

VILLAGE OF DIAMOND, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2025



VILLAGE OF
Diamond

VILLAGE OF DIAMOND, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise Village's basic financial statements as listed in the table of contents. 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, 2025, 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 for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Diamond, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - 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.

Responsibility of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Diamond, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other & Supplementary 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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 on the basis of accounting described in Note 1.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information is comprised of the IMRF pension data schedules, and the schedules of assessed valuations, tax rates, tax extensions and tax collections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the supplemental information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We previously audited Village of Diamond, Illinois' April 30, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 23, 2024. The summarized comparative information presented herein as of and for the year ended April 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mack & Associates, P.C.
Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
July 8, 2025

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
April 30, 2025

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2025	2024
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 3,455,028	1,833,203	5,288,231	5,612,902
Deposit on asset	-	-	-	48,929
Total current assets	3,455,028	1,833,203	5,288,231	5,661,831
Non-current assets:				
Capital Assets				
Land	52,621	-	52,621	52,621
Construction in progress	435,045	-	435,045	245,689
Equipment	1,028,973	-	1,028,973	1,018,454
Buildings and improvements	465,220	-	465,220	382,800
Infrastructure	4,020,190	16,808,426	20,828,616	18,606,931
Accumulated Depreciation	(2,748,577)	(11,313,705)	(14,062,282)	(13,301,609)
Total non-current assets	3,253,472	5,494,721	8,748,193	7,004,886
Total assets	6,708,500	7,327,924	14,036,424	12,666,717
<u>Liabilities</u>				
Non-current Liabilities:				
Due in one year:				
Bonds payable	-	535,000	535,000	520,000
IEPA Loan	-	2,746	2,746	3,800
Due in more than one year:				
Bonds payable	-	1,700,000	1,700,000	2,235,000
IEPA Loan	-	111,100	111,100	224,955
Total long-term liabilities	-	2,348,846	2,348,846	2,983,755
Total liabilities	-	2,348,846	2,348,846	2,983,755
<u>Net Position</u>				
Net investment in capital assets	3,253,472	3,145,875	6,399,347	4,021,131
Restricted	1,726,740	677,097	2,403,837	2,604,610
Unrestricted	1,728,288	1,156,106	2,884,394	3,057,221
Total net position	\$ 6,708,500	4,979,078	11,687,578	9,682,962

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, 2025

Program Activities	Expenditures	Program Revenues			Net (Expenditures) Revenue and Changes in Net Position			
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
							2025	2024
Governmental activities:								
General government	\$ 1,276,172	104,039	-	574,544	(597,589)	-	(597,589)	(925,438)
Public Safety	120,616	-	-	-	(120,616)	-	(120,616)	(117,670)
Streets and public works	109,208	-	-	-	(109,208)	-	(109,208)	(462,898)
Culture and recreation	30,611	-	-	-	(30,611)	-	(30,611)	(17,582)
Total governmental activities	1,536,607	104,039	-	574,544	(858,024)	-	(858,024)	(1,523,588)
Business-type activities:								
Water	586,224	791,157	-	595,258	-	800,191	800,191	(180,915)
Sewer	771,464	676,864	-	71,400	-	(23,200)	(23,200)	(173,933)
Sanitation	221,237	155,298	-	-	-	(65,939)	(65,939)	(65,954)
Total business-type activities	1,578,925	1,623,319	-	666,658	-	711,052	711,052	(420,802)
Total primary government	\$ 3,115,532	1,727,358	-	1,241,202	(858,024)	711,052	(146,972)	(1,944,390)
General revenues:								
Taxes:								
					334,478	-	334,478	333,353
					107,548	-	107,548	103,833
					458,843	-	458,843	432,205
					484,596	-	484,596	372,047
					320,045	65,315	385,360	386,341
					46,433	26,341	72,774	16,573
					1,000	-	1,000	56,090
					130,475	8,665	139,140	143,985
				Total general revenues	1,883,418	100,321	1,983,739	1,844,427
Special items:								
					-	-	-	2,550
					-	167,849	167,849	-
					(339,724)	339,724	-	-
				Total special items	(339,724)	507,573	167,849	2,550
				Change in net position	685,670	1,318,946	2,004,616	(97,413)
				Net position, beginning of year	6,022,830	3,660,132	9,682,962	9,780,375
				Net position, end of year	\$ 6,708,500	4,979,078	11,687,578	9,682,962

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, 2025

		Major Funds		Non-major Governmental Funds	Total Governmental Funds	
		General Fund	Motor Fuel Tax Fund		2025	2024
<u>Assets</u>						
Cash		\$ 2,112,323	1,093,070	249,635	3,455,028	3,830,850
Total assets		<u>\$ 2,112,323</u>	<u>1,093,070</u>	<u>249,635</u>	<u>3,455,028</u>	<u>3,830,850</u>
<u>Fund Balances</u>						
Unassigned		\$ 1,677,732	-	-	1,677,732	2,146,892
Assigned		-	-	50,556	50,556	44,279
Restricted		434,591	1,093,070	199,079	1,726,740	1,639,679
Total fund balances		<u>\$ 2,112,323</u>	<u>1,093,070</u>	<u>249,635</u>	<u>3,455,028</u>	<u>3,830,850</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 \$6,002,049 (net of accumulated depreciation of \$2,748,577) are not financial resources and, therefore, are not reported in the funds.

	3,253,472	2,191,980
Net position of governmental activities	<u>\$ 6,708,500</u>	<u>6,022,830</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, 2025

	Major Funds			Total	
	General Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Governmental Funds	
				2025	2024
Revenues received:					
Property taxes	\$ 310,245	-	24,233	334,478	333,353
Utility taxes	107,548	-	-	107,548	103,833
Licenses and permits	79,492	-	-	79,492	68,407
State income taxes	458,843	-	-	458,843	432,205
Replacement taxes	387	-	-	387	630
State sales taxes	484,596	-	-	484,596	372,047
Other state taxes	200,381	-	-	200,381	204,936
Motor Fuel Tax	-	119,277	-	119,277	115,830
Grants	574,544	-	-	574,544	97,098
Reimbursements	1,000	-	-	1,000	1,100
Charges for Services	410	-	-	410	131
Donations	-	-	-	-	20
Investments earnings	117,906	11,304	1,265	130,475	120,487
Fees	17,887	-	6,250	24,137	60,387
Miscellaneous	46,433	-	-	46,433	18,018
Total revenues received	2,399,672	130,581	31,748	2,562,001	1,928,482
Expenditures disbursed:					
Current:					
General government	836,354	-	1,708	838,062	762,093
Public safety	120,616	-	-	120,616	117,670
Streets and public works	614,602	-	-	614,602	462,918
Culture and recreation	17,889	-	12,722	30,611	17,582
Capital Outlay	994,208	-	-	994,208	274,868
Total expenditures disbursed	2,583,669	-	14,430	2,598,099	1,635,131
Excess (deficiency) of revenues received over (under) expenditures disbursed	(183,997)	130,581	17,318	(36,098)	293,351

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, 2025

	Major Funds			Total	
	General Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Governmental Funds	
				2025	2024
Other financing sources (uses):					
Transfers out	\$ (339,724)	-	-	(339,724)	(200,000)
Total other financing sources (uses)	(339,724)	-	-	(339,724)	(200,000)
Net change in fund balance	(523,721)	130,581	17,318	(375,822)	93,351
Fund balances, beginning	2,636,044	962,489	232,317	3,830,850	3,737,499
Fund balances, ending	\$ 2,112,323	1,093,070	249,635	3,455,028	3,830,850

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds \$ (375,822) 93,351

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	1,309,350	83,870
Depreciation	(247,858)	(198,370)
Change in net position of governmental activities (Statement B)	\$ 685,670	(21,149)

Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds
April 30, 2025

		Major Funds			Total Proprietary Funds	
		Water Fund	Sewer Fund	Sanitation Fund	2025	2024
<u>Assets</u>						
Current assets:						
Cash		\$ 1,503,176	292,895	37,132	1,833,203	1,782,052
Deposit on asset		-	-	-	-	48,929
Total current assets		1,503,176	292,895	37,132	1,833,203	1,830,981
Non-current assets:						
Infrastructure		6,208,508	10,599,918	-	16,808,426	15,613,796
Accumulated depreciation		(3,252,727)	(8,060,978)	-	(11,313,705)	(10,800,890)
Total non-current assets		2,955,781	2,538,940	-	5,494,721	4,812,906
Total assets		4,458,957	2,831,835	37,132	7,327,924	6,643,887
<u>Liabilities</u>						
Non-current liabilities:						
Alternate revenue bonds due in one year		135,000	400,000	-	535,000	520,000
IEPA loan due in one year		2,746	-	-	2,746	3,800
Alternate revenue bonds due in more than one year		430,000	1,270,000	-	1,700,000	2,235,000
IEPA Loan due in more than one year		111,100	-	-	111,100	224,955
Total non-current liabilities		678,846	1,670,000	-	2,348,846	2,983,755
Total liabilities		678,846	1,670,000	-	2,348,846	2,983,755
<u>Net Position</u>						
Invested in capital assets, net of related debt		2,276,935	868,940	-	3,145,875	1,829,151
Restricted		652,471	24,626	-	677,097	964,931
Unrestricted		850,705	268,269	37,132	1,156,106	866,050
Total net position		\$ 3,780,111	1,161,835	37,132	4,979,078	3,660,132

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, 2025

	Major Funds			Total Proprietary Funds	
	Water	Sewer	Sanitation	2025	2024
	Fund	Fund	Fund		
Operating revenues:					
Sewer charges	\$ -	656,164	-	656,164	632,034
Water charges	773,157	-	-	773,157	716,268
Reimbursements	-	-	-	-	54,990
Sanitation charges	-	-	155,298	155,298	147,129
Permits	18,000	20,700	-	38,700	21,500
Total operating revenues	791,157	676,864	155,298	1,623,319	1,571,921
Operating expenses:					
Personal services	586,224	769,587	221,068		
Supplies and services	160,363	95,935	-	256,298	198,658
Utilities	185,750	188,290	221,068	595,108	1,048,388
Depreciation	63,016	80,262	-	143,278	148,956
Total operating expenses	160,915	351,900	-	512,815	473,306
Total operating expenses	570,044	716,387	221,068	1,507,499	1,869,308
Operating income (loss)	221,113	(39,523)	(65,770)	115,820	(297,387)
Non-operating revenues (expenses):					
Grant proceeds	595,258	71,400	-	666,658	15,000
Investments income	5,860	2,597	208	8,665	23,498
Interest expense	(16,180)	(53,200)	-	(69,380)	(83,425)
Video gaming tax	-	-	65,315	65,315	64,945
Miscellaneous	24,596	(132)	(169)	24,295	1,105
Total non-operating revenues (expenses)	609,534	20,665	65,354	695,553	21,123
Income (loss) before contributions and transfers	830,647	(18,858)	(416)	811,373	(276,264)
Transfers in	57,820	281,904	-	339,724	200,000
IEPA loan forgiveness	167,849	-	-	167,849	-
Total	225,669	281,904	-	507,573	200,000
Change in net position	1,056,316	263,046	(416)	1,318,946	(76,264)
Total net position, beginning	2,723,795	898,789	37,548	3,660,132	3,736,396
Total net position, ending	\$ 3,780,111	1,161,835	37,132	4,979,078	3,660,132

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, 2025

	Major Funds			Total Proprietary Funds	
	Water Fund	Sewer Fund	Sanitation Fund	2025	2024
Cash flows from operating activities:					
Receipts from customers	\$ 791,157	676,864	155,298	1,623,319	1,571,921
Payments for goods and services	(248,766)	(268,552)	(221,068)	(738,386)	(1,197,344)
Payments to employees	(160,363)	(95,935)	-	(256,298)	(198,658)
Net cash provided by (used in) operating activities	382,028	312,377	(65,770)	628,635	175,919
Cash flows from noncapital financing activities:					
Grant proceeds	595,258	71,400	-	666,658	15,000
Video gaming tax	-	-	65,315	65,315	64,945
Miscellaneous	24,596	(132)	(169)	24,295	1,105
Transfers (to) from other funds	57,820	281,904	-	339,724	200,000
Net cash provided by noncapital financing activities	677,674	353,172	65,146	1,095,992	281,050
Cash flows from capital financing activities:					
Capital purchases	(695,717)	(449,984)	-	(1,145,701)	-
Deposit on asset	-	-	-	-	(48,929)
Principal paid on capital debt	(134,104)	(390,000)	-	(524,104)	(510,000)
Interest paid on loan payable	(16,180)	(53,200)	-	(69,380)	(83,425)
Net cash (used in) capital financing activities	(846,001)	(893,184)	-	(1,739,185)	(642,354)
Cash flows from investing activities:					
Loan proceeds	57,044	-	-	57,044	228,755
Interest received	5,860	2,597	208	8,665	23,498
Net cash provided by investing activities	62,904	2,597	208	65,709	252,253
Net increase (decrease) in cash and cash equivalents	276,605	(225,038)	(416)	51,151	66,868
Cash balance - beginning of the year	1,226,571	517,933	37,548	1,782,052	1,715,184
Cash Balance - end of the year	\$ 1,503,176	292,895	37,132	1,833,203	1,782,052
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 221,113	(39,523)	(65,770)	115,820	(297,387)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	160,915	351,900	-	512,815	473,306
Net cash provided by operating activities	\$ 382,028	312,377	(65,770)	628,635	175,919

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

Statement of Fiduciary Net Position - Cash Basis
Custodial Funds
April 30, 2025

		April 30,	
		2025	2024
<u>Assets</u>			
Cash		\$ 148,506	127,344
Total assets		<u>\$ 148,506</u>	<u>127,344</u>
<u>Liabilities</u>			
Payable to others		\$ 148,506	127,344
Total liabilities		<u>\$ 148,506</u>	<u>127,344</u>

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2025

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, 2025

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, 2025

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, 2025

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 custodial 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 \$147,960.

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, 2025

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, 2025

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, 2025, net investment in capital assets consists of the following:

	Governmental Activities	Business-Type Activities
Capital assets, at cost	\$ 6,002,049	16,808,426
Less: Accumulated depreciation	(2,748,577)	(11,313,705)
Less: Bonds/Loans payable	-	(2,348,846)
Net investment in capital assets	<u>\$ 3,253,472</u>	<u>3,145,875</u>

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2025

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 2023 property tax levy in the amount of \$279,000, was received by the Village in the current fiscal year. The 2024 tax levy in the amount of \$279,000, was adopted on December 10, 2024, 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, 2025

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, 2025, the bank balance of the Village's deposits (excluding custodial funds) was \$5,504,855 and the carrying amount was \$5,288,231. As of April 30, 2025, all of the Village's deposits, excluding Custodial Funds, were fully collateralized or insured by the FDIC.

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, 2025****NOTE 4: CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital Assets:				
Land	\$ 52,621	-	-	52,621
Construction in Progress	245,689	189,356	-	435,045
Equipment	1,018,454	10,519	-	1,028,973
Buildings	382,800	82,420	-	465,220
Infrastructure	2,993,135	1,027,055	-	4,020,190
Total capital assets	4,692,699	1,309,350	-	6,002,049
Less accumulated depreciation:				
Equipment	(826,484)	(45,320)	-	(871,804)
Buildings	(155,690)	(16,560)	-	(172,250)
Infrastructure	(1,518,545)	(185,978)	-	(1,704,523)
Total accumulated depreciation	(2,500,719)	(247,858)	-	(2,748,577)
Governmental activities capital assets, net	\$ 2,191,980	1,061,492	-	3,253,472
Business-Type Activities:				
Capital Assets:				
Water Infrastructure	\$ 5,512,791	695,717	-	6,208,508
Sewer Infrastructure	10,101,005	412,521	-	10,513,526
Sewer Construction in Progress	-	86,392	-	86,392
Total capital assets	15,613,796	1,194,630	-	16,808,426
Less accumulated depreciation:				
Water Infrastructure	(3,091,812)	(160,915)	-	(3,252,727)
Sewer Infrastructure	(7,709,078)	(351,900)	-	(8,060,978)
Total accumulated depreciation	(10,800,890)	(512,815)	-	(11,313,705)
Business-type activities capital assets, net	\$ 4,812,906	681,815	-	5,494,721

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2025

NOTE 4: CAPITAL ASSETS – (Continued)

Significant additions for the year ended April 30, 2025, included the following:

Governmental Activities:	
Street Improvements	\$391,793
Sidewalk Replacements	505,479
Traffic Signals	228,879
Public Works Building Improvements	90,261
Village Hall Improvements	25,300
Siding Improvements	57,120
John Deere 4300 Tractor	10,519
Business-type Activities:	
Water:	
Watermain Replacement	\$632,288
Water Treatment Plant Service Pump	54,335
Service Line Replacement	9,095
Sewer:	
Water Treatment Lift Station Infrastructure	\$370,168
Water Treatment Plant Lift Station Construction in Progress	86,392
Water Treatment Plant Equipment	42,353

Depreciation allocation is as follows:

Governmental activities	<u>\$ 247,858</u>
Business-type activities	
Water	160,915
Sewer	<u>351,900</u>
Total Business-type activities	<u>512,815</u>
Total Depreciation	<u><u>\$ 760,673</u></u>

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, 2025:

Type of Debt	Beginning Balance	Additions	Loan Forgiveness	Retirements	Ending Balance	Due in One Year
Business-type Activities:						
IEPA Loan	\$ 228,775	57,044	167,846	4,127	113,846	2,746
GO Series 2020A (ARS)	2,060,000	-	-	390,000	1,670,000	400,000
GO Series 2020B (ARS)	695,000	-	-	130,000	565,000	135,000
Total Business-type Activities	<u>\$ 2,983,775</u>	<u>57,044</u>	<u>167,846</u>	<u>524,127</u>	<u>2,348,846</u>	<u>537,746</u>

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2025

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
2026	\$ 400,000	41,500	441,500
2027	410,000	29,500	439,500
2028	425,000	17,200	442,200
2029	435,000	8,700	443,700
	<u>\$ 1,670,000</u>	<u>96,900</u>	<u>1,766,900</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
2026	\$ 135,000	11,025	146,025
2027	140,000	8,460	148,460
2028	145,000	5,800	150,800
2029	145,000	2,900	147,900
	<u>\$ 565,000</u>	<u>28,185</u>	<u>593,185</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.

IEPA Loan

On March 23, 2024, the Village signed a note payable with the Illinois Environmental Protection Agency (IEPA) in order to fund water meter replacement within the Village. The Village agreed to draw on this loan as needed, with draws not to exceed \$335,693 including principal and interest. The note carries a 20-year term with an interest rate of 0.93%. As of April 30, 2025, the Village has made draws totaling \$285,775.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2025

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

IEPA Loan (Continued)

During fiscal year 2025, the IEPA forgave a portion of the Village's loan. The total amount forgiven was \$167,846, which was recorded as nonoperating revenue in the Statement of Revenues, Expenses, and Changes in Net Position. The loan was originally used to fund water meter replacements. The forgiveness was contingent upon the Village's compliance with loan requirements and completion of the related capital project.

Due During Year Ended April 30,	Principal	Interest	Total
2026	\$ 2,746	529	3,275
2027	5,530	1,020	6,550
2028	5,582	969	6,551
2029	5,634	917	6,551
2030	5,686	864	6,550
2031-2035	29,237	3,516	32,753
2036-2040	30,626	2,128	32,754
2041-2045	28,805	674	29,479
	<u>\$ 113,846</u>	<u>10,617</u>	<u>124,463</u>

NOTE 6: CONTRACTS & CONTINGENCIES

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 \$118,982 for the year ended April 30, 2025 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 \$1,634 for the year ended April 30, 2025.

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, 2025.

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.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2025

NOTE 6: CONTRACTS & CONTINGENCIES (CONTINUED)

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.

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 is 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, 2025

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

Employees Covered by Benefit Terms – As of December 31, 2024, the following Village employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	4
Inactive Plan Members entitled to but not yet receiving benefits	6
Active Plan Members	<u>9</u>
Total	<u>19</u>

Contributions – As set by statute, the Village's Regular Plan members are required to contribute 4.50% 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 2024 and the fiscal year ended April 30, 2025, 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 2024	7.24%
Village required contribution rate for 2025	6.88%
Village actual contributions for 2024	\$ 39,817
Village actual contributions for fiscal year 2025	\$ 40,399

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, 2025 was \$29,472.

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 \$35,830.

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, 2025 was \$1,713.

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2025

NOTE 9: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of April 30, 2025:

Assessed valuation - 2024	<u>\$ 70,255,217</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 6,059,512
Debt outstanding at April 30, 2025:	
IEPA Loan	113,846
GO Series 2020A (ARS)	1,670,000
GO Series 2020B (ARS)	<u>565,000</u>
Total debt	<u>2,348,846</u>
Debt not subject to legal debt margin:	
IEPA Loan	<u>113,846</u>
Legal debt margin	<u>\$ 3,824,512</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 \$38,494, the total required contribution for the year ended April 30, 2025.

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:

	Beginning Balance	Levy	Expenditure	Restricted Balance
Audit	\$ 33,003	13,547	13,758	32,792
Social Security	68,534	26,769	38,494	56,809
Workman's Comp	58,557	17,500	14,275	61,782
Total	<u>\$ 160,094</u>	<u>57,816</u>	<u>66,527</u>	<u>151,383</u>

VILLAGE OF DIAMOND, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2025

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 4: 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, 2025, there were no individual fund interfund receivable or payable balances.

For the fiscal year ended April 30, 2025, \$339,724 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, 2025

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. 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 \$1,093,070.
2. Park – Restricted fund balances in the Park Fund included \$76,374 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 \$122,705.
4. General Fund – Restricted fund balances in the General Fund included \$283,208 for American Rescue Plan Act grant and \$151,383 for restricted tax levies. See Note 11 for details.

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, 2025

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, 2025, the Enterprise Zone Fund had an assigned fund balance of \$50,556.

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, 2025, the General Fund had an unassigned fund balance of \$1,677,732.

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 18: AMERICAN RESCUE PLAN ACT

As of April 30, 2025, the Village has received \$412,427 in American Rescue Plan Act funds of which \$283,208 is still unspent and shown as restricted in the General Fund.

NOTE 19: SUBSEQUENT EVENTS

Management evaluated subsequent events through July 8, 2025, 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, 2025.

OTHER INFORMATION

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2025

		<u>Assets</u>	
Cash			<u>\$ 2,112,323</u>
Total assets			<u>\$ 2,112,323</u>
		<u>Fund Balance</u>	
Unassigned			\$ 1,677,732
Restricted for social security			56,809
Restricted for audit			32,792
Restricted for workman's compensation			61,782
Restricted for American Rescue Plan Act grant			<u>283,208</u>
Total fund balance			<u>\$ 2,112,323</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, 2025
(With Comparative Figures for 2024)**

	Original and Final Budget	Year Ended <u>April 30,</u>	
		2025	2024
Revenues received:			
Property taxes	\$ 305,000	310,245	309,358
Utility tax	105,000	107,548	103,833
State income taxes	427,000	458,843	432,205
Replacement taxes	800	387	630
Telecommunication taxes	19,000	19,855	20,447
State sales taxes	380,000	484,596	372,047
Advanced auto sales tax	10,000	5,195	10,862
Local use taxes	105,000	88,335	100,842
Video gaming taxes	75,000	82,847	68,688
Cannabis use tax	4,000	4,149	4,097
Licenses and permits	67,870	79,492	68,407
Interest income	76,380	117,906	106,197
Grants	3,947,162	574,544	-
Fees	-	250	750
Donations	150,000	-	20
Reimbursements	-	1,000	1,100
STP 3 developer match	-	-	97,098
IDOT Reimbursement Traffic Signal	1,000	410	131
Plan reviews/inspections	30,000	17,637	30,119
Miscellaneous	67,200	46,433	18,018
Total revenues received	5,770,412	2,399,672	1,744,849

**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, 2025
(With Comparative Figures for 2024)**

	Original and Final Budget	Year Ended April 30, 2025	2024
Expenditures disbursed:			
General Government:			
Salaries-regular	\$ 304,141	328,388	288,946
Salaries-overtime	13,000	6,881	11,887
Salaries Mayor & Commissioner	28,000	28,000	28,000
P&Z Board/Commissioners	1,600	1,300	700
Health Insurance	120,000	124,235	126,837
Unemployment insurance	12,000	11,782	15,355
Workman's Compensation	17,300	14,275	15,767
Social security	35,387	38,494	32,748
IMRF contribution	46,322	40,399	47,943
Medicare	8,276	9,004	7,659
Municipal audit	13,500	13,758	13,110
Legal service	75,000	22,655	18,900
P&Z legal service	2,000	270	440
Codification legal service	2,500	3,556	1,808
Building consulting service	30,000	16,409	7,647
Website	1,000	670	570
Postage	2,200	2,160	1,814
Telephone	6,000	5,955	6,073
Publishing/legal service	2,200	3,548	2,059
Smart message alert system	750	750	750
Dues/subscriptions	9,300	9,679	8,956
Travel expense	3,500	1,907	2,403
Training/education	3,500	2,796	532
Utilities	25,400	26,503	21,096
Insurance/building	25,500	29,548	24,500
Insurance/auto	15,000	8,465	10,421
Insurance/equipment	5,200	5,505	4,718
Insurance/Cyber liability	1,000	626	498
Office supplies	10,000	5,993	4,568
Office equipment rental	6,000	5,472	5,947
Grundy Transit	1,000	1,000	1,250
Developer sales tax rebate	100,000	24,771	20,398
Economic development local	1,000	-	-
School site donation	-	-	2,302
Computer system fees	24,000	19,067	19,162
Miscellaneous expense	20,000	22,533	6,874
Total General Government	971,576	836,354	762,638

**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, 2025
(With Comparative Figures for 2024)**

	Original and Final Budget	Year Ended April 30,	
		2025	2024
Expenditures disbursed (Continued):			
Public Safety:			
Police protection	\$ 125,000	118,982	114,676
Animal control	3,500	1,634	2,994
Total Public Safety	128,500	120,616	117,670
Streets and Public Works:			
Building maintenance	80,000	54,560	19,508
Equipment maintenance	20,000	36,111	6,666
Street & Alley	550,000	408,634	344,165
Street maintenance supplies	30,000	58,226	38,943
General maintenance supplies	9,000	9,946	8,688
Engineering services	30,000	26,103	20,714
Traffic signal Rt 113	135,000	6,464	-
Tools	4,500	1,864	1,332
Gasoline/diesel fuel	18,000	12,694	13,245
Total Streets and Public Works	876,500	614,602	453,261
Culture and Recreation:			
Community events	15,000	17,889	12,870
Total Culture and Recreation	15,000	17,889	12,870
Capital Outlay:			
Will Road Reconstruction Project	863,937	74,273	50,328
Buildings/parking lot	325,000	150,235	75,036
Equipment	28,500	10,519	13,625
Grants	4,436,862	530,302	143,536
Traffic Signal RT 113/Will Rd Dev	209,000	228,879	-
Total Capital Outlay	5,863,299	994,208	282,525
Total expenditures disbursed	7,854,875	2,583,669	1,628,964
Excess (deficiency) of revenues received over (under) expenditures disbursed	(2,084,463)	(183,997)	115,885
Other financing sources (uses):			
Transfer in	276,539	-	-
Transfer out	(530,213)	(339,724)	(200,000)
Total other financing sources (uses)	(253,674)	(339,724)	(200,000)
Net change in fund balance	\$ (2,338,137)	(523,721)	(84,115)
Fund balance, beginning of year		2,636,044	2,720,159
Fund balance, end of year		\$ 2,112,323	2,636,044

VILLAGE OF DIAMOND, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE B-1

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2025**

<u>Assets</u>	
Cash	\$ 1,093,070
Total assets	<u>\$ 1,093,070</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 1,093,070
Total fund balance	<u>\$ 1,093,070</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2025
(With Comparative Figures for 2024)**

SCHEDULE B-2

	Original and Final Budget	Year Ended April 30,	
		2025	2024
Revenues received:			
Motor fuel tax revenue	\$ 115,000	119,277	115,830
Interest	7,500	11,304	11,287
Total revenues received	<u>122,500</u>	<u>130,581</u>	<u>127,117</u>
Expenditures disbursed:	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>122,500</u>	<u>130,581</u>	<u>127,117</u>
Other financing sources (uses):			
Transfer out	166,539	-	-
Total other financing sources (uses)	<u>166,539</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 289,039</u>	<u>130,581</u>	<u>127,117</u>
Fund balance, beginning of year		<u>962,489</u>	<u>835,372</u>
Fund balance, end of year		<u>\$ 1,093,070</u>	<u>962,489</u>

NOTES TO OTHER INFORMATION

VILLAGE OF DIAMOND, ILLINOIS

Notes to Other Information
For the Year Ended April 30, 2025

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 April 23, 2024, the Village approved an ordinance adopting the annual budget for the fiscal year ending April 30, 2025, 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, 2025:

Description	Budget	Actual	Variance	Percent Variance
General Fund	\$ 7,854,875	2,583,669	5,271,206	204.02%

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, 2025

		Special Revenue Funds			Total Non-major Governmental Funds	
		Park Fund	Enterprise Zone Fund	TIF Fund	2025	2024
					April 30,	
<u>Assets</u>						
Cash in bank		\$ 76,374	50,556	122,705	249,635	232,317
Total assets		<u>\$ 76,374</u>	<u>50,556</u>	<u>122,705</u>	<u>249,635</u>	<u>232,317</u>
<u>Fund Balance</u>						
Fund balance:						
Restricted		\$ 76,374	-	122,705	199,079	188,038
Assigned		-	50,556	-	50,556	44,279
Total fund balance		<u>\$ 76,374</u>	<u>50,556</u>	<u>122,705</u>	<u>249,635</u>	<u>232,317</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, 2025

	Special Revenue Funds			Total Non-major Governmental Funds	
	Park Fund	Enterprise Zone Fund	TIF Fund	April 30, 2025	2024
Revenues received:					
Property taxes	\$ 10,232	-	14,001	24,233	23,995
Interest income	411	232	622	1,265	3,001
Fees	-	6,250	-	6,250	29,518
Total revenues received	10,643	6,482	14,623	31,748	56,514
Expenditures disbursed:					
Current:					
General government	-	205	1,503	1,708	1,455
Culture and recreation	12,722	-	-	12,722	4,712
Total expenditures disbursed	12,722	205	1,503	14,430	6,167
Excess (deficiency) of revenues received over (under) expenditures disbursed	(2,079)	6,277	13,120	17,318	50,347
Fund balance, beginning of year	78,453	44,279	109,585	232,317	181,970
Fund balance, end of year	\$ 76,374	50,556	122,705	249,635	232,317

**VILLAGE OF DIAMOND, ILLINOIS
PARK FUND**

SCHEDULE C-3

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2025**

<u>Assets</u>	
Cash	\$ 76,374
Total assets	<u>\$ 76,374</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 76,374
Total fund balance	<u>\$ 76,374</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2025
(With Comparative Figures for 2024)**

SCHEDULE C-4

	Original and Final Budget	Year Ended April 30,	
		2025	2024
Revenues received:			
Property taxes	\$ 10,500	10,232	10,537
Interest income	780	411	1,108
Total revenues received	<u>11,280</u>	<u>10,643</u>	<u>11,645</u>
Expenditures disbursed:			
Maintenance of parks	10,000	8,629	2,677
Park supplies	1,000	2,154	382
Miscellaneous expense	1,500	1,939	1,653
Total expenditures disbursed	<u>12,500</u>	<u>12,722</u>	<u>4,712</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (1,220)</u>	(2,079)	6,933
Fund balance, beginning of year		<u>78,453</u>	<u>71,520</u>
Fund balance, end of year		<u>\$ 76,374</u>	<u>78,453</u>

**VILLAGE OF DIAMOND, ILLINOIS
ENTERPRISE ZONE FUND**

SCHEDULE C-5

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2025**

<u>Assets</u>	
Cash	\$ 50,556
Total assets	<u>\$ 50,556</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 50,556
Total fund balance	<u>\$ 50,556</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2025
(With Comparative Figures for 2024)**

SCHEDULE C-6

	Original and Final Budget	Year Ended April 30,	
		2025	2024
Revenues received:			
Interest income	\$ 250	232	378
Diamond enterprise zone fee	25,000	6,250	29,518
Total revenues received	<u>25,250</u>	<u>6,482</u>	<u>29,896</u>
Expenditures disbursed:			
Legal service	500	-	45
Dues & subscriptions	200	200	200
Miscellaneous expense	1,000	5	-
Total expenditures disbursed	<u>1,700</u>	<u>205</u>	<u>245</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 23,550</u>	<u>6,277</u>	<u>29,651</u>
Fund balance, beginning of year		<u>44,279</u>	<u>14,628</u>
Fund balance, end of year		<u>\$ 50,556</u>	<u>44,279</u>

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
April 30, 2025

<u>Assets</u>	
Cash	\$ 122,705
Total assets	<u>\$ 122,705</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 122,705
Total fund balance	<u>\$ 122,705</u>

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2025
(With Comparative Figures for 2024)

SCHEDULE C-8

	Original and Final Budget	Year Ended April 30,	
		2025	2024
Revenues received:			
Property taxes	\$ 13,900	14,001	13,458
Interest income	1,000	622	1,515
Total revenues received	<u>14,900</u>	<u>14,623</u>	<u>14,973</u>
Expenditures disbursed:			
Legal services	2,000	1,485	1,181
Miscellaneous expense	500	18	29
Total expenditures disbursed	<u>2,500</u>	<u>1,503</u>	<u>1,210</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>12,400</u>	<u>13,120</u>	<u>13,763</u>
Other financing sources (uses):			
Transfer In (Out)	(110,000)	-	-
Total other financing sources (uses)	<u>(110,000)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ (97,600)</u>	13,120	13,763
Fund balance, beginning of year		<u>109,585</u>	<u>95,822</u>
Fund balance, end of year		<u>\$ 122,705</u>	<u>109,585</u>

VILLAGE OF DIAMOND, ILLINOIS
WATER FUND

SCHEDULE D-1

Statement of Net Position - Modified Cash
April 30, 2025

<u>Assets</u>	
Current assets:	
Cash	\$ 1,503,176
Total current assets	<u>1,503,176</u>
Non-current assets:	
Capital assets	6,208,508
Accumulated depreciation	<u>(3,252,727)</u>
Total non-current assets	<u>2,955,781</u>
Total assets	<u>4,458,957</u>
<u>Liabilities</u>	
Non-current liabilities:	
Alternate revenue bonds due one year	135,000
Alternate revenue bonds due in more than one year	430,000
IEPA loan due in more than one year	<u>113,846</u>
Total non-current liabilities	<u>678,846</u>
Total liabilities	<u>678,846</u>
<u>Net Position</u>	
Net investment in capital assets	2,276,935
Restricted	652,471
Unrestricted	<u>850,705</u>
Total net position	<u>\$ 3,780,111</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, 2025
(With Comparative Figures for 2024)

	Original and Final Budget	Year Ended April 30,	
		2025	2024
Revenues:			
Water sales	\$ 741,456	762,069	705,419
Water meters	8,500	5,973	5,432
Water penalties	5,820	5,115	5,417
Permits & tap-on fees	10,000	18,000	10,000
Interest	8,100	5,860	-
Grant	723,839	595,258	15,000
Insurance reimbursement	-	-	54,990
Miscellaneous	3,000	24,596	16,737
Total revenues	1,500,715	1,416,871	812,995
Expenses:			
Clerical salaries	39,873	43,611	37,895
Water maintenance salaries	90,630	104,106	80,590
Salaries - OT	12,500	12,646	9,764
Engineering service	20,000	1,702	-
Legal service/publication	5,000	953	-
Other professional service	10,000	8,409	7,903
Postage	3,500	3,000	3,000
Travel expense	500	1,949	417
Training/education	2,000	1,201	-
Utilities	70,000	63,016	59,705
Water samples	6,000	3,046	5,819
Meter	10,000	4,000	33,647
Water system project	-	-	284,150
Maintenance-water main system	80,000	38,037	75,023
Maintenance-water works	30,000	8,656	22,995
Office Equipment Rental	1,800	-	1,480
Office supplies	1,100	725	1,072
Maintenance service-equipment	10,000	2,960	3,862
Computer system fees	13,000	13,168	12,424
Chemicals/supplies	105,000	93,605	106,597
Connect GIS	2,500	1,940	1,911
Equipment	10,000	1,504	1,480
Grants	736,988	-	11,970
Miscellaneous expense	10,000	895	1,067
Principal payment	130,000	-	-
Interest expense	14,925	14,925	18,975
IEPA Loan Principal Payment	4,000	-	-
IEPA Loan Interest Expense	1,000	1,255	-
Depreciation	-	160,915	140,437
Total expenses	1,420,316	586,224	922,183
Excess of revenues over (under) expenses	80,399	830,647	(109,188)
Other financing sources (uses):			
Transfer in	120,087	57,820	-
IEPA loan forgiveness	-	167,849	-
Total other financing sources (uses)	120,087	225,669	-
Change in net position	\$ 200,486	1,056,316	(109,188)
Net position, beginning of year		2,723,795	2,832,983
Net position, end of year		\$ 3,780,111	2,723,795

VILLAGE OF DIAMOND, ILLINOIS
SEWER FUND

SCHEDULE D-3

Statement of Net Position - Modified Cash
April 30, 2025

<u>Assets</u>	
Current assets:	
Cash	\$ 292,895
Total current assets	<u>292,895</u>
Non-current assets:	
Capital assets	10,599,918
Accumulated depreciation	<u>(8,060,978)</u>
Total non-current assets	<u>2,538,940</u>
Total assets	<u>2,831,835</u>
<u>Liabilities</u>	
Non-current liabilities:	
Alternate revenue bonds due in one year	400,000
Alternate revenue bonds due in more than one year	<u>1,270,000</u>
Total non-current liabilities	<u>1,670,000</u>
Total liabilities	<u>1,670,000</u>
<u>Net Position</u>	
Net investment in capital assets	868,940
Restricted	24,626
Unrestricted	<u>268,269</u>
Total net position	<u>\$ 1,161,835</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, 2025
(With Comparative Figures for 2024)

	Original and Final Budget	Year Ended April 30,	
		2025	2024
Revenues:			
Sewer charge	\$ 450,437	452,266	428,828
Sewer penalties	4,500	4,156	4,413
Surcharge	198,500	199,742	198,793
Permits & tap-on fees	13,800	20,700	11,500
Interest	4,500	2,597	7,318
Grants	71,400	71,400	-
Miscellaneous	2,500	1,745	2,308
Total revenues	745,637	752,606	653,160
Expenses:			
Salaries - clerical	13,291	14,537	12,632
Salaries - maintenance	57,720	68,817	49,349
Salaries - OT	10,000	12,581	8,428
Maintenance - sewer plant	200,000	122,917	191,035
Maintenance - lift stations	20,000	7,360	16,810
Engineering service	10,000	18,537	3,956
Legal service/Publication	1,000	-	569
Sewer sample test	14,000	13,542	14,647
Other Professional fees	11,000	9,560	9,719
Telephone	3,800	4,255	3,577
Utilities	100,000	80,262	90,349
Maintenance supplies - other	1,000	1,277	292
Supplies & chemicals	1,000	321	288
Computer system fees	3,000	6,728	4,426
GIS expense	2,500	1,940	1,911
Equipment	10,000	-	12,160
Miscellaneous expense	15,000	1,877	1,842
Travel	-	1,853	350
Training/Education	1,000	-	-
Grants	297,419	-	-
Loan - Principal payment	390,000	-	-
Loan - Interest expense	53,200	53,200	64,450
Depreciation	-	351,900	332,869
Total expenses	1,214,930	771,464	819,659
Excess of revenues over (under) expenses	(469,293)	(18,858)	(166,499)
Other financing sources (uses):			
Transfers in	410,126	281,904	200,000
Total other financing sources (uses)	410,126	281,904	200,000
Change in net position	\$ (59,167)	263,046	33,501
Net position, beginning of year		898,789	865,288
Net position, end of year		\$ 1,161,835	898,789

**VILLAGE OF DIAMOND, ILLINOIS
SANITATION FUND**

SCHEDULE D-5

**Statement of Net Position - Modified Cash
April 30, 2025**

<u>Assets</u>	
Cash	\$ 37,132
Total assets	<u>37,132</u>
<u>Net Position</u>	
Unrestricted	<u>37,132</u>
Total net position	<u>\$ 37,132</u>

**Statement of Revenues, Expenses, & Changes in Fund Net Position -
Budget & Actual
For the Year Ended April 30, 2025
(With Comparative Figures for 2024)**

SCHEDULE D-6

	Original and Final Budget	Year Ended April 30,	
		2025	2024
Revenues:			
Garbage penalties	\$ 1,200	1,253	1,125
Garbage receipts	154,700	154,045	146,004
Video gaming tax	65,000	65,315	64,945
Interest income	350	208	568
Total revenues	<u>221,250</u>	<u>220,821</u>	<u>212,642</u>
Expenses:			
Garbage Removal	221,000	221,068	213,083
Miscellaneous expense	1,000	169	136
Total expenses	<u>222,000</u>	<u>221,237</u>	<u>213,219</u>
Excess of revenues over (under) expenses	<u>\$ (750)</u>	(416)	(577)
Net position, beginning of year		<u>37,548</u>	<u>38,125</u>
Net position, end of year		<u>\$ 37,132</u>	<u>37,548</u>

Statement of Changes in Net Position
For the Year Ended April 30, 2025
(With Comparative Figures for 2024)

	Totals Year Ended April 30,	
	2025	2024
Additions:		
Reimbursements	\$ 76,891	73,936
Total Additions	76,891	73,936
Deductions:		
Expenditures	55,729	95,036
Net increase (decrease)	21,162	(21,100)
Cash balance, beginning of year	127,344	148,444
Cash balance, end of year	\$ 148,506	127,344

SUPPLEMENTAL INFORMATION

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

Calendar Year Ending December 31,	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	\$ 42,450	37,607	28,814	33,416	37,893
Interest on the Total Pension Liability	103,829	96,968	99,427	90,518	86,997
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	93,008	(2,607)	(88,565)	68,304	(23,422)
Assumption Changes	-	2,865	-	-	(13,263)
Benefit Payments and Refunds	(35,861)	(49,385)	(106,584)	(27,549)	(47,240)
Net Change in Total Pension Liability	203,426	85,448	(66,908)	164,689	40,965
Total Pension Liability - Beginning	1,428,825	1,343,377	1,410,285	1,245,596	1,204,631
Total Pension Liability - Ending	<u>\$ 1,632,251</u>	<u>1,428,825</u>	<u>1,343,377</u>	<u>1,410,285</u>	<u>1,245,596</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 39,817	51,092	44,673	40,899	38,860
Employee Contributions	24,647	19,923	17,760	17,010	15,912
Net Investment Income	125,534	123,177	(141,255)	177,667	132,376
Benefit Payments and Refunds	(35,861)	(49,385)	(106,584)	(27,549)	(47,240)
Other (Net Transfer)	(18,654)	24,910	4,969	(5,574)	3,363
Net Change in Plan Fiduciary Net Position	135,483	169,717	(180,437)	202,453	143,271
Plan Fiduciary Net Position - Beginning	1,313,787	1,144,070	1,324,507	1,122,054	978,783
Plan Fiduciary Net Position - Ending	<u>1,449,270</u>	<u>1,313,787</u>	<u>1,144,070</u>	<u>1,324,507</u>	<u>1,122,054</u>
Net Pension Liability (Asset)	<u>\$ 182,981</u>	<u>115,038</u>	<u>199,307</u>	<u>85,778</u>	<u>123,542</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	91.95%	85.16%	93.92%	90.08%
Covered Valuation Payroll	\$ 549,947	442,731	389,656	377,995	353,595
Net Pension Liability as a Percentage of the Covered Valuation Payroll	33.27%	25.98%	51.15%	22.69%	34.94%

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

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

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
12/31/2024	\$ 39,816	39,817 *	(1)	549,947	7.24%
12/31/2023	51,091	51,092	(1)	442,731	11.54%
12/31/2022	38,069	44,673	(6,604)	389,656	11.46%
12/31/2021	40,899	40,899	-	377,995	10.82%
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%

*Estimated based on contribution rate of 7.24% and covered valuation payroll of \$549,947.

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 2024 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): 19-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 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).

Asset Valuation Method 5-year smoothed market; 20% corridor
Wage Growth 2.75%
Price Inflation 2.25%
Salary Increases 2.75% to 13.75% 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 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes There were no benefit changes during the year.

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

	2020	2021	Tax Year 2022	2023	2024
Assessed valuations	\$ 54,434,121	56,500,349	60,674,213	64,816,038	70,255,217
Tax Rates:					
Corporate	0.3022	0.3009	0.2821	0.2641	0.2436
Police	0.0542	0.0611	0.0652	0.0611	0.0563
Audit	0.0276	0.0266	0.0247	0.0209	0.0192
Park	0.0220	0.0276	0.0173	0.0162	0.0150
Social Security	0.0679	0.0512	0.0441	0.0413	0.0384
Workmen's Comp	0.0386	0.0266	0.0264	0.0270	0.0246
Totals	0.5125	0.4938	0.4599	0.4306	0.3971
Tax extensions:					
Corporate	\$ 164,500	169,998	171,174	171,179	171,170
Police	29,503	34,499	39,584	39,603	39,582
Audit	15,002	15,001	15,005	13,547	13,503
Park	11,976	15,583	10,503	10,500	10,503
Social Security	36,961	28,923	26,751	26,769	26,950
Workmen's Comp	21,012	15,001	16,000	17,500	17,304
Totals	278,953	279,004	279,016	279,098	279,012
Plus: Road & Bridge (from Townships)	44,780	37,003	37,470	49,057	50,423
Total extension	\$ 323,733	316,007	316,486	328,155	329,435
Tax collections	\$ 327,903	329,728	333,353	334,478	-

OTHER REQUIRED REPORTING



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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, 2025, 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 8, 2025.

Report on 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) as a basis for designing 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.

Report on 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 8, 2025.

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 8, 2025