

VILLAGE OF GERMANTOWN HILLS, ILLINOIS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED APRIL 30, 2019



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**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
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YEAR ENDED APRIL 30, 2019**

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**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
PRINCIPAL OFFICIALS
APRIL 30, 2019**

**LEGISLATIVE
VILLAGE BOARD OF TRUSTEES**

Mike Hinrichsen, President

Marty Clinch

Amy Pace

Todd Rice

Dick Hartman

Julia Miller

Jim O'Laughlin

Ann Sasso, Administrator

Cassandra Schlatter, Treasurer

Rich Brecklin, Superintendent of Public Works



INDEPENDENT AUDITORS' REPORT

Honorable President and Board of Trustees
Village of Germantown Hills, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Germantown Hills, Illinois, (Village) as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Restatement

As discussed in Note 12 to the financial statements, beginning fund balance for the General Fund has been restated to correct an error in previously reported accounts payable. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain pension information and budgetary comparison information on pages 39 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The Village has not presented the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village’s basic financial statements. The consolidated year-end financial report, combining and individual fund financial statements and schedules, and the Schedule of Assessed Valuations, Tax Extensions, Tax Distributions, and Tax Rates as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable President and Board of Trustees
Village of Germantown Hills, Illinois

The consolidated year-end financial report and the combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects, in relation to the basic financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village's basic financial statements for the year ended April 30, 2018, which are not presented with the accompanying financial statements. In our report dated August 8, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The April 30, 2018 individual fund statements 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 April 30, 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 April 30, 2018 individual fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The schedule of assessed valuations, tax extensions, tax distributions, and tax rates has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



CliftonLarsonAllen LLP

Peoria, Illinois
August 20, 2019

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash on Hand and in Banks	\$ 712,538	\$ 1,305,484	\$ 2,018,022
General Property Tax Receivable	391,138	-	391,138
Receivables - User Fees	-	18,436	18,436
Receivables - Other	9,369	-	9,369
Due From State of Illinois	160,979	-	160,979
Prepaid Items	16,959	2,393	19,352
Internal Balances	78,609	(78,609)	-
Restricted Assets - Cash and Cash Equivalents:			
Emergency Services	5,966	-	5,966
Street Lighting	6,738	-	6,738
Liability Insurance	27,534	-	27,534
IEPA Loan Reserves	-	304,098	304,098
Held for Future Sewer System Construction	-	23,288	23,288
Total Restricted Assets	40,238	327,386	367,624
Property and Equipment - at Cost:			
Land	101,365	208,693	310,058
Construction in Progress	-	1,523,088	1,523,088
Sewer Plant	-	4,839,257	4,839,257
Intercepting Sewers	-	300,595	300,595
Rehabilitation of Sewer System	-	3,308,415	3,308,415
Building	350,783	47,931	398,714
Infrastructure	2,511,497	-	2,511,497
Equipment	503,746	248,533	752,279
Vehicles	284,927	-	284,927
Total	3,752,318	10,476,512	14,228,830
Less: Accumulated Depreciation	1,191,453	5,280,474	6,471,927
Net Property and Equipment	2,560,865	5,196,038	7,756,903
Total Assets	3,970,695	6,771,128	10,741,823
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Pension Liability	61,268	49,132	110,400
Total Assets and Deferred Outflows of Resources	\$ 4,031,963	\$ 6,820,260	\$ 10,852,223

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
APRIL 30, 2019

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 47,630	\$ 6,210	\$ 53,840
Accrued Interest	-	7,537	7,537
Accrued Wages Payable	2,951	-	2,951
User Fees Received in Advance	-	2,956	2,956
Long-Term Liabilities:			
Due Within One Year	86,070	233,082	319,152
Due in More Than One Year	573,513	2,033,589	2,607,102
Net Pension Liability	66,431	53,272	119,703
Total Liabilities	776,595	2,336,646	3,113,241
DEFERRED INFLOWS OF RESOURCES			
Franchise Fees	3,940	-	3,940
Subsequent Year's Property Taxes	391,138	-	391,138
Deferred Amount Related to Pension Liability	63,908	51,249	115,157
Total Deferred Inflows of Resources	458,986	51,249	510,235
NET POSITION			
Net Investment in Capital Assets	1,901,282	2,929,367	4,830,649
Restricted for:			
IEPA Loan Debt Service	-	304,098	304,098
Future Sewer System Construction	-	23,288	23,288
Liability Insurance	27,534	-	27,534
Audit	4,903	-	4,903
Retirement	5,797	-	5,797
Business District	25,358	-	25,358
Emergency Services	5,966	-	5,966
Street Lighting	6,738	-	6,738
Unrestricted	818,804	1,175,612	1,994,416
Total Net Position	\$ 2,796,382	\$ 4,432,365	\$ 7,228,747

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2019**

	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Governmental Activities:						
General Government	\$ 804,921	\$ 282,793	\$ -	\$ (522,128)	\$ -	\$ (522,128)
Public Safety	77,237	17,984	-	(59,253)	-	(59,253)
Highways and Streets	692,059	-	-	(692,059)	-	(692,059)
Interest Expense	21,990	-	-	(21,990)	-	(21,990)
Total Governmental Activities	1,596,207	300,777	-	(1,295,430)	-	(1,295,430)
Business-Type Activities:						
Sewer Services	720,333	1,122,255	-	-	401,922	401,922
Total Government	<u>\$ 2,316,540</u>	<u>\$ 1,423,032</u>	<u>\$ -</u>	(1,295,430)	401,922	(893,508)
General Revenues:						
Property and Mobile Home Taxes				391,669	-	391,669
Road and Bridge Taxes				70,969	-	70,969
Business District Sales Taxes				25,358	-	25,358
Sales, Use, and Video Gaming Taxes				283,920	-	283,920
State Income Taxes				355,679	-	355,679
Replacement Taxes				529	-	529
Motor Fuel Taxes				87,272	-	87,272
Interest				4,724	1,934	6,658
Rent				100	-	100
Other				28	-	28
Total General Revenues				<u>1,220,248</u>	<u>1,934</u>	<u>1,222,182</u>
CHANGE IN NET POSITION				(75,182)	403,856	328,674
Net Position - Beginning of Year				<u>2,871,564</u>	<u>4,028,509</u>	<u>6,900,073</u>
NET POSITION - END OF YEAR				<u>\$ 2,796,382</u>	<u>\$ 4,432,365</u>	<u>\$ 7,228,747</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2019**

	General Fund	Motor Fuel Tax Fund	Other Nonmajor Governmental Funds	Total
ASSETS				
Cash on Hand and in Banks	\$ 631,911	\$ 36,373	\$ 44,254	\$ 712,538
General Property Tax Receivable	282,138	-	109,000	391,138
Accounts Receivable	9,369	-	-	9,369
Due From State of Illinois	133,790	7,610	19,579	160,979
Prepaid Items	16,959	-	-	16,959
Due From Other Funds	106,573	-	-	106,573
Restricted Assets - Cash:				
Emergency Services	5,966	-	-	5,966
Street Lighting	6,738	-	-	6,738
Liability Insurance	27,534	-	-	27,534
Total Restricted Assets	<u>40,238</u>	<u>-</u>	<u>-</u>	<u>40,238</u>
 Total Assets	 <u>\$ 1,220,978</u>	 <u>\$ 43,983</u>	 <u>\$ 172,833</u>	 <u>\$ 1,437,794</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 47,630	\$ -	\$ -	\$ 47,630
Accrued Wages Payable	2,951	-	-	2,951
Due to Other Funds	-	-	27,964	27,964
Total Liabilities	<u>50,581</u>	<u>-</u>	<u>27,964</u>	<u>78,545</u>
 DEFERRED INFLOWS OF RESOURCES				
Franchise Fees	3,940	-	-	3,940
Subsequent Year's Property Taxes	282,138	-	109,000	391,138
Total Deferred Inflows of Resources	<u>286,078</u>	<u>-</u>	<u>109,000</u>	<u>395,078</u>
 FUND BALANCE				
Nonspendable	16,959	-	-	16,959
Restricted	40,238	-	36,058	76,296
Assigned	-	43,983	89	44,072
Unassigned	827,122	-	(278)	826,844
Total Fund Balance	<u>884,319</u>	<u>43,983</u>	<u>35,869</u>	<u>964,171</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 1,220,978</u>	 <u>\$ 43,983</u>	 <u>\$ 172,833</u>	 <u>\$ 1,437,794</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
APRIL 30, 2019**

Total Fund Balances Governmental Funds	\$	964,171
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Net Capital Assets Used in Governmental Activities not Reported in Governmental Funds		2,560,865
Deferred Outflows of Resources for Net Pension Liability		61,268
Deferred Inflows of Resources for Net Pension Liability		(63,908)
Long-Term Liabilities, Including Debt Certificates, Used in Governmental Activities not Reported in Governmental Funds		(659,583)
Long-Term Liabilities, Including Pension Liabilities, Used in Governmental Activities not Reported in Governmental Funds		<u>(66,431)</u>
Total Net Position - Governmental Activities	\$	<u><u>2,796,382</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2019**

	General Fund	Motor Fuel Tax Fund	Other Nonmajor Governmental Funds	Total
REVENUES				
Property and Mobile Home Taxes	\$ 288,548	\$ -	\$ 103,121	\$ 391,669
Road and Bridge Taxes	70,969	-	-	70,969
Business District Sales Taxes	-	-	25,358	25,358
Sales, Use, and Video Gaming Taxes	283,920	-	-	283,920
State Income Taxes	355,679	-	-	355,679
Replacement Taxes	529	-	-	529
Motor Fuel Taxes	-	87,272	-	87,272
Permits, Licenses, and Franchise Fees	44,974	-	-	44,974
Charges for Services	237,819	-	-	237,819
Fines	17,984	-	-	17,984
Interest	3,565	1,058	101	4,724
Rent	100	-	-	100
Other	28	-	-	28
Total Revenues	<u>1,304,115</u>	<u>88,330</u>	<u>128,580</u>	<u>1,521,025</u>
EXPENDITURES				
Current:				
General Government	693,205	-	99,492	792,697
Public Safety	77,237	-	-	77,237
Highways and Streets	261,241	270,000	-	531,241
Capital Outlay	394,105	-	-	394,105
Debt Service:				
Principal	83,528	-	-	83,528
Interest	21,990	-	-	21,990
Total Expenditures	<u>1,531,306</u>	<u>270,000</u>	<u>99,492</u>	<u>1,900,798</u>
Excess (Deficiency) of Revenues Over Expenditures	(227,191)	(181,670)	29,088	(379,773)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	1,252	-	1,252
Operating Transfers Out	(1,252)	-	-	(1,252)
Total Other Financing Sources (Uses)	<u>(1,252)</u>	<u>1,252</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(228,443)	(180,418)	29,088	(379,773)
Fund Balance - Beginning of Year, as Previously Reported	1,152,242	224,401	6,781	1,383,424
Prior Period Adjustment	(39,480)	-	-	(39,480)
Fund Balance - Beginning of Year, as Restated	<u>1,112,762</u>	<u>224,401</u>	<u>6,781</u>	<u>1,343,944</u>
FUND BALANCE - END OF YEAR	<u>\$ 884,319</u>	<u>\$ 43,983</u>	<u>\$ 35,869</u>	<u>\$ 964,171</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2019

Net Changes in Fund Balance - Total Governmental Funds \$ (379,773)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Capital outlay reported as expenditures in the governmental funds, but capitalized with depreciation expense recorded in the Statement of Activities, in the current period. Below is the activity related to capital assets for the year:

Capital Outlay	\$	394,105	
Depreciation Expense		<u>(181,815)</u>	
Net			212,290

Governmental funds report pension contributions as expenditures when made. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred inflows and deferred outflows of resources related to pensions, and the investment experience.

Pension Contributions		23,251	
Pension Expense		<u>(14,478)</u>	
Net			8,773

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payments on Debt Certificates			<u>83,528</u>
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Change in Net Position in Governmental Activities			<u><u>\$ (75,182)</u></u>
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VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
SEWER FUND
APRIL 30, 2019

ASSETS

Cash on Hand and in Banks	\$	1,305,484
Receivables - User Fees		18,436
Prepaid Items		2,393
Restricted Assets:		
IEPA Loan Reserves:		
Cash		304,098
Held For Future Sewer System Construction:		
Cash		23,288
Total Restricted Assets		327,386
Property and Equipment - at Cost:		
Not Depreciated:		
Land		208,693
Construction in Progress		1,523,088
Depreciated:		
Sewer Plant		4,839,257
Intercepting Sewers		300,595
Rehabilitation of Sewer System		3,308,415
Building		47,931
Equipment		248,533
Total		10,476,512
Less: Accumulated Depreciation		5,280,474
Net Property and Equipment		5,196,038
Total Assets		6,849,737

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount Related to Pension Liability		49,132
		49,132
Total Assets and Deferred Outflows of Resources		\$ 6,898,869

LIABILITIES

Accounts Payable	\$	6,210
Accrued Interest		7,537
User Fees Received in Advance		2,956
Due to Other Funds		78,609
Long-Term Liabilities:		
Due Within One Year		233,082
Due in More than One Year		2,033,589
Net Pension Liability		53,272
Total Liabilities		2,415,255

DEFERRED INFLOWS OF RESOURCES

Deferred Amount Related to Pension Liability		51,249
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See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
SEWER FUND
APRIL 30, 2019**

NET POSITION

Net Investment in Capital Assets	\$ 2,929,367
Restricted for:	
IEPA Loan Debt Service	304,098
Future Sewer System Construction	23,288
Unrestricted	<u>1,175,612</u>
Total Net Position	<u>4,432,365</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 <u><u>\$ 6,898,869</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SEWER FUND
YEAR ENDED APRIL 30, 2019

OPERATING REVENUES

User Fees	\$ 1,101,455
Hook-Up Fees	20,800
Total Operating Revenues	1,122,255

OPERATING EXPENSES

Operating Expenses Other Than Depreciation	376,766
Depreciation Expense	288,280
Total Operating Expense	665,046

Operating Income	457,209
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NONOPERATING REVENUES (EXPENSES)

Interest Income	1,934
Interest Expense	(55,287)
Total Nonoperating Revenues (Expenses)	(53,353)

CHANGE IN NET POSITION

403,856

Net Position - Beginning of Year

4,028,509

NET POSITION - END OF YEAR

\$ 4,432,365

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS
SEWER FUND
YEAR ENDED APRIL 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 1,123,058
Cash Payments to Suppliers and Vendors for Goods and Services	(325,138)
Cash Payments to Employees for Services	(170,064)
Net Cash Provided by Operating Activities	627,856

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets	(507,539)
Principal Paid on Loans and Note Payable	(264,936)
Interest Paid on Loans and Note Payable	(65,651)
Net Cash Used by Capital and Related Financing Activities	(838,126)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	1,934
	1,934

NET DECREASE IN CASH AND CASH EQUIVALENTS

(208,336)

CASH AND CASH EQUIVALENTS

Beginning of Year	1,841,206
End of Year	\$ 1,632,870

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
SEWER FUND
YEAR ENDED APRIL 30, 2019**

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$	457,209
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		288,280
Effects of Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Receivables		868
Deferred Outflows of Resources Related to Pension Liability		(13,005)
Accounts Payable		(104,694)
User Fees Received in Advance		(65)
Net Pension Liability		(14,430)
Deferred Inflows of Resources Related to Pension Liability		13,693
Total Adjustments		<u>170,647</u>
Net Cash Provided by Operating Activities	\$	<u>627,856</u>

COMPONENTS OF CASH

Cash on Hand and in Banks	\$	1,305,484
Restricted Assets:		
IEPA Loan Reserves:		
Cash		304,098
Held for Future Sewer System Construction:		
Cash		<u>23,288</u>
Total Cash	\$	<u>1,632,870</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Germantown Hills, Illinois (Village) is a governmental entity located in Central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the Village (examples would be property taxes, sales taxes, business district sales taxes, income taxes, and motor fuel taxes) and charges for services performed for constituents of the Village. Revenues are therefore primarily dependent on the economy within the Village's territorial boundaries. The Village is a residential community with its primary industry being retail.

The basic financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

Reporting Entity

For financial reporting purposes, in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100, the Village is a primary government in that it is a village with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

The Village has developed criteria to determine whether other entities are component units of the Village. Component units are legally separate organizations for which the elected officials of the Village are financially accountable. The Village would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization). If an organization is fiscally dependent on the Village, the Village is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Based on the foregoing criteria, there are no component units of the Village nor is the Village dependent on any other entity.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-wide Statements

The statement of net position and the statement of activities report information on the primary government. These statements distinguish between governmental activities, normally financed through taxes, intergovernmental revenues, and other nonexchange activities and business-type activities, which normally are financed by fees charged to external parties.

The statement of activities presents a comparison of direct expenses and program revenues for each business-type activity or governmental function of the Village. Direct expenses are those associated with a specific function or activity. Program revenues include (a) fees, fines, and charges for services paid by the recipients of the goods or services provided by programs and (b) grants and contributions restricted to meeting the requirement of a particular program. General revenues include all taxes and other revenue not classified as program revenue.

Fund Financial Statements

The fund financial statements provide information about all the Village's funds. Separate financial statements are presented for governmental and proprietary categories. Separate columns are presented for each major governmental and enterprise fund. All remaining governmental funds are combined and reported as nonmajor funds.

The Village reports two major governmental funds:

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

Motor Fuel Tax Fund – This fund is used to account for the receipt and use of motor fuel taxes.

The Village reports one enterprise fund:

Sewer Fund – to account for the provision of sewer services to users throughout the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collections.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized at the time liabilities are incurred, regardless of the timing of related cash flows. Nonexchange transactions include property taxes, grants, entitlements, and donations. Property taxes are recognized as revenue in the fiscal year for which taxes are levied. Grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements are met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues, such as sewer user charges, services and permits, and other charges result from exchange transactions associated with the principal activity of the Village. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as interest income, result from nonexchange transactions or ancillary activities. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All other expenses not meeting this definition, such as interest expense, are reported as nonoperating expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Revenues are considered available when they are collected within the current period or within 180 days after year-end, except for property taxes, which must be collected within 60 days to be considered available. Taxes, licenses and permits, and interest are considered susceptible to accrual. Grant revenues are recognized when eligibility requirements are met and related amounts are available from the grantor. Expenditures are reported when the fund liability is incurred, except for principal and interest on general long-term debt that are recognized when due.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting (Continued)

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are paid to the Village; therefore, revenues are recognized based upon expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria are met.

Budgetary Data

The Village adopts an estimate of revenues and an annual appropriation ordinance which covers the fiscal year ending April 30 for all funds.

Prior to the adoption of the annual appropriation ordinance, the Village Board, at least 10 days prior to such adoption, shall make this proposed appropriation ordinance conveniently available to public inspection and shall hold at least one public hearing thereon. Notice of this hearing shall be given publication in one or more newspapers published locally, at least 10 days prior to the time of the public hearing.

Amendment of the appropriation ordinance would require action similar to the adoption of the original ordinance. No amendment was made during the year.

The estimated revenues and appropriation are on the modified accrual basis. The legal level of control for appropriations is the fund level.

Cash Equivalents

For purposes of the statement of cash flows, the Village considers cash and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. At April 30, 2019, there were no cash equivalents.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (sewer system assets) reported in the governmental and business-type activities of the government-wide financial statements. Capital assets are items with individual costs of \$4,000 or more with useful lives of at least two years. Purchased or constructed capital assets are recorded at cost or estimated historical costs. Donated assets are recorded at estimated acquisition value at the date of donation.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The cost of normal maintenance and repairs that does not increase the value of the asset is not capitalized.

Depreciation is provided using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Equipment and Vehicles	5 to 10
Infrastructure	20 to 50

Deferred Outflows of Resources

The Village reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its statements of net position or combining fund balance sheet. The Village has deferred outflows related to pension expense to be recognized in future periods and for pension contributions made after the measurement dates.

Deferred Inflows of Resources

The Village's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The Village will not recognize the related revenue until a future event occurs. The Village has two types of items which occur related to revenue recognition. These occur because property tax receivables and franchise fees received in advance of services are recorded in the current year, but the revenue will be recorded in the subsequent year. The Village also has deferred inflows related to pension expense to be recognized in future periods.

Pensions

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

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

Village employees are annually granted vacation, sick, and personal leave. Sick leave may be accumulated up to 80 days if not used; however, upon separation from employment for any reason, unused sick time is not compensated. Personal leave is forfeited if not used by year-end. Up to two days of vacation leave can be carried forward into the next fiscal year with prior approval.

Long-term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification

GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Village has classified prepaids as nonspendable fund balance.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Village has classified state and federal grants as being restricted because their use is restricted by granting agencies. The Village has also classified property, replacement, and motor fuel taxes as being restricted because their use is restricted by state laws and regulations.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification (Continued)

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Village Board. These amounts cannot be used for any other purpose unless the Village Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. The Village currently has no funds committed by the Village Board.

Assigned

This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Village Board or through the Village Board delegating this responsibility to a Council member or the Treasurer through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned

This classification includes the residual fund balance for the General Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Village would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of April 30, 2019, there were no unspent debt proceeds. Net positions are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Village first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

NOTE 2 PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. The Village's property tax is levied each year at the time the budget for the ensuing year is passed and is extended against the assessed valuation of the Village on the following January 1. Normally, taxes are due and payable in two installments in June and September at the County Collector's office. Sale of taxes on any uncollected amounts is prior to November 30 or shortly thereafter by the County Collector's office. Final distribution to all taxing bodies is usually made no later than the first quarter of the next calendar year by the County Collector's office.

The 2017 tax levy is reflected as revenue in fiscal year 2019 to the extent available. Distributions of objected, forfeited, and mobile home taxes are recognized by the Village as revenue in the year of distribution since collection is questionable.

The 2018 tax levy is not recognized as revenue because the taxes are considered to be levied to finance the next fiscal year. The 2018 tax levy is recorded as general property taxes receivable and related deferred inflows of resources at April 30, 2019.

NOTE 3 CASH

The Village maintains cash balances separately in each fund. The cash balances include savings and money market accounts.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. As of April 30, 2019, \$29,620 of the Village's bank balance of \$2,387,917 was uninsured and exposed to custodial credit risk.

The Village is authorized to invest as allowed under the Illinois Compiled Statutes. These include (a) interest-bearing savings accounts and certificates of deposits, (b) bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, and (c) short-term discount obligations of the Federal National Mortgage Association. The Village had no investments as of April 30, 2019.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 3 CASH (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. State law limits investments as described above. The Village has no investment policy that would further limit its investment choices.

	<u>Bank Balance</u>	<u>Book Balance</u>
Cash on Hand	\$ -	\$ 25
Financial Institutions	2,387,917	2,385,621
Total	<u>\$ 2,387,917</u>	<u>\$ 2,385,646</u>

NOTE 4 CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended April 30, 2019 was as follows:

	<u>May 1, 2018 as Restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>April 30, 2019</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 47,251	\$ 54,114	\$ -	\$ 101,365
Construction in Progress	6,739	-	(6,739)	-
Total Capital Assets not Being Depreciated	53,990	54,114	(6,739)	101,365
Capital Assets Being Depreciated:				
Building	339,783	11,000	-	350,783
Infrastructure	2,265,928	245,569	-	2,511,497
Equipment	503,746	-	-	503,746
Vehicles	194,766	90,161	-	284,927
Total Capital Assets Being Depreciated	3,304,223	346,730	-	3,650,953
Less: Accumulated Depreciation	1,009,638	181,815	-	1,191,453
Total Capital Assets Being Depreciated, Net	2,294,585	164,915	-	2,459,500
Governmental Activities Capital Assets, Net	<u>\$ 2,348,575</u>	<u>\$ 219,029</u>	<u>\$ (6,739)</u>	<u>\$ 2,560,865</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 17,201
Highway and Streets	164,614
Total Depreciation Expense - Governmental Activities	<u>\$ 181,815</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 4 CAPITAL ASSETS (CONTINUED)

	May 1, 2018	Additions	Deductions	April 30, 2019
Business-Type Activities -				
Sewer Services:				
Capital Assets not Being				
Depreciated:				
Land	\$ 208,693	\$ -	\$ -	\$ 208,693
Construction in Progress	1,339,365	183,723	-	1,523,088
Total Capital Assets not				
Being Depreciated	1,548,058	183,723	-	1,731,781
Capital Assets Being Depreciated:				
Sewer Plant	4,809,671	29,586	-	4,839,257
Intercepting Sewers	300,595	-	-	300,595
Rehabilitation of Sewer System	3,308,415	-	-	3,308,415
Building	47,931	-	-	47,931
Equipment	220,963	27,570	-	248,533
Total Capital Assets Being				
Depreciated	8,687,575	57,156	-	8,744,731
Less: Accumulated Depreciation	4,992,194	288,280	-	5,280,474
Total Capital Assets Being				
Depreciated, Net	3,695,381	(231,124)	-	3,464,257
Business-Type Activities Capital				
Assets, Net	<u>\$ 5,243,439</u>	<u>\$ (47,401)</u>	<u>\$ -</u>	<u>\$ 5,196,038</u>

NOTE 5 IEPA LOANS PAYABLE

On May 3, 2005, the Village signed a loan agreement with the Illinois Environmental Protection Agency (IEPA) for \$1,461,400 with an interest rate of 2.5% due in semi-annual payments of \$47,574, beginning October 2007 through October 2026. The purpose of the loan was for paying a portion of the cost of constructing, improving, and installing improvements to the Village's sewage treatment plant.

The sewer loan ordinance related to the above loan requires monies held in the Sewer Enterprise Fund to be segregated and restricted in special restricted accounts as follows:

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 5 IEPA LOANS PAYABLE (CONTINUED)

<u>Account</u>	<u>Description and Amount</u>	<u>Nature of Authorized Expenditures</u>
(a) Operation and Maintenance	Amount sufficient to pay the reasonable expenses of operation, maintenance, and repair of the Sewer Enterprise Fund. A separate account has not been established.	Expenses of operating, maintaining, and repairing the system.
(b) Bond Interest and Principal	A fractional amount (not less than 1/12th) of the principal and/or interest becoming due on the next succeeding principal and/or interest payment date. As of April 30, 2019, \$55,503 has been accumulated.	Paying current principal and interest on loan.
(c) Bond Reserve	Amount equal to 1/24th of the maximum annual debt service until the amount aggregates an amount equal to the highest future principal and interest in any fiscal year. As of April 30, 2019, \$95,148 has been accumulated.	Paying principal and interest on loan in the event that the bond and interest account has sufficient funds.
(d) Depreciation Account	Amount that equals 1/120th of 10% of the aggregate principal amount of the bonds outstanding until the balance accumulates the total sum of 10% of the outstanding principal balance of the loan. As of April 30, 2019, \$153,447 has been accumulated.	Paying the cost of extraordinary maintenance, necessary repairs, replacements, and contingencies and for paying principal and interest in the event no other funds are available.
(e) Surplus	The amount remaining after payment into the above accounts. This is accounted for as the remainder of the unrestricted funds of the Sewer Enterprise Fund.	Constructing or acquiring repairs, improvements, or extensions to the system, calling or redeeming bonds, or any other lawful purpose of the system.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 5 IEPA LOANS PAYABLE (CONTINUED)

On September 1, 2011, the Village obtained a bank loan for \$700,000 with an interest rate of 3.5% due in semi-annual payments of \$41,876, beginning February 2012 through August 2021. The purpose of the loan was for sewer capital improvements.

On December 20, 2013, the Village signed a loan agreement with the Illinois Environmental Protection Agency (IEPA) for \$1,966,706 with an interest rate of 1.995% due in semi-annual payments beginning July 1, 2015. The purpose of the loan was for paying a portion of the cost of constructing, improving, and extending the Village's sewerage system facilities. At April 30, 2015, \$1,739,987 had been drawn down on the loan. The project was scheduled to be completed July 2015, at which time the loan would enter repayment. However, the project was not completed until February 2016. On February 26, 2016, the loan agreement was adjusted to \$1,958,507, based on final reported costs, with an interest rate of 1.995% due in semi-annual payments beginning August 2015 through February 2035. There are no restriction requirements related to this loan.

NOTE 6 SUMMARY OF LONG-TERM DEBT

Governmental Activities

During fiscal year 2016, the Village issued general obligation debt certificates, series 2016 in the amount of \$237,485 for the purpose of funding the Anker Lane improvement as well as various other capital costs. This issuance was in the form of an installment purchase agreement dated March 1, 2016. An additional \$627,565 of certificates were issued during fiscal year 2017.

A description of the debt certificates payable as of April 30, 2019 is as follows:

General Obligation Debt Certificates:
 \$865,000 Series 2016 Debt Certificates
 Due in Semi-Annual Principal Installments
 Ranging From \$39,611 to \$51,969 in Years
 2017 Through 2026, Interest Rate Fixed at
 3.04% \$659,583

The annual requirements to amortize all debt outstanding at April 30, 2019 are as follows:

<u>Year Ending April 30,</u>	Governmental Activities Debt Certificates Payable		
	Principal	Interest	Total
2020	\$ 86,070	\$ 19,448	\$ 105,518
2021	88,715	16,803	105,518
2022	91,432	14,086	105,518
2023	94,233	11,285	105,518
2024	97,119	8,399	105,518
2025-2026	202,014	7,774	209,788
Total	\$ 659,583	\$ 77,795	\$ 737,378

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019**

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2019:

	Debt Certificates Payable
Long-Term Debt at April 30, 2018	\$ 743,111
Reduction - Payments on Debt	83,528
Long-Term Debt at April 30, 2019	659,583
Due in One Year	86,070
Due in More than One Year	\$ 573,513

Business-Type Activities

The annual requirements to amortize all debt outstanding at April 30, 2019 are as follows:

<u>Year Ending April 30.</u>	IEPA Loans Payable			
	2005 Loan	2015 Loan	Interest	Total
2020	\$ 79,466	\$ 76,181	\$ 43,643	\$ 199,290
2021	81,465	77,709	40,117	199,291
2022	83,514	79,267	36,509	199,290
2023	85,615	80,856	32,819	199,290
2024	87,769	82,477	29,044	199,290
2025-2029	229,203	437,862	91,515	758,580
2030-2034	-	483,553	37,159	520,712
2035	-	102,604	1,538	104,142
Total	\$ 647,032	\$ 1,420,509	\$ 312,344	\$ 2,379,885

<u>Year Ending April 30.</u>	Bank Note Payable			Total Long-Term Debt		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 77,435	\$ 6,364	\$ 83,799	\$ 233,082	\$ 50,007	\$ 283,089
2021	80,147	3,606	83,753	239,321	43,723	283,044
2022	41,548	724	42,272	204,329	37,233	241,562
2023	-	-	-	166,471	32,819	199,290
2024	-	-	-	170,246	29,044	199,290
2025-2029	-	-	-	667,065	91,515	758,580
2030-2034	-	-	-	483,553	37,159	520,712
2035	-	-	-	102,604	1,538	104,142
Total	\$ 199,130	\$ 10,694	\$ 209,824	\$ 2,266,671	\$ 323,038	\$ 2,589,709

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2019:

	IEPA Loan Payable	Bank Note Payable	Total Long-Term Debt
Long-Term Debt at April 30, 2018	\$ 2,219,741	\$ 273,824	\$ 2,493,565
Reduction - Payments on Debt	<u>152,200</u>	<u>74,694</u>	<u>226,894</u>
Long-Term Debt at April 30, 2019	2,067,541	199,130	2,266,671
Due in One Year	<u>155,647</u>	<u>77,435</u>	<u>233,082</u>
Due in More than One Year	<u>\$ 1,911,894</u>	<u>\$ 121,695</u>	<u>\$ 2,033,589</u>

The Sewer Fund, a proprietary fund, provides resources to retire the IEPA loan.

Statutory Debt Limitation

Illinois Compiled Statutes limit the amount of indebtedness the Village may have outstanding to 8.625% of the assessed value of all property located within the limits of the Village. At April 30, 2019, the Village had debt of \$858,713 incurred against this limit of \$7,480,391 providing a debt margin of \$6,621,678.

NOTE 7 REQUIRED INDIVIDUAL FUND DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

- (a) The Illinois Municipal Retirement Fund (IMRF), Social Security Fund, and Audit Fund reflected an amount due to the General Fund of \$12,454, \$4,436, and \$11,074, respectively, at April 30, 2019. This was a result of prior year deficit cash balances in the share of the pooled account for the IMRF, Social Security, and Audit Funds at year-end. The Sewer Fund reflected an amount due to the General Fund of \$78,609 at April 30, 2019. This was a result of garbage user fees being recorded in the Sewer Fund for a portion of a prior year that should have been recorded in the General Fund.
- (b) During the fiscal year, the General Fund transferred \$1,252 to the Motor Fuel Tax Fund which was for motor fuel tax interest revenue recorded in the General Fund.
- (c) The Social Security Fund had a deficit fund balance of \$278 at April 30, 2019.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 8 PENSION PLAN

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

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (reduced benefits) or after age 67 (at full benefits) with 10 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 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019**

NOTE 8 PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries Currently Receiving Benefits	6
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	7
Total	18

Contributions

As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar years 2018 and 2019 were 12.96% and 11.63%, respectively. For the fiscal year ended April 30, 2019, the Village contributed \$48,602 to the plan. 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 are set by statute.

Net Pension Liability

The Village’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
- The IMRF-specific rates for Mortality (for nondisabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019**

NOTE 8 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for nondisabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net pension of plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37 %	7.15%
International Equities	18	7.25%
Fixed Income	28	3.75%
Real Estate	9	6.25%
Alternatives	7	N/A
Private Equity	N/A	8.50%
Hedge Funds	N/A	5.50%
Commodities	N/A	3.20%
Cash Equivalents	1	2.50%
Total	<u>100 %</u>	

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 8 PENSION PLAN (CONTINUED)

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%; the municipal bond rate is 3.71%; and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances - December 31, 2017	\$ 1,502,846	\$ 1,367,999	\$ 134,847
Changes for the Year:			
Service Cost	36,973	-	36,973
Interest on Total Pension Liability	112,806	-	112,806
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(106,232)	-	(106,232)
Changes of Assumptions	52,672	-	52,672
Contributions - Employer	-	50,096	(50,096)
Contributions - Employee	-	33,196	(33,196)
Investment Income	-	28,803	(28,803)
Benefit Payments, including Refunds			
of Employee Contributions	(30,080)	(30,080)	-
Administrative Expenses	-	(732)	732
Net Changes	66,139	81,283	(15,144)
Balances - December 31, 2018	<u>\$ 1,568,985</u>	<u>\$ 1,449,282</u>	<u>\$ 119,703</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 8 PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 240,141	\$ 119,703	\$ 20,896

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

For the year ended April 30, 2019, the Village recognized pension expense of \$26,087. At April 30, 2019 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences Between Expected and Actual Experience	\$ 39,038	\$ 84,083
Changes in Assumptions	42,223	31,074
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,702	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	95,963	115,157
<i>Pension Contributions Made Subsequent to the Measurement Date</i>	14,437	-
Total Deferred Amounts Related to Pensions	\$ 110,400	\$ 115,157

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019**

NOTE 8 PENSION PLAN (CONTINUED)

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

\$14,437 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2020.

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

<u>Year Ending December 31,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 41,361	\$ 33,075
2020	23,426	33,075
2021	8,290	31,371
2022	22,886	17,636
Total	<u>\$ 95,963</u>	<u>\$ 115,157</u>

NOTE 9 NET POSITION/FUND BALANCE

The fund balances are considered nonspendable for the following purposes at April 30, 2019:

Prepaid Items	<u>\$ 16,959</u>
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The fund balances are restricted for the following purposes at April 30, 2019:

Highways and Streets	\$ 6,738
Liability Insurance	27,534
Audit	4,903
Retirement	5,797
Business District	25,358
Public Safety	5,966
Total	<u>\$ 76,296</u>

The fund balances are assigned for the following purposes at April 30, 2019:

Highways and Streets	\$ 43,983
Audit	27
Retirement	62
Total	<u>\$ 44,072</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 10 RISK MANAGEMENT

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses.

Since February 1987, the Village has been a member of the Illinois Municipal League Risk Management Association (IMLRMA), a joint risk management pool of municipalities through which property, general liability, automobile liability, crime, boiler and machinery, public officials, and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. Members have a contractual obligation to fund any deficits of IMLRMA attributable to a membership year during which they were a member. At April 30, 2019, the Village is not due any refunds or credits on coverage contributions. Settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 11 COMMITMENT

In April 2019, the Village entered into a construction agreement with Stark Excavating, Inc. in the amount of \$3,365,000 for the overflow trunk sewer from WWTP #1 to WWTP #2 project. The Village entered into a loan agreement with the Illinois Environmental Protection Agency, beginning on April 18, 2019, for \$3,500,000, which will fund this project. The terms of the loan contain an annual fixed loan rate of 1.84% for 20 years with semi-annual payments. No loan proceeds had been received as of April 30, 2019.

NOTE 12 RESTATEMENT OF FUND BALANCE

During the year, the Village determined it had incorrectly recorded accounts payable in a prior fiscal year. It was determined the General Fund was overstated by \$39,480. The effect of this restatement is shown below for the Governmental Activities and the General Fund.

	Governmental Activities
Net Position - Beginning of Year, as Previously Reported	\$ 2,871,564
Adjustment for Capital Assets	39,480
Adjustment for Accounts Payable	(39,480)
Net Position - Beginning of Year, as Restated	\$ 2,871,564

	General Fund
Fund Balance - Beginning of Year, as Previously Reported	\$ 1,152,242
Adjustment for Accounts Payable	(39,480)
Fund Balance - Beginning of Year, as Restated	\$ 1,112,762

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(UNAUDITED)
APRIL 30, 2019
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)**

Calendar Year Ended December 31,	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$ 36,973	\$ 37,837	\$ 35,211	\$ 37,445
Interest on Total Pension Liability	112,806	107,456	93,255	85,511
Difference Between Expected and Actual Experience	(106,232)	3,605	87,199	4,414
Assumption Changes	52,672	(49,389)	(4,404)	1,909
Benefit Payments and Refunds	(30,080)	(25,433)	(27,654)	(16,355)
Net Change in Total Pension Liability	<u>66,139</u>	<u>74,076</u>	<u>183,607</u>	<u>112,924</u>
Total Pension Liability - Beginning	1,502,846	1,428,770	1,245,163	1,132,239
Total Pension Liability - Ending (A)	<u>\$ 1,568,985</u>	<u>\$ 1,502,846</u>	<u>\$ 1,428,770</u>	<u>\$ 1,245,163</u>
Plan Fiduciary Net Position				
Employer Contributions	\$ 50,096	\$ 43,480	\$ 40,246	\$ 37,316
Employee Contributions	33,196	30,020	28,400	23,711
Investment Income	28,803	174,875	80,463	(15,517)
Benefit Payments and Refunds	(30,080)	(25,433)	(27,654)	(16,355)
Other	(732)	(942)	(1,195)	(36)
Net Change in Plan Fiduciary Net Position	<u>81,283</u>	<u>222,000</u>	<u>120,260</u>	<u>29,119</u>
Plan Fiduciary Net Position, Beginning	1,367,999	1,145,999	1,025,739	996,620
Plan Fiduciary Net Position, Ending (B)	<u>\$ 1,449,282</u>	<u>\$ 1,367,999</u>	<u>\$ 1,145,999</u>	<u>\$ 1,025,739</u>
Net Pension Liability, Ending (A) - (B)	\$ 119,703	\$ 134,847	\$ 282,771	\$ 219,424
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.37%	91.03%	80.21%	82.38%
Covered Valuation Payroll	\$ 386,547	\$ 366,921	\$ 346,052	\$ 325,619
Net Pension Liability as a Percentage of Covered Valuation Payroll	30.97%	36.75%	81.71%	67.39%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See notes to this Schedule on page 44.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)
APRIL 30, 2019
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2019	\$ 50,096	\$ 48,602	\$ (1,494)	\$ 386,547	12.57%
2018	43,480	45,468	1,988	366,921	12.39%
2017	37,316	41,387	4,071	346,052	11.96%
2016	40,246	38,957	(1,289)	325,619	11.96%

Additional years will be added to this schedule until 10 years of data is presented.

See notes to this Schedule on page 44.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ESTIMATED
REVENUES, APPROPRIATION, AND ACTUAL – GENERAL FUND
(UNAUDITED)
YEAR ENDED APRIL 30, 2019
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2018

	2019		2018 Actual
	Original and Final Estimated Revenue and Appropriation	Actual	
REVENUES			
Property and Mobile Home Taxes	\$ 288,138	\$ 288,548	\$ 291,458
Road and Bridge Taxes	68,000	70,969	68,977
Sales, Use, and Video Gaming Taxes	255,000	283,920	254,609
State Income Taxes	360,000	355,679	339,472
Replacement Taxes	600	529	659
Permits, Licenses, and Franchise Fees	59,250	44,974	41,467
Charges for Services	225,000	237,819	225,590
Grants	-	-	96,000
Fines	10,000	17,984	8,130
Interest	3,000	3,565	2,659
Rent	100	100	100
Other	1,000	28	700
Total Revenues	1,270,088	1,304,115	1,329,821
EXPENDITURES			
Wages	267,720	229,934	224,850
General, Liability, Workman's Compensation, and Unemployment Compensation Insurance	99,200	29,815	33,912
Health Insurance	60,000	46,674	43,392
Repairs, Maintenance, and Supplies	114,000	46,154	25,808
Street Maintenance	270,000	188,797	116,018
Snow Removal	20,000	13,372	7,458
Garbage Disposal	225,000	219,546	215,820
Sewer Fee	1,000	-	-
Utilities and Telephone	26,000	12,635	13,991
Street Lighting	23,000	7,011	8,258
Rent	3,000	-	-
Office Supplies and Postage	10,700	1,300	1,289
Advertising, Printing, and Publications	6,000	2,647	999
Professional Fees	90,000	45,923	35,324
Animal Control	200	-	-
Travel and Training	4,500	886	1,920
Police Protection	81,000	76,653	71,929
Uniforms	2,500	1,449	797
Civil Defense	15,000	584	-
Gas and Oil	15,000	9,148	4,802
Capital Improvements	416,000	403,010	230,465
Debt Service	115,000	105,518	105,518
Engineering	75,000	72,444	7,168
Contingencies and Other	47,000	17,806	15,214
Total Expenditures	1,986,820	1,531,306	1,164,932
Excess (Deficiency) of Revenues Over Expenditures	(716,732)	(227,191)	164,889

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ESTIMATED
REVENUES, APPROPRIATION, AND ACTUAL – GENERAL FUND (CONTINUED)
(UNAUDITED)
YEAR ENDED APRIL 30, 2019
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2018**

	2019		2018 Actual
	Original and Final Estimated Revenue and Appropriation	Actual	
OTHER FINANCING USES			
Operating Transfers Out	-	(1,252)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	<u>\$ (716,732)</u>	(228,443)	164,889
Fund Balance - Beginning of Year, as Previously Reported		1,152,242	971,846
Prior Period Adjustment		(39,480)	15,507
Fund Balance - Beginning of Year, as Restated		1,112,762	987,353
FUND BALANCE - END OF YEAR		<u>\$ 884,319</u>	<u>\$ 1,152,242</u>

See notes to this Schedule on page 44.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ESTIMATED
REVENUES, APPROPRIATION, AND ACTUAL
(UNAUDITED)
YEAR ENDED APRIL 30, 2019
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2018**

	2019		2018
	Original and Final Estimated Revenues and Appropriation	Actual	Actual
REVENUES			
Motor Fuel Taxes	\$ 90,000	\$ 87,272	\$ 87,783
Interest	200	1,058	525
Total Revenues	90,200	88,330	88,308
 EXPENDITURES			
Street Maintenance	250,000	270,000	-
Rental of Equipment	5,000	-	-
Engineering	25,000	-	-
Total Expenditures	280,000	270,000	-
Excess (Deficiency) of Revenues Over Expenditures	(189,800)	(181,670)	88,308
 OTHER FINANCING SOURCES			
Operating Transfers In	-	1,252	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	\$ (189,800)	(180,418)	88,308
Fund Balance - Beginning of Year		224,401	136,093
FUND BALANCE - END OF YEAR		\$ 43,983	\$ 224,401

See notes to this Schedule on page 44.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2019

NOTE 1 BASIS OF ACCOUNTING

The Village of Germantown Hills, Illinois budget is prepared on the modified accrual basis for all budgeted funds, including the major funds, General Fund and Motor Fuel Tax Fund, as presented in the Required Supplementary Information.

NOTE 2 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 CONTRIBUTION RATE

Valuation Date:

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

Methods and Assumptions Used to Determine 2018 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Twenty five-year closed period
<i>Asset Valuation Method:</i>	Five-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality:</i>	RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2016, actuarial valuation

SUPPLEMENTARY INFORMATION

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
CONSOLIDATED YEAR-END FINANCIAL REPORT
APRIL 30, 2019**

CSFA Number	Program Name	State	Federal	Other	Total
420-00-1941	Construction of Sidewalks	\$ 75,000	\$ -	\$ -	\$ 75,000
494-00-1002	Safe Routes to School Program	-	-	39,480	39,480
494-00-1488	Motor Fuel Tax Program	270,000	-	-	270,000
	All Other Costs Not Allocated	-	-	1,932,060	1,932,060
	Total	<u>\$ 345,000</u>	<u>\$ -</u>	<u>\$ 1,971,540</u>	<u>\$ 2,316,540</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
APRIL 30, 2019**

	Illinois Municipal Retirement Fund	Social Security Fund	Audit Fund	Business District Fund	Total
ASSETS					
Cash on Hand and in Banks	\$ 18,313	\$ 4,158	\$ 16,004	5,779	\$ 44,254
General Property Tax Receivable	52,000	35,000	22,000	-	109,000
Due from State of Illinois	-	-	-	19,579	19,579
Total Assets	<u>\$ 70,313</u>	<u>\$ 39,158</u>	<u>\$ 38,004</u>	<u>\$ 25,358</u>	<u>\$ 172,833</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)					
Liabilities:					
Due to Other Funds	\$ 12,454	\$ 4,436	\$ 11,074	\$ -	\$ 27,964
Deferred Inflows of Resources:					
Subsequent Year's Property Taxes	52,000	35,000	22,000	-	109,000
Fund Balance (Deficit):					
Restricted for:					
Audit	-	-	4,903	-	4,903
Retirement	5,797	-	-	-	5,797
Business District	-	-	-	25,358	25,358
Assigned for:					
Audit	-	-	27	-	27
Retirement	62	-	-	-	62
Unassigned	-	(278)	-	-	(278)
Fund Balance (Deficit)	<u>5,859</u>	<u>(278)</u>	<u>4,930</u>	<u>25,358</u>	<u>35,869</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 70,313</u>	<u>\$ 39,158</u>	<u>\$ 38,004</u>	<u>\$ 25,358</u>	<u>\$ 172,833</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE (DEFICIT)
YEAR ENDED APRIL 30, 2019**

	Illinois Municipal Retirement Fund	Social Security Fund	Audit Fund	Business District Fund	Total
REVENUES					
Property and Mobile Home Taxes	\$ 53,036	\$ 28,037	\$ 22,048	\$ -	\$ 103,121
Business District Sales Taxes	-	-	-	25,358	25,358
Interest	52	28	21	-	101
Total Revenues	<u>53,088</u>	<u>28,065</u>	<u>22,069</u>	<u>25,358</u>	<u>128,580</u>
EXPENDITURES					
Illinois Municipal Retirement	48,602	-	-	-	48,602
Social Security and Medicare	-	30,890	-	-	30,890
Professional Fees	-	-	20,000	-	20,000
Total Expenditures	<u>48,602</u>	<u>30,890</u>	<u>20,000</u>	<u>-</u>	<u>99,492</u>
Excess (Deficiency) of Revenues Over Expenditures	4,486	(2,825)	2,069	25,358	29,088
Fund Balance - Beginning of Year	<u>1,373</u>	<u>2,547</u>	<u>2,861</u>	<u>-</u>	<u>6,781</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ 5,859</u></u>	<u><u>\$ (278)</u></u>	<u><u>\$ 4,930</u></u>	<u><u>\$ 25,358</u></u>	<u><u>\$ 35,869</u></u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – ESTIMATED REVENUES,
APPROPRIATION, AND ACTUAL
YEAR ENDED APRIL 30, 2019
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2018**

	2019		2018 Actual
	Original and Final Estimated Revenues and Appropriation	Actual	
REVENUES			
Property and Mobile Home Taxes	\$ 53,000	\$ 53,036	\$ 41,973
Interest	-	52	10
Total Revenues	<u>53,000</u>	<u>53,088</u>	<u>41,983</u>
EXPENDITURES			
Illinois Municipal Retirement	<u>55,000</u>	<u>48,602</u>	<u>45,468</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,000)</u>	4,486	(3,485)
Fund Balance - Beginning of Year		<u>1,373</u>	<u>4,858</u>
FUND BALANCE - END OF YEAR		<u>\$ 5,859</u>	<u>\$ 1,373</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
 SOCIAL SECURITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE (DEFICIT) – ESTIMATED REVENUES,
 APPROPRIATION, AND ACTUAL
 YEAR ENDED APRIL 30, 2019
 WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2018**

	2019			2018
	Original and Final Estimated Revenues and Appropriation	Actual		Actual
REVENUES				
Property and Mobile Home Taxes	\$ 28,000	\$ 28,037	\$	28,010
Interest	-	28		7
Total Revenues	28,000	28,065		28,017
EXPENDITURES				
Social Security and Medicare	35,000	30,890		29,378
Deficiency of Revenues Over Expenditures	\$ (7,000)	(2,825)		(1,361)
Fund Balance - Beginning of Year		2,547		3,908
FUND BALANCE (DEFICIT) - END OF YEAR		\$ (278)	\$	2,547

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
 AUDIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – ESTIMATED REVENUES,
 APPROPRIATION, AND ACTUAL
 YEAR ENDED APRIL 30, 2019
 WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2018**

	2019		2018 Actual
	Original and Final Estimated Revenues and Appropriation	Actual	
REVENUES			
Property and Mobile Home Taxes	\$ 22,000	\$ 22,048	\$ 20,032
Interest	-	21	6
Total Revenues	<u>22,000</u>	<u>22,069</u>	<u>20,038</u>
EXPENDITURES			
Professional Fees	<u>30,000</u>	<u>20,000</u>	<u>19,365</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,000)</u>	2,069	673
Fund Balance - Beginning of Year		<u>2,861</u>	<u>2,188</u>
FUND BALANCE - END OF YEAR		<u>\$ 4,930</u>	<u>\$ 2,861</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
 BUSINESS DISTRICT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – ESTIMATED REVENUES,
 APPROPRIATION, AND ACTUAL
 YEAR ENDED APRIL 30, 2019
 WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2018**

	2019			2018
	Original and Final Estimated Revenues and Appropriation	Actual		Actual
REVENUES				
Business District Sales Taxes	\$ -	25,358	\$	-
 EXPENDITURES	-	-		-
Excess of Revenues Over Expenditures	\$ -	25,358		-
Fund Balance - Beginning of Year		-		-
FUND BALANCE - END OF YEAR		\$ 25,358	\$	-

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS, TAX
DISTRIBUTIONS, AND TAX RATES
TAX YEARS 2018, 2017, AND 2016 (UNAUDITED)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSESSED VALUATION	<u>\$ 86,729,171</u>	<u>\$ 86,864,145</u>	<u>\$ 86,856,817</u>
TAX RATES PER \$100			
General	.2231	.2170	.2163
Liability Insurance	.0289	.0438	.0496
Police Protection	.0635	.0588	.0553
Social Security	.0404	.0323	.0323
Street Lighting	.0093	.0116	.0139
Audit	.0254	.0254	.0231
Illinois Municipal Retirement (IMRF)	.0600	.0611	.0484
Emergency Services & Disaster Agency (ESDA)	.0009	.0009	.0009
Total	<u>.4515</u>	<u>.4509</u>	<u>.4398</u>
TAX EXTENSIONS			
General	\$ 193,493	\$ 188,495	\$ 187,871
Liability Insurance	25,065	38,047	43,081
Police Protection	55,073	51,076	48,032
Social Security	35,039	28,057	28,055
Street Lighting	8,066	10,076	12,073
Audit	22,029	22,063	20,064
Illinois Municipal Retirement (IMRF)	52,037	53,074	42,039
Emergency Services & Disaster Agency (ESDA)	781	782	781
Total	<u>\$ 391,583</u>	<u>\$ 391,670</u>	<u>\$ 381,996</u>
TAX COLLECTIONS RECEIVED BY VILLAGE	<u>\$ -</u>	<u>\$ 391,669</u>	<u>\$ 381,473</u>
ESTIMATED RECEIVABLE	<u>\$ 391,583</u>	<u>\$ 391,670</u>	<u>\$ 381,996</u>