VILLAGE OF DIAMOND, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2026

VILLAGE OF DIAMOND, ILLINOIS

Table of Contents

PAGE

INDEPENDENT AUDITORS' REPORT 1-3

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position – Modified Cash Basis (Statement A) 4

Statement of Activities – Modified Cash Basis (Statement B) 5

Fund Financial Statements:

Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Governmental Funds (Statement C) 6

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Governmental Funds (Statement D) 7-8

Statement of Fund Net Position – Modified Cash Basis Proprietary Funds (Statement E) 9

Statement of Revenues, Expenses, and Changes in Fund Net Position – Modified Cash Basis Proprietary Funds (Statement F) 10

Statement of Cash Flows – Modified Cash Basis Proprietary Funds (Statement G) 11

Statement of Fiduciary Net Position – Modified Cash Basis (Statement H) 12

NOTES TO BASIC FINANCIAL STATEMENTS 13-30

OTHER INFORMATION

General Fund:

Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule A-1) 31

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget and Actual (Schedule A-2) 32-34

VILLAGE OF DIAMOND, ILLINOIS

Table of Contents

PAGE

OTHER INFORMATION - Continued

Major Special Revenue Fund:

Motor Fuel Tax Fund:

Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule B-1) 35

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget and Actual (Schedule B-2) 35

NOTES TO OTHER INFORMATION 36

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements

Non-Major Governmental Funds - Combining Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions (Schedule C-1) 37

Non-Major Governmental Funds - Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances (Schedule C-2) 38

Park Fund:

Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-3) 39

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget and Actual (Schedule C-4) 39

Enterprise Zone Fund:

Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-5) 40

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget and Actual (Schedule C-6) 40

TIF Fund:

Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-7) 41

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget and Actual (Schedule C-8) 41

VILLAGE OF DIAMOND, ILLINOIS

Table of Contents

PAGE

SUPPLEMENTARY INFORMATION - Continued

Combining and Individual Fund Financial Statements - Continued

Proprietary Funds:

Water Fund:

Statement of Net Position – Modified Cash Basis (Schedule D-1) 42

Statement of Revenues, Expenses, and
Changes in Fund Net Position – Budget and Actual (Schedule D-2) 43

Sewer Fund:

Statement of Net Position – Modified Cash Basis (Schedule D-3) 44

Statement of Revenues, Expenses, and
Changes in Fund Net Position – Budget and Actual (Schedule D-4) 45

Sanitation Fund:

Statement of Net Position – Modified Cash Basis(Schedule D-5) 46

Statement of Revenues, Expenses, and
Changes in Fund Net Position – Budget and Actual (Schedule D-6) 46

Custodial Funds:

Statement of Changes in Custodial Net Position (Schedule E) 47

SUPPLEMENTAL INFORMATION

Illinois Municipal Retirement Fund Pension Data:

Schedule of Changes in Net Pension Liability and Related Ratios (Schedule 1) 48-49

Schedule of Contributions (Schedule 2) 50

Assessed Valuations, Tax Rates, Tax
Extensions, and Tax Collections (Schedule 3) 51

OTHER REQUIRED REPORTING

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* 52-53

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, 2026, 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, 2026, 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 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, 2025, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 8, 2025. The summarized comparative information presented herein as of and for the year ended April 30, 2025, 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 14, 2026

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
April 30, 2026

	Primary Government			
	Governmental Activities	Business-Type Activities	Total 2026	Total 2025
Assets				
Current assets:				
Cash and cash equivalents	$ 2,309,650	2,221,795	4,531,445	5,288,231
Total current assets	2,309,650	2,221,795	4,531,445	5,288,231
Non-current assets:				
Capital Assets				
Land	52,621	-	52,621	52,621
Construction in progress	520,100	-	520,100	435,045
Equipment	1,028,973	-	1,028,973	1,028,973
Buildings and improvements	465,220	-	465,220	465,220
Infrastructure	5,267,516	17,392,874	22,660,390	20,828,616
Accumulated Depreciation	(3,030,805)	(11,843,799)	(14,874,604)	(14,062,282)
Total non-current assets	4,303,625	5,549,075	9,852,700	8,748,193
Total assets	6,613,275	7,770,870	14,384,145	14,036,424
Liabilities				
Non-current Liabilities:				
Due in one year:				
Bonds payable	-	550,000	550,000	535,000
IEPA Loan	-	2,772	2,772	2,746
Due in more than one year:				
Bonds payable	-	1,150,000	1,150,000	1,700,000
IEPA Loan	-	105,569	105,569	111,100
Total long-term liabilities	-	1,808,341	1,808,341	2,348,846
Total liabilities	-	1,808,341	1,808,341	2,348,846
Net Position				
Net investment in capital assets	4,303,625	3,740,734	8,044,359	6,399,347
Restricted	1,306,305	1,899,471	3,205,776	2,403,837
Unrestricted	1,003,345	322,324	1,325,669	2,884,394
Total net position	$ 6,613,275	5,962,529	12,575,804	11,687,578

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, 2026

Program Activities	Expenditures	Program Revenues: Fees and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenditures) Revenue and Changes in Net Position: Governmental Activities	Net (Expenditures) Revenue and Changes in Net Position: Business-Type Activities	Total: 2026	Total: 2025
Governmental activities:								
General government	$ 1,281,257	234,068	-	41,607	(1,005,582)	-	(1,005,582)	(597,589)
Public Safety	128,474	-	-	-	(128,474)	-	(128,474)	(120,616)
Streets and public works	471,019	-	-	-	(471,019)	-	(471,019)	(109,208)
Culture and recreation	18,048	-	-	-	(18,048)	-	(18,048)	(30,611)
Total governmental activities	1,898,798	234,068	-	41,607	(1,623,123)	-	(1,623,123)	(858,024)
Business-type activities:								
Water	599,737	985,449	-	20,742	-	406,454	406,454	800,191
Sewer	835,658	699,389	-	-	-	(136,269)	(136,269)	(23,200)
Sanitation	232,020	162,949	-	-	-	(69,071)	(69,071)	(65,939)
Total business-type activities	1,667,415	1,847,787	-	20,742	-	201,114	201,114	711,052
Total primary government	$ 3,566,213	2,081,855	-	62,349	(1,623,123)	201,114	(1,422,009)	(146,972)
			General revenues:					
			Taxes:					
			Property taxes		336,709	-	336,709	334,478
			Utility tax		120,757	-	120,757	107,548
			Income tax		484,064	-	484,064	458,843
			Sales tax		835,277	-	835,277	484,596
			Other intergovernmental tax		306,055	65,623	371,678	385,360
			Miscellaneous income		12,497	593	13,090	72,774
			Reimbursements		1,088	25,562	26,650	1,000
			Investments earnings		114,659	7,351	122,010	139,140
			Total general revenues		2,211,106	99,129	2,310,235	1,983,739
			Special items:					
			IEPA loan forgiveness		-	-	-	167,849
			Transfer in (out)		(683,208)	683,208	-	-
			Total special items		(683,208)	683,208	-	167,849
			Change in net position		(95,225)	983,451	888,226	2,004,616
			Net position, beginning of year		6,708,500	4,979,078	11,687,578	9,682,962
			Net position, end of year		$ 6,613,275	5,962,529	12,575,804	11,687,578

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, 2026

	Major Funds				
	General Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Total Governmental Funds 2026	2025
Assets					
Cash	$ 1,013,749	1,055,393	240,508	2,309,650	3,455,028
Total assets	$ 1,013,749	1,055,393	240,508	2,309,650	3,455,028
Fund Balances					
Unassigned	$ 877,721	-	-	877,721	1,677,732
Assigned	-	-	125,624	125,624	50,556
Restricted	136,028	1,055,393	114,884	1,306,305	1,726,740
Total fund balances	$ 1,013,749	1,055,393	240,508	2,309,650	3,455,028

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 $7,334,430 (net of accumulated depreciation of $3,030,805) are not financial resources and, therefore, are not reported in the funds.	4,303,625	3,253,472
Net position of governmental activities	$ 6,613,275	6,708,500

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, 2026

	Major Funds				
	General Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Total Governmental Funds 2026	Total Governmental Funds 2025
Revenues received:					
Property taxes	$ 311,780	-	24,929	336,709	334,478
Utility taxes	120,757	-	-	120,757	107,548
Licenses and permits	73,467	-	-	73,467	79,492
State income taxes	484,064	-	-	484,064	458,843
Replacement taxes	371	-	-	371	387
State sales taxes	835,277	-	-	835,277	484,596
Other state taxes	184,793	-	-	184,793	200,381
Motor Fuel Tax	-	120,891	-	120,891	119,277
Grants	41,607	-	-	41,607	574,544
Reimbursements	1,088	-	-	1,088	1,000
Charges for Services	41,826	-	-	41,826	410
Investments earnings	105,639	8,081	939	114,659	130,475
Fees	41,793	-	76,982	118,775	24,137
Miscellaneous	5,518	-	6,979	12,497	46,433
Total revenues received	2,247,980	128,972	109,829	2,486,781	2,562,001
Expenditures disbursed:					
Current:					
General government	1,282,759	-	4,013	1,286,772	838,062
Public safety	128,474	-	-	128,474	120,616
Streets and public works	304,370	166,649	-	471,019	614,602
Culture and recreation	13,105	-	4,943	18,048	30,611
Capital Outlay	1,044,638	-	-	1,044,638	994,208
Total expenditures disbursed	2,773,346	166,649	8,956	2,948,951	2,598,099
Excess (deficiency) of revenues received over (under) expenditures disbursed	(525,366)	(37,677)	100,873	(462,170)	(36,098)

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, 2026

	Major Funds			Total Governmental Funds	
	General Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	2026	2025
Other financing sources (uses):					
Transfers in	$ 110,000	-	-	110,000	-
Transfers out	(683,208)	-	(110,000)	(793,208)	(339,724)
Total other financing sources (uses)	(573,208)	-	(110,000)	(683,208)	(339,724)
Net change in fund balance	(1,098,574)	(37,677)	(9,127)	(1,145,378)	(375,822)
Fund balances, beginning	2,112,323	1,093,070	249,635	3,455,028	3,830,850
Fund balances, ending	$ 1,013,749	1,055,393	240,508	2,309,650	3,455,028

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds	$ (1,145,378)	(375,822)
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	1,332,381	1,309,350
Depreciation	(282,228)	(247,858)
Change in net position of governmental activities (Statement B)	$ (95,225)	685,670

Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds
April 30, 2026

	Major Funds			Total Proprietary Funds	
	Water Fund	Sewer Fund	Sanitation Fund	2026	2025
Assets					
Current assets:					
Cash	$ 1,842,021	345,948	33,826	2,221,795	1,833,203
Total current assets	1,842,021	345,948	33,826	2,221,795	1,833,203
Non-current assets:					
Infrastructure	6,402,215	10,990,659	-	17,392,874	16,808,426
Accumulated depreciation	(3,414,024)	(8,429,775)	-	(11,843,799)	(11,313,705)
Total non-current assets	2,988,191	2,560,884	-	5,549,075	5,494,721
Total assets	4,830,212	2,906,832	33,826	7,770,870	7,327,924
Liabilities					
Non-current liabilities:					
Alternate revenue bonds due in one year	140,000	410,000	-	550,000	535,000
IEPA loan due in one year	2,772	-	-	2,772	2,746
Alternate revenue bonds due in more than one year	290,000	860,000	-	1,150,000	1,700,000
IEPA Loan due in more than one year	105,569	-	-	105,569	111,100
Total non-current liabilities	538,341	1,270,000	-	1,808,341	2,348,846
Total liabilities	538,341	1,270,000	-	1,808,341	2,348,846
Net Position					
Invested in capital assets, net of related debt	2,449,850	1,290,884	-	3,740,734	3,145,875
Restricted	1,799,610	99,861	-	1,899,471	677,097
Unrestricted	42,411	246,087	33,826	322,324	1,156,106
Total net position	$ 4,291,871	1,636,832	33,826	5,962,529	4,979,078

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

VILLAGE OF DIAMOND, ILLINOIS

Statement of Revenues, Expenses, and Changes in Fund Net Position - Modified Cash Basis
Proprietary Funds
For the Year Ended April 30, 2026

	Major Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total Proprietary Funds 2026	2025
Operating revenues:					
Sewer charges	$ -	685,589	-	685,589	656,164
Water charges	972,449	-	-	972,449	773,157
Reimbursements	25,562	-	-	25,562	-
Sanitation charges	-	-	162,949	162,949	155,298
Permits	13,000	13,800	-	26,800	38,700
Total operating revenues	1,011,011	699,389	162,949	1,873,349	1,623,319
Operating expenses:					
Personal services	176,299	108,110	-	284,409	256,298
Supplies and services	190,631	252,626	231,681	674,938	595,108
Utilities	59,438	62,600	-	122,038	143,278
Depreciation	161,298	368,797	-	530,095	512,815
Total operating expenses	587,666	792,133	231,681	1,611,480	1,507,499
Operating income (loss)	423,345	(92,744)	(68,732)	261,869	115,820
Non-operating revenues (expenses):					
Grant proceeds	20,742	-	-	20,742	666,658
Investments income	6,508	701	142	7,351	8,665
Interest expense	(12,071)	(41,500)	-	(53,571)	(69,380)
Video gaming tax	-	-	65,623	65,623	65,315
Miscellaneous	(1,952)	520	(339)	(1,771)	24,295
Total non-operating revenues (expenses)	13,227	(40,279)	65,426	38,374	695,553
Income (loss) before contributions and transfers	436,572	(133,023)	(3,306)	300,243	811,373
Transfers in	75,188	608,020	-	683,208	339,724
IEPA loan forgiveness	-	-	-	-	167,849
Total	75,188	608,020	-	683,208	507,573
Change in net position	511,760	474,997	(3,306)	983,451	1,318,946
Total net position, beginning	3,780,111	1,161,835	37,132	4,979,078	3,660,132
Total net position, ending	$ 4,291,871	1,636,832	33,826	5,962,529	4,979,078

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, 2026

	Major Funds				
	Water Fund	Sewer Fund	Sanitation Fund	Total Proprietary Funds 2026	2025
Cash flows from operating activities:					
Receipts from customers	$1,011,011	699,389	162,949	1,873,349	1,623,319
Payments for goods and services	(250,069)	(315,226)	(231,681)	(796,976)	(738,386)
Payments to employees	(176,299)	(108,110)	-	(284,409)	(256,298)
Net cash provided by (used in) operating activities	584,643	276,053	(68,732)	791,964	628,635
Cash flows from noncapital financing activities:					
Grant proceeds	20,742	-	-	20,742	666,658
Video gaming tax	-	-	65,623	65,623	65,315
Miscellaneous	(1,952)	520	(339)	(1,771)	24,295
Transfers (to) from other funds	75,188	608,020	-	683,208	339,724
Net cash provided by noncapital financing activities	93,978	608,540	65,284	767,802	1,095,992
Cash flows from capital financing activities:					
Capital purchases	(193,708)	(390,741)	-	(584,449)	(1,145,701)
Principal paid on capital debt	(140,505)	(400,000)	-	(540,505)	(524,104)
Interest paid on loan payable	(12,071)	(41,500)	-	(53,571)	(69,380)
Net cash (used in) capital financing activities	(346,284)	(832,241)	-	(1,178,525)	(1,739,185)
Cash flows from investing activities:					
Loan proceeds	-	-	-	-	57,044
Interest received	6,508	701	142	7,351	8,665
Net cash provided by investing activities	6,508	701	142	7,351	65,709
Net increase (decrease) in cash and cash equivalents	338,845	53,053	(3,306)	388,592	51,151
Cash balance - beginning of the year	1,503,176	292,895	37,132	1,833,203	1,782,052
Cash Balance - end of the year	$1,842,021	345,948	33,826	2,221,795	1,833,203
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	$ 423,345	(92,744)	(68,732)	261,869	115,820
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	161,298	368,797	-	530,095	512,815
Net cash provided by operating activities	$ 584,643	276,053	(68,732)	791,964	628,635

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

Statement of Fiduciary Net Position - Cash Basis
Custodial Funds
April 30, 2026

	April 30, 2026	April 30, 2025
Assets		
Cash	$ 194,565	148,506
Total assets	$ 194,565	148,506
Liabilities		
Payable to others	$ 194,565	148,506
Total liabilities	$ 194,565	148,506

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

NOTES TO BASIC FINANCIAL STATEMENTS

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.

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.

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.

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 $194,565.

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.

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.

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, 2026, net investment in capital assets consists of the following:

	Governmental Activities	Business-Type Activities
Capital assets, at cost	$ 7,334,430	17,392,874
Less: Accumulated depreciation	(3,030,805)	(11,843,799)
Less: Bonds/Loans payable	-	(1,808,341)
Net investment in capital assets	$ 4,303,625	3,740,734

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 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 2024 property tax levy in the amount of $279,000, was received by the Village in the current fiscal year. The 2025 tax levy in the amount of $291,000, was adopted on December 9, 2025, 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.

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, 2026, the bank balance of the Village's deposits (excluding custodial funds) was $4,791,679 and the carrying amount was $4,531,445. As of April 30, 2026, 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.

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	435,045	989,840	(904,785)	520,100
Equipment	1,028,973	-	-	1,028,973
Buildings	465,220	-	-	465,220
Infrastructure	4,020,190	1,247,326	-	5,267,516
Total capital assets	6,002,049	2,237,166	(904,785)	7,334,430
Less accumulated depreciation:				
Equipment	(871,804)	(33,481)	-	(905,285)
Buildings	(172,250)	(16,560)	-	(188,810)
Infrastructure	(1,704,523)	(232,187)	-	(1,936,710)
Total accumulated depreciation	(2,748,577)	(282,228)	-	(3,030,805)
Governmental activities capital assets, net	$ 3,253,472	1,954,938	(904,785)	4,303,625
Business-Type Activities:				
Capital Assets:				
Water Infrastructure	$ 6,208,508	193,707	-	6,402,215
Sewer Infrastructure	10,513,526	477,133	-	10,990,659
Sewer Construction in Progress	86,392	269,922	(356,314)	-
Total capital assets	16,808,426	940,762	(356,314)	17,392,874
Less accumulated depreciation:				
Water Infrastructure	(3,252,727)	(161,298)	-	(3,414,025)
Sewer Infrastructure	(8,060,978)	(368,797)	-	(8,429,774)
Total accumulated depreciation	(11,313,705)	(530,095)	-	(11,843,799)
Business-type activities capital assets, net	$ 5,494,721	410,668	(356,314)	5,549,075

NOTE 4: CAPITAL ASSETS – (Continued)

Significant additions for the year ended April 30, 2026, included the following:

Governmental Activities:	
Completed Will Road Improvements	$560,000
Street Maintenance	210,325
Sidewalk Replacement	85,140
Public Works Building Improvements	429,839
Business-type Activities:	
Water:	
Watermain Improvement Project	$108,959
Control Replacement	26,431
Sewer:	
Lift Station SCADA Equipment	$350,142
Airflow System Aeration Tanks	120,819

Depreciation allocation is as follows:

Governmental activities	$ 282,227
Business-type activities	
Water	161,298
Sewer	368,797
Total Business-type activities	530,095
Total Depreciation	$ 812,322

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, 2026:

Type of Debt	Beginning Balance	Additions	Loan Forgiveness	Retirements	Ending Balance	Due in One Year
			Business-type Activities:			
IEPA Loan	$ 113,846	-	-	5,505	108,341	2,772
GO Series 2020A (ARS)	1,670,000	-	-	400,000	1,270,000	410,000
GO Series 2020B (ARS)	565,000	-	-	135,000	430,000	140,000
Total Business-type Activities	$ 2,348,846	-	-	540,505	1,808,341	552,772

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
2027	$ 410,000	29,500	439,500
2028	425,000	17,200	442,200
2029	435,000	8,700	443,700
	$ 1,270,000	55,400	1,325,400

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
2027	$ 140,000	8,460	148,460
2028	145,000	5,800	150,800
2029	145,000	2,900	147,900
	$ 430,000	17,160	447,160

Under the 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) 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, 2026, the Village has made draws totaling $285,775.

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
2027	$ 2,772	504	3,276
2028	5,582	969	6,551
2029	5,634	917	6,551
2030	5,687	865	6,552
2031	5,740	811	6,551
2032-2036	29,510	3,243	32,753
2037-2041	30,910	1,841	32,751
2042-2045	22,506	420	22,926
	$ 108,341	9,570	117,911

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 $126,530 for the year ended April 30, 2026, 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 $1,944 for the year ended April 30, 2026.

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, 2026.

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.

NOTE 6: CONTRACTS & CONTINGENCIES (CONTINED)

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 in the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

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

Employees Covered by Benefit Terms – As of December 31, 2025, the following Village employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	8
Active Plan Members	9
Total	22

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 2025 and the fiscal year ended April 30, 2026, 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 2025		6.88%
Village required contribution rate for 2026		7.95%
Village actual contributions for 2025	$	41,645
Village actual contributions for fiscal year 2026	$	42,953

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, 2026, was $34,459.

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 $35,623.

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, 2026, was $1,773.

NOTE 9: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of April 30, 2026:

Assessed valuation - 2025		$ 76,190,681
Statutory debt limitation (8.625% of assessed valuation)		$ 6,571,446
Debt outstanding at April 30, 2026:		
IEPA Loan	108,341	
GO Series 2020A (ARS)	1,270,000	
GO Series 2020B (ARS)	430,000	
Total debt		1,808,341
Debt not subject to legal debt margin:		
IEPA Loan		108,341
Legal debt margin		$ 4,871,446

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 $41,470, the total required contribution for the year ended April 30, 2026.

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	$ 32,792	13,903	15,900	30,795
Social Security	56,809	27,419	41,470	42,758
Workman's Comp	61,782	17,398	16,705	62,475
Total	$ 151,383	58,720	74,075	136,028

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 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, 2026, there were no individual fund interfund receivable or payable balances.

For the fiscal year ended April 30, 2028, $608,020 was transferred from the General Fund to the Sewer Fund and $75,188 was transferred from the General Fund to the Water Fund to satisfy debt service requirements. $110,000 was transferred from the TIF Fund to the General Fund for the right turn lane project.

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 $1,055,393.

2. Park – Restricted fund balances in the Park Fund included $89,293 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 $25,591.

4. General Fund – Restricted fund balances in the General Fund included $283,208 for American Rescue Plan Act grant and $136,028 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.

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, 2026, the Enterprise Zone Fund had an assigned fund balance of $125,624.

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, 2026, the General Fund had an unassigned fund balance of $594,513.

F. Expenditures of Fund Balance

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

NOTE 17: SALES TAX REBATES

The Village has entered into sales tax sharing agreements with multiple large businesses within the area in which the businesses receive a percentage of the sales tax they generate to offset costs, with the Village retaining a percentage to cover development-related costs. Rebates to these businesses totaled $392,333 during the year ended April 30, 2026.

NOTE 18: SUBSEQUENT EVENTS

Management evaluated subsequent events through July 14, 2026, 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, 2026.

OTHER INFORMATION

VILLAGE OF DIAMOND, ILLINOIS
GENERAL FUND

SCHEDULE A-1

Statement of Assets, Liabilities, and
Fund Balance Arising from Cash Transactions
April 30, 2026

	Assets	
Cash	$	1,013,749
Total assets	$	1,013,749
	Fund Balance	
Unassigned	$	877,721
Restricted for social security		42,758
Restricted for audit		30,795
Restricted for workmen's compensation		62,475
Total fund balance	$	1,013,749

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, 2026
(With Comparative Figures for 2025)

	Original and Final Budget	Year Ended April 30, 2026	2025
Revenues received:			
Property taxes	$ 315,000	311,780	310,245
Utility tax	105,000	120,757	107,548
State income taxes	476,000	484,064	458,843
Replacement taxes	400	371	387
Telecommunication taxes	18,500	20,496	19,855
State sales taxes	793,000	835,277	484,596
Advanced auto sales tax	10,500	8,745	5,195
Local use taxes	90,000	24,245	88,335
Video gaming taxes	86,000	126,496	82,847
Cannabis use tax	4,200	4,811	4,149
Licenses and permits	71,800	73,467	79,492
Interest income	90,000	105,639	117,906
Grants	57,225	41,607	574,544
Fees	1,700	4,700	250
Donations	100,000	-	-
Reimbursements	-	1,088	1,000
IDOT Reimbursement Traffic Signal	1,500	41,826	410
Plan reviews/inspections	15,000	37,093	17,637
Miscellaneous	6,500	5,518	46,433
Total revenues received	2,242,325	2,247,980	2,399,672

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2026
(With Comparative Figures for 2025)

	Original and Final Budget	Year Ended April 30, 2026	2025
Expenditures disbursed:			
General Government:			
Salaries-regular	$ 343,827	340,849	328,388
Salaries-overtime	10,000	13,618	6,881
Salaries Mayor & Commissioner	28,000	28,000	28,000
P&Z Board/Commissioners	2,000	2,000	1,300
Health Insurance	182,954	120,237	124,235
Unemployment insurance	11,000	5,193	11,782
Workman's Compensation	14,900	16,705	14,275
Social security	40,050	41,470	38,494
IMRF contribution	48,785	42,953	40,399
Medicare	9,367	9,698	9,004
Municipal audit	19,700	15,900	13,758
Legal service	25,000	23,434	22,655
P&Z legal service	1,500	463	270
Codification legal service	4,000	3,615	3,556
Building consulting service	21,000	45,749	16,409
Other Professional Services	40,000	18,030	-
Website	1,000	973	670
Postage	2,300	2,483	2,160
Telephone	6,300	5,310	5,955
Publishing/legal service	2,200	1,409	3,548
Smart message alert system	750	750	750
Dues/subscriptions	10,000	10,386	9,679
Travel expense	2,500	2,625	1,907
Training/education	3,500	6,445	2,796
Utilities	40,000	41,112	26,503
Insurance/building	45,450	30,467	29,548
Insurance/auto	11,000	9,776	8,465
Insurance/equipment	8,000	5,521	5,505
Insurance/Cyber liability	1,000	623	626
Office supplies	15,500	7,911	5,993
Office equipment rental	6,000	5,577	5,472
Grundy Transit	1,250	1,250	1,000
Developer sales tax rebate	312,000	392,333	24,771
Economic development local	1,000	252	-
Computer system fees	21,500	19,510	19,067
Miscellaneous expense	20,000	10,132	22,533
Total General Government	1,313,333	1,282,759	836,354

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2026
(With Comparative Figures for 2025)

	Original and Final Budget	Year Ended April 30, 2026	2025
Expenditures disbursed (Continued):			
Public Safety:			
Police protection	$ 124,548	126,530	118,982
Animal control	2,500	1,944	1,634
Total Public Safety	127,048	128,474	120,616
Streets and Public Works:			
Building maintenance	50,000	83,480	54,560
Equipment maintenance	35,000	13,497	36,111
Street & Alley	325,000	97,225	408,634
Street maintenance supplies	50,000	56,161	58,226
General maintenance supplies	10,000	10,667	9,946
Engineering services	30,000	24,437	26,103
Traffic signal Rt 113	5,000	700	6,464
Tools	4,500	1,363	1,864
Gasoline/diesel fuel	15,000	16,840	12,694
Total Streets and Public Works	524,500	304,370	614,602
Culture and Recreation:			
Community events	18,000	13,105	17,889
Total Culture and Recreation	18,000	13,105	17,889
Capital Outlay:			
Will Road Reconstruction Project	490,000	450,000	74,273
Buildings/parking lot	300,000	399,497	150,235
Equipment	20,000	-	10,519
Grants	114,850	85,141	530,302
Traffic Signal RT 113/Will Rd Dev	150,000	110,000	228,879
Total Capital Outlay	1,074,850	1,044,638	994,208
Total expenditures disbursed	3,057,731	2,773,346	2,583,669
Excess (deficiency) of revenues received over (under) expenditures disbursed	(815,406)	(525,366)	(183,997)
Other financing sources (uses):			
Transfer in	276,539	110,000	-
Transfer out	(860,028)	(683,208)	(339,724)
Total other financing sources (uses)	(583,489)	(573,208)	(339,724)
Net change in fund balance	$ (1,398,895)	(1,098,574)	(523,721)
Fund balance, beginning of year		2,112,323	2,636,044
Fund balance, end of year		$ 1,013,749	2,112,323

VILLAGE OF DIAMOND, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE B-1

Statement of Assets, Liabilities, and
Fund Balance Arising from Cash Transactions
April 30, 2026

Assets	
Cash	$ 1,055,393
Total assets	$ 1,055,393
Fund Balance	
Restricted fund balance	$ 1,055,393
Total fund balance	$ 1,055,393

Statement of Revenues Received, Expenditures Disbursed,
and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2026
(With Comparative Figures for 2025)

SCHEDULE B-2

	Original and Final Budget	Year Ended April 30, 2026	2025
Revenues received:			
Motor fuel tax revenue	$ 123,000	120,891	119,277
Interest	8,500	8,081	11,304
Total revenues received	131,500	128,972	130,581
Expenditures disbursed:	-	166,649	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	131,500	(37,677)	130,581
Other financing sources (uses):			
Transfer out	(166,539)	-	-
Total other financing sources (uses)	(166,539)	-	-
Net change in fund balance	$ (35,039)	(37,677)	130,581
Fund balance, beginning of year		1,093,070	962,489
Fund balance, end of year		$ 1,055,393	1,093,070

NOTES TO OTHER INFORMATION

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 22, 2025, the Village approved an ordinance adopting the annual budget for the fiscal year ending April 30, 2026, 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, 2026:

Description	Budget	Actual	Variance	Percent Variance
General Fund	$ 3,057,731	2,773,346	284,385	10.25%
Motor Fuel Tax Fund	-	166,649	(166,649)	-100.00%

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, 2026

	Special Revenue Funds			Total Non-major Governmental Funds	
	Park Fund	Enterprise Zone Fund	TIF Fund	April 30, 2026	2025
Assets					
Cash in bank	$ 89,293	125,624	25,591	240,508	249,635
Total assets	$ 89,293	125,624	25,591	240,508	249,635
Fund Balance					
Fund balance:					
Restricted	$ 89,293	-	25,591	114,884	199,079
Assigned	-	125,624	-	125,624	50,556
Total fund balance	$ 89,293	125,624	25,591	240,508	249,635

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, 2026

	Special Revenue Funds			Total Non-major Governmental Funds	
				April 30,	
	Park Fund	Enterprise Zone Fund	TIF Fund	2026	2025
Revenues received:					
Property taxes	$ 10,553	-	14,376	24,929	24,233
Interest income	330	446	163	939	1,265
Fees	-	76,982	-	76,982	6,250
Miscellaneous income	6,979	-	-	6,979	-
Total revenues received	17,862	77,428	14,539	109,829	31,748
Expenditures disbursed:					
Current:					
General government	-	2,360	1,653	4,013	1,708
Culture and recreation	4,943	-	-	4,943	12,722
Total expenditures disbursed	4,943	2,360	1,653	8,956	14,430
Excess (deficiency) of revenues received over (under) expenditures disbursed	12,919	75,068	12,886	100,873	17,318
Other financing sources (uses):					
Transfer in (out)	-	-	(110,000)	(110,000)	-
Change in fund balance	12,919	75,068	(97,114)	(9,127)	17,318
Fund balance, beginning of year	76,374	50,556	122,705	249,635	232,317
Fund balance, end of year	$ 89,293	125,624	25,591	240,508	249,635

VILLAGE OF DIAMOND, ILLINOIS
PARK FUND

SCHEDULE C-3

Statement of Assets, Liabilities, and
Fund Balance Arising from Cash Transactions
April 30, 2026

Assets	
Cash	$ 89,293
Total assets	$ 89,293
Fund Balance	
Restricted fund balance	$ 89,293
Total fund balance	$ 89,293

Statement of Revenues Received, Expenditures Disbursed,
and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2026
(With Comparative Figures for 2025)

SCHEDULE C-4

	Original and Final Budget	Year Ended April 30, 2026	Year Ended April 30, 2025
Revenues received:			
Property taxes	$ 10,500	10,553	10,232
Interest income	20	330	411
Miscellaneous income	-	6,979	-
Total revenues received	10,520	17,862	10,643
Expenditures disbursed:			
Maintenance of parks	10,000	3,054	8,629
Park supplies	2,500	205	2,154
Miscellaneous expense	2,000	1,684	1,939
Total expenditures disbursed	14,500	4,943	12,722
Excess (deficiency) of revenues received over (under) expenditures disbursed	$ (3,980)	12,919	(2,079)
Fund balance, beginning of year		76,374	78,453
Fund balance, end of year		$ 89,293	76,374

VILLAGE OF DIAMOND, ILLINOIS
ENTERPRISE ZONE FUND

SCHEDULE C-5

Statement of Assets, Liabilities, and
Fund Balance Arising from Cash Transactions
April 30, 2026

Assets	
Cash	$ 125,624
Total assets	$ 125,624
Fund Balance	
Assigned fund balance	$ 125,624
Total fund balance	$ 125,624

Statement of Revenues Received, Expenditures Disbursed,
and Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2026
(With Comparative Figures for 2025)

SCHEDULE C-6

	Original and Final Budget	Year Ended April 30, 2026	Year Ended April 30, 2025
Revenues received:			
Interest income	$ 32	446	232
Diamond enterprise zone fee	25,000	76,982	6,250
Total revenues received	25,032	77,428	6,482
Expenditures disbursed:			
Legal service	200	2,081	-
Dues & subscriptions	200	-	200
Miscellaneous expense	1,000	279	5
Total expenditures disbursed	1,400	2,360	205
Excess (deficiency) of revenues received over (under) expenditures disbursed	$ 23,632	75,068	6,277
Fund balance, beginning of year		50,556	44,279
Fund balance, end of year		$ 125,624	50,556

VILLAGE OF DIAMOND, ILLINOIS
TIF FUND

SCHEDULE C-7

Statement of Assets, Liabilities, and
Fund Balance Arising from Cash Transactions
April 30, 2026

Assets	
Cash	$ 25,591
Total assets	$ 25,591
Fund Balance	
Restricted fund balance	$ 25,591
Total fund balance	$ 25,591

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance - Budget & Actual
For the Year Ended April 30, 2026
(With Comparative Figures for 2025)

SCHEDULE C-8

	Original and Final Budget	Year Ended April 30, 2026	2025
Revenues received:			
Property taxes	$ 15,000	14,376	14,001
Interest income	25	163	622
Total revenues received	15,025	14,539	14,623
Expenditures disbursed:			
Legal services	2,000	1,156	1,485
TIF reimbursement	2,000	468	-
Miscellaneous expense	250	29	18
Total expenditures disbursed	4,250	1,653	1,503
Excess (deficiency) of revenues received over (under) expenditures disbursed	10,775	12,886	13,120
Other financing sources (uses):			
Transfer In (Out)	(110,000)	(110,000)	-
Total other financing sources (uses)	(110,000)	(110,000)	-
Change in net position	$ (99,225)	(97,114)	13,120
Fund balance, beginning of year		122,705	109,585
Fund balance, end of year		$ 25,591	122,705

VILLAGE OF DIAMOND, ILLINOIS
WATER FUND

SCHEDULE D-1

Statement of Net Position - Modified Cash
April 30, 2026

Assets		
Current assets:		
Cash	$	1,842,021
Total current assets		1,842,021
Non-current assets:		
Capital assets		6,402,215
Accumulated depreciation		(3,414,024)
Total non-current assets		2,988,191
Total assets		4,830,212
Liabilities		
Non-current liabilities:		
Alternate revenue bonds due in one year		140,000
Alternate revenue bonds due in more than one year		290,000
IEPA loan due in one year		2,772
IEPA loan due in more than one year		105,569
Total non-current liabilities		538,341
Total liabilities		538,341
Net Position		
Net investment in capital assets		2,449,850
Restricted		1,799,610
Unrestricted		42,411
Total net position	$	4,291,871

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, 2026
(With Comparative Figures for 2025)

	Original and Final Budget	Year Ended April 30, 2026	Year Ended April 30, 2025
Revenues:			
Water sales	$ 790,000	964,759	762,069
Water meters	2,000	2,640	5,973
Water penalties	5,000	5,050	5,115
Permits & tap-on fees	10,000	13,000	18,000
Interest	175	6,508	5,860
Grant	20,742	20,742	595,258
Insurance reimbursement	-	25,562	-
Miscellaneous	1,000	(1,952)	24,596
Total revenues	828,917	1,036,309	1,416,871
Expenses:			
Clerical salaries	41,140	48,897	43,611
Water maintenance salaries	109,639	115,342	104,106
Salaries - OT	12,000	12,060	12,646
Engineering service	12,500	1,393	1,702
Legal service/publication	2,500	242	953
Other professional service	9,000	8,816	8,409
Postage	3,500	3,177	3,000
Travel expense	1,000	1,272	1,949
Training/education	1,000	339	1,201
Utilities	90,000	59,438	63,016
Water samples	5,000	3,559	3,046
Meter	7,000	1,604	4,000
Maintenance-water main system	80,000	29,247	38,037
Maintenance-water works	75,000	20,087	8,656
Office Equipment Rental	1,800	-	-
Office supplies	1,100	609	725
Maintenance service-equipment	10,000	3,336	2,960
Computer system fees	14,500	12,853	13,168
Chemicals/supplies	95,000	93,140	93,605
Connect GIS	2,500	1,981	1,940
Equipment	10,000	1,529	1,504
Grants	152,480	5,742	-
Miscellaneous expense	10,000	1,705	895
Principal payment	135,000	-	-
Interest expense	11,025	11,025	14,925
IEPA Loan Principal Payment	5,505	-	-
IEPA Loan Interest Expense	1,046	1,046	1,255
Depreciation	-	161,298	160,915
Total expenses	899,235	599,737	586,224
Excess of revenues over (under) expenses	(70,318)	436,572	830,647
Other financing sources (uses):			
Transfer in	138,738	75,188	57,820
IEPA loan forgiveness	-	-	167,849
Total other financing sources (uses)	138,738	75,188	225,669
Change in net position	$ 68,420	511,760	1,056,316
Net position, beginning of year		3,780,111	2,723,795
Net position, end of year		$ 4,291,871	3,780,111

VILLAGE OF DIAMOND, ILLINOIS
SEWER FUND

SCHEDULE D-3

Statement of Net Position - Modified Cash
April 30, 2026

Assets	
Current assets:	
Cash	$ 345,948
Total current assets	345,948
Non-current assets:	
Capital assets	10,990,659
Accumulated depreciation	(8,429,775)
Total non-current assets	2,560,884
Total assets	2,906,832
Liabilities	
Non-current liabilities:	
Alternate revenue bonds due in one year	410,000
Alternate revenue bonds due in more than one year	860,000
Total non-current liabilities	1,270,000
Total liabilities	1,270,000
Net Position	
Net investment in capital assets	1,290,884
Restricted	99,861
Unrestricted	246,087
Total net position	$ 1,636,832

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, 2026
(With Comparative Figures for 2025)

	Original and Final Budget	Year Ended April 30, 2026	Year Ended April 30, 2025
Revenues:			
Sewer charge	$ 476,000	481,256	452,266
Sewer penalties	4,000	4,151	4,156
Surcharge	198,900	200,182	199,742
Permits & tap-on fees	11,500	13,800	20,700
Interest	130	701	2,597
Grants	-	-	71,400
Miscellaneous	2,500	2,545	1,745
Total revenues	693,030	702,635	752,606
Expenses:			
Salaries - clerical	13,713	16,299	14,537
Salaries - maintenance	73,647	78,336	68,817
Salaries - OT	12,000	13,475	12,581
Maintenance - sewer plant	400,000	186,032	122,917
Maintenance - lift stations	15,000	17,158	7,360
Engineering service	20,000	13,650	18,537
Legal service/Publication	1,000	185	-
Sewer sample test	15,000	13,180	13,542
Other Professional fees	10,000	9,608	9,560
Telephone	4,300	441	4,255
Utilities	110,000	62,600	80,262
Maintenance supplies - other	1,000	358	1,277
Supplies & chemicals	1,000	2	321
Computer system fees	9,000	10,031	6,728
GIS expense	2,500	1,981	1,940
Equipment	10,000	-	-
Miscellaneous expense	15,000	2,025	1,877
Travel	1,000	-	1,853
Training/Education	1,000	-	-
Grants	256,730	-	-
Loan - Principal payment	400,000	-	-
Loan - Interest expense	41,500	41,500	53,200
Depreciation	-	368,797	351,900
Total expenses	1,413,390	835,658	771,464
Excess of revenues over (under) expenses	(720,360)	(133,023)	(18,858)
Other financing sources (uses):			
Transfers in	721,290	608,020	281,904
Total other financing sources (uses)	721,290	608,020	281,904
Change in net position	$ 930	474,997	263,046
Net position, beginning of year		1,161,835	898,789
Net position, end of year		$ 1,636,832	1,161,835

VILLAGE OF DIAMOND, ILLINOIS
SANITATION FUND

SCHEDULE D-5

Statement of Net Position - Modified Cash
April 30, 2026

Assets	
Cash	$ 33,826
Total assets	33,826
Net Position	
Unrestricted	33,826
Total net position	$ 33,826

Statement of Revenues, Expenses, and Changes in Fund Net Position - Budget & Actual
For the Year Ended April 30, 2026
(With Comparative Figures for 2025)

SCHEDULE D-6

	Original and Final Budget	Year Ended April 30, 2026	Year Ended April 30, 2025
Revenues:			
Garbage penalties	$ 1,000	1,206	1,253
Garbage receipts	161,700	161,743	154,045
Video gaming tax	65,500	65,623	65,315
Interest income	25	142	208
Total revenues	228,225	228,714	220,821
Expenses:			
Garbage Removal	228,500	231,681	221,068
Miscellaneous expense	500	339	169
Total expenses	229,000	232,020	221,237
Excess of revenues over (under) expenses	$ (775)	(3,306)	(416)
Net position, beginning of year		37,132	37,548
Net position, end of year		$ 33,826	37,132

VILLAGE OF DIAMOND, ILLINOIS
CUSTODIAL FUNDS

SCHEDULE E

Statement of Changes in Net Position
For the Year Ended April 30, 2026
(With Comparative Figures for 2025)

	Totals Year Ended April 30,	
	2026	2025
Additions:		
Reimbursements	$ 43,070	76,891
Total Additions	43,070	76,891
Deductions:		
Expenditures	(2,989)	55,729
Net increase (decrease)	46,059	21,162
Cash balance, beginning of year	148,506	127,344
Cash balance, end of year	$ 194,565	148,506

SUPPLEMENTAL INFORMATION

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

Calendar Year Ending December 31,	2025	2024	2023	2022	2021
Total Pension Liability					
Service Cost	$ 49,165	42,450	37,607	28,814	33,416
Interest on the Total Pension Liability	118,652	103,829	96,968	99,427	90,518
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	52,070	93,008	(2,607)	(88,565)	68,304
Assumption Changes	-	-	2,865	-	-
Benefit Payments and Refunds	(40,501)	(35,861)	(49,385)	(106,584)	(27,549)
Net Change in Total Pension Liability	179,386	203,426	85,448	(66,908)	164,689
Total Pension Liability - Beginning	1,632,251	1,428,825	1,343,377	1,410,285	1,245,596
Total Pension Liability - Ending	$ 1,811,637	1,632,251	1,428,825	1,343,377	1,410,285
Plan Fiduciary Net Position					
Employer Contributions	$ 41,645	39,817	51,092	44,673	40,899
Employee Contributions	27,239	24,647	19,923	17,760	17,010
Net Investment Income	202,098	125,534	123,177	(141,255)	177,667
Benefit Payments and Refunds	(40,501)	(35,861)	(49,385)	(106,584)	(27,549)
Other (Net Transfer)	19,069	(18,654)	24,910	4,969	(5,574)
Net Change in Plan Fiduciary Net Position	249,550	135,483	169,717	(180,437)	202,453
Plan Fiduciary Net Position - Beginning	1,449,270	1,313,787	1,144,070	1,324,507	1,122,054
Plan Fiduciary Net Position - Ending	1,698,820	1,449,270	1,313,787	1,144,070	1,324,507
Net Pension Liability (Asset)	$ 112,817	182,981	115,038	199,307	85,778
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.77%	88.79%	91.95%	85.16%	93.92%
Covered Valuation Payroll	$ 605,313	549,947	442,731	389,656	377,995
Net Pension Liability as a Percentage of the Covered Valuation Payroll	18.64%	33.27%	25.98%	51.15%	22.69%

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

Calendar Year Ending December 31,	2020	2019	2018	2017	2016
Total Pension Liability					
Service Cost	$ 37,893	43,655	37,356	40,617	37,630
Interest on the Total Pension Liability	86,997	85,048	78,265	69,882	64,161
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	(23,422)	(48,038)	26,252	85,274	5,978
Assumption Changes	(13,263)	-	40,132	(35,543)	(9,526)
Benefit Payments and Refunds	(47,240)	(54,551)	(56,690)	(36,955)	(26,087)
Net Change in Total Pension Liability	40,965	26,114	125,315	123,275	72,156
Total Pension Liability - Beginning	1,204,631	1,178,517	1,053,202	929,927	857,771
Total Pension Liability - Ending	$ 1,245,596	1,204,631	1,178,517	1,053,202	929,927
Plan Fiduciary Net Position					
Employer Contributions	$ 38,860	39,699	42,926	46,650	40,667
Employee Contributions	15,912	17,361	17,787	18,844	16,167
Net Investment Income	132,376	146,053	(37,446)	107,881	43,349
Benefit Payments and Refunds	(47,240)	(54,551)	(56,690)	(36,955)	(26,087)
Other (Net Transfer)	3,363	5,468	20,446	14,181	(1,378)
Net Change in Plan Fiduciary Net Position	143,271	154,030	(12,977)	150,601	72,718
Plan Fiduciary Net Position - Beginning	978,783	824,753	837,730	687,129	614,411
Plan Fiduciary Net Position - Ending	1,122,054	978,783	824,753	837,730	687,129
Net Pension Liability (Asset)	$ 123,542	225,848	353,764	215,472	242,798
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.08%	81.25%	69.98%	79.54%	73.89%
Covered Valuation Payroll	$ 353,595	385,799	395,270	418,766	359,258
Net Pension Liability as a Percentage of the Covered Valuation Payroll	34.94%	58.54%	89.50%	51.45%	67.58%

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
12/31/2025	$ 41,646	41,645 *	1	605,313	6.88%
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%

*Estimated based on contribution rate of 6.88% and covered valuation payroll of $605,313.

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 2025 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): 18-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 13 years for most employers (five employers were financed over 14 years; one employer was financed over 15 years; two employers were financed over 16 years; one employer was financed over 19 years; three employers were financed over 22 years; four employers were financed over 23 years and one employer was financed over 24 years).

Asset Valuation Method 5-year smoothed market; 20% corridor

Wage Growth 2.75%

Price Inflation 2.25%

Salary Increases 2.85% 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 2023 valuation pursuant to an experience study of the period 2020-2022.

Mortality For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

Other Information:

Notes There were no benefit changes during the year.

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

	Tax Year				
	2021	2022	2023	2024	2025
Assessed valuations	$ 56,500,349	60,674,213	64,816,038	70,255,217	76,190,681
Tax Rates:					
Corporate	0.3009	0.2821	0.2641	0.2436	0.2299
Police	0.0611	0.0652	0.0611	0.0563	0.0520
Audit	0.0266	0.0247	0.0209	0.0192	0.0259
Park	0.0276	0.0173	0.0162	0.0150	0.0138
Social Security	0.0512	0.0441	0.0413	0.0384	0.0409
Workmen's Comp	0.0266	0.0264	0.0270	0.0246	0.0196
Totals	0.4938	0.4599	0.4306	0.3971	0.3820
Tax extensions:					
Corporate	$ 169,998	171,174	171,179	171,170	175,170
Police	34,499	39,584	39,603	39,582	39,581
Audit	15,001	15,005	13,547	13,503	19,703
Park	15,583	10,503	10,500	10,503	10,507
Social Security	28,923	26,751	26,769	26,950	31,154
Workmen's Comp	15,001	16,000	17,500	17,304	14,903
Totals	279,004	279,016	279,098	279,012	291,018
Plus: Road & Bridge (from Townships)	37,003	37,470	49,057	50,423	56,586
Total extension	$ 316,007	316,486	328,155	329,435	347,604
Tax collections	$ 329,728	333,353	334,478	336,709	-

OTHER REQUIRED REPORTING

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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, 2026, 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 14, 2026.

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 14, 2026.

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 14, 2026