed period.

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).

Asset Valuation Method 5-year smoothed market; 20% corridor
 Wage Growth 3.25%
 Price Inflation 2.50%
 Salary Increases 3.35% to 14.25% including inflation
 Investment Rate of Return 7.25%

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

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

Other Information:

Notes There were no benefit changes during the year.

**Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections**

	Tax Year				
	2016	2017	2018	2019	2020
Assessed valuations	\$ 44,411,134	46,796,217	49,099,973	50,256,754	54,434,121
Tax Rates:					
Corporate	0.3097	0.2939	0.3045	0.3194	0.3022
Police	0.0665	0.0631	0.0601	0.0587	0.0542
Audit	0.0338	0.0321	0.0306	0.0299	0.0276
Park	0.0451	0.0428	0.0408	0.0318	0.0220
Social Security	0.0789	0.0748	0.0713	0.0736	0.0679
Workmen's Comp	0.0451	0.0428	0.0408	0.0418	0.0386
Totals	0.5791	0.5495	0.5481	0.5552	0.5125
Tax extensions:					
Corporate	137,541	137,534	149,509	160,500	164,500
Police	29,533	29,528	29,509	29,501	29,503
Audit	15,011	15,021	15,025	15,002	15,002
Park	20,029	20,029	20,033	16,002	11,976
Social Security	35,040	35,004	35,008	36,999	36,961
Workmen's Comp	20,029	20,029	20,033	20,997	21,012
Totals	257,183	257,145	269,117	279,000	278,953
Plus: Road & Bridge (from Townships)	30,145	31,688	32,133	33,633	44,780
Total extension	287,328	288,833	301,250	312,633	323,733
Tax collections	286,794	287,501	302,352	312,299	-

SINGLE AUDIT SECTION



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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Diamond, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise Village of Diamond, Illinois' basic financial statements, and have issued our report thereon dated July 13, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Village of Diamond, Illinois in a separate letter dated July 13, 2021.

Purpose of this Report

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

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
July 13, 2021