

VILLAGE OF GERMANTOWN HILLS, ILLINOIS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED APRIL 30, 2022



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YEAR ENDED APRIL 30, 2022**

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**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
PRINCIPAL OFFICIALS
APRIL 30, 2022**

**LEGISLATIVE
VILLAGE BOARD OF TRUSTEES**

Jeff DeGroot, President

Karl Figg

Nathan Henricks

Heather Armistead

Tom Eckstein

Todd Rice

Stephanie Chaon

Ann Sasso, Administrator

Jamie Zilm, Treasurer

Rich Brecklin, Superintendent of Public Works



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the 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 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, 2022, 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.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 fraud or error.

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's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain pension information and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The consolidated year-end financial report and the combining and individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The consolidated year-end financial report and the combining and individual fund financial schedules are 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 GAAS. In our opinion, the 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, 2021, which are not presented with the accompanying financial statements. In our report dated August 4, 2021, 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, 2021 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, 2021 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

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

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the April 30, 2021 individual fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

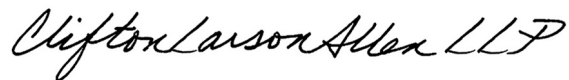
Other Information

Management is responsible for the other information accompanying the financial statements. The other information comprises the principal officials and the schedule of assessed valuations, tax extensions, tax distributions, and tax rates. Our opinions on the basic financial statements do not cover the other 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 other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Peoria, Illinois
September 16, 2022

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash on Hand and in Banks	\$ 1,897,405	\$ 1,774,607	\$ 3,672,012
General Property Tax Receivable	391,312	-	391,312
Receivables - User Fees	-	14,441	14,441
Due from State of Illinois	229,942	-	229,942
Receivables - Other	12,093	-	12,093
Prepaid Items	21,209	2,393	23,602
Restricted Assets - Cash and Cash Equivalents:			
Emergency Services	1,625	-	1,625
Street Lighting	10,241	-	10,241
Liability Insurance	8,550	-	8,550
IEPA Loan Reserves	-	357,672	357,672
Held for Future Sewer System Construction	-	68,174	68,174
Total Restricted Assets	20,416	425,846	446,262
Net Pension Asset	48,219	54,928	103,147
Property and Equipment - at Cost:			
Not Depreciated:			
Land	101,365	208,693	310,058
Construction in Progress	35,195	81,153	116,348
Depreciated:			
Sewer Plant	-	10,135,952	10,135,952
Intercepting Sewers	-	300,595	300,595
Rehabilitation of Sewer System	-	3,308,415	3,308,415
Building	338,420	47,931	386,351
Infrastructure	2,867,059	-	2,867,059
Equipment	640,922	268,399	909,321
Vehicles	215,493	-	215,493
Total	4,198,454	14,351,138	18,549,592
Less: Accumulated Depreciation	1,632,754	6,558,713	8,191,467
Net Property and Equipment	2,565,700	7,792,425	10,358,125
Total Assets	5,186,296	10,064,640	15,250,936
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Net Pension Asset	12,259	13,964	26,223

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
APRIL 30, 2022

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 53,400	\$ 15,019	\$ 68,419
Accrued Interest	-	14,793	14,793
Accrued Wages Payable	843	696	1,539
User Fees Received in Advance	-	1,768	1,768
Unearned Revenue	-	232,909	232,909
Long-Term Liabilities:			
Due Within One Year	93,991	299,824	393,815
Due in More Than One Year	299,133	4,107,513	4,406,646
Total Liabilities	447,367	4,672,522	5,119,889
DEFERRED INFLOWS OF RESOURCES			
Franchise Fees	3,940	-	3,940
Subsequent Year's Property Taxes	391,312	-	391,312
Deferred Amount Related to Net Pension Asset	143,481	163,442	306,923
Total Deferred Inflows of Resources	538,733	163,442	702,175
NET POSITION			
Net Investment in Capital Assets	2,172,576	3,385,088	5,557,664
Restricted for:			
IEPA Loan Debt Service	-	357,672	357,672
Future Sewer System Construction	-	68,174	68,174
Transportation	294,964	-	294,964
Liability Insurance	8,550	-	8,550
Retirement	26,105	-	26,105
Business District	155,680	-	155,680
Emergency Services	1,625	-	1,625
Street Lighting	10,241	-	10,241
Pension	48,219	-	48,219
Unrestricted	1,494,495	1,431,706	2,926,201
Total Net Position	\$ 4,212,455	\$ 5,242,640	\$ 9,455,095

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2022

	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Governmental Activities:						
General Government	\$ 895,318	\$ 286,875	\$ 50,000	\$ (558,443)	\$ -	\$ (558,443)
Public Safety	114,122	4,217	-	(109,905)	-	(109,905)
Highways and Streets	222,701	-	-	(222,701)	-	(222,701)
Interest Expense	13,862	-	-	(13,862)	-	(13,862)
Total Governmental Activities	1,246,003	291,092	50,000	(904,911)	-	(904,911)
Business-Type Activities:						
Sewer Services	1,391,019	1,207,452	-	-	(183,567)	(183,567)
Total Government	<u>\$ 2,637,022</u>	<u>\$ 1,498,544</u>	<u>\$ 50,000</u>	(904,911)	(183,567)	(1,088,478)
General Revenues:						
Property and Mobile Home Taxes				389,723	-	389,723
Road and Bridge Taxes				69,410	-	69,410
Business District Sales Taxes				105,549	-	105,549
Sales, Use, and Video Gaming Taxes				392,566	-	392,566
State Income Taxes				543,737	-	543,737
Replacement Taxes				1,673	-	1,673
Motor Fuel Taxes				212,581	-	212,581
Interest				2,104	1,759	3,863
Rent				1,500	-	1,500
Other				1,923	-	1,923
Total General Revenues				<u>1,720,766</u>	<u>1,759</u>	<u>1,722,525</u>
CHANGE IN NET POSITION				815,855	(181,808)	634,047
Net Position - Beginning of Year				<u>3,396,600</u>	<u>5,424,448</u>	<u>8,821,048</u>
NET POSITION - END OF YEAR				<u>\$ 4,212,455</u>	<u>\$ 5,242,640</u>	<u>\$ 9,455,095</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2022**

	General Fund	Motor Fuel Tax Fund	Other Nonmajor Governmental Funds	Total
ASSETS				
Cash on Hand and in Banks	\$ 1,343,948	\$ 351,549	\$ 201,908	\$ 1,897,405
General Property Tax Receivable	317,312	-	74,000	391,312
Accounts Receivable	12,093	-	-	12,093
Due From State of Illinois	193,851	11,537	24,554	229,942
Prepaid Items	21,209	-	-	21,209
Restricted Assets - Cash:				
Emergency Services	1,625	-	-	1,625
Street Lighting	10,241	-	-	10,241
Liability Insurance	8,550	-	-	8,550
Total Restricted Assets	<u>20,416</u>	<u>-</u>	<u>-</u>	<u>20,416</u>
 Total Assets	 <u>\$ 1,908,829</u>	 <u>\$ 363,086</u>	 <u>\$ 300,462</u>	 <u>\$ 2,572,377</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 53,400	\$ -	\$ -	\$ 53,400
Accrued Wages Payable	843	-	-	843
Total Liabilities	<u>54,243</u>	<u>-</u>	<u>-</u>	<u>54,243</u>
 DEFERRED INFLOWS OF RESOURCES				
Franchise Fees	3,940	-	-	3,940
Subsequent Year's Property Taxes	317,312	-	74,000	391,312
Total Deferred Inflows of Resources	<u>321,252</u>	<u>-</u>	<u>74,000</u>	<u>395,252</u>
 FUND BALANCE				
Nonspendable	21,209	-	-	21,209
Restricted	20,416	294,964	181,785	497,165
Assigned	-	68,122	44,677	112,799
Unassigned	1,491,709	-	-	1,491,709
Total Fund Balance	<u>1,533,334</u>	<u>363,086</u>	<u>226,462</u>	<u>2,122,882</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 1,908,829</u>	 <u>\$ 363,086</u>	 <u>\$ 300,462</u>	 <u>\$ 2,572,377</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, 2022**

Total Fund Balances Governmental Funds	\$	2,122,882
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		2,565,700
Deferred Outflows of Resources for Net Pension Asset		12,259
Deferred Inflows of Resources for Net Pension Asset		(143,481)
Long-Term Liabilities, Including Debt Certificates, Used in Governmental Activities not Reported in Governmental Funds		(393,124)
Long-Term Assets, Including Net Pension Assets, Used in Governmental Activities not Reported in Governmental Funds		<u>48,219</u>
Total Net Position - Governmental Activities	\$	<u><u>4,212,455</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, 2022**

	General Fund	Motor Fuel Tax Fund	Other Nonmajor Governmental Funds	Total
REVENUES				
Property and Mobile Home Taxes	\$ 286,089	\$ -	\$ 103,634	\$ 389,723
Road and Bridge Taxes	69,410	-	-	69,410
Sales, Use, and Video Gaming Taxes	392,566	-	105,549	498,115
State Income Taxes	543,737	-	-	543,737
Replacement Taxes	1,673	-	-	1,673
Motor Fuel Taxes	-	212,581	-	212,581
Permits, Licenses, and Franchise Fees	38,484	-	-	38,484
Charges for Services	248,391	-	-	248,391
Grants	50,000	-	-	50,000
Fines	4,217	-	-	4,217
Interest	1,671	390	43	2,104
Rent	1,500	-	-	1,500
Other	1,923	-	-	1,923
Total Revenues	<u>1,639,661</u>	<u>212,971</u>	<u>209,226</u>	<u>2,061,858</u>
EXPENDITURES				
Current:				
General Government	791,012	-	104,427	895,439
Public Safety	114,122	-	-	114,122
Highways and Streets	27,629	-	-	27,629
Capital Outlay	295,550	-	40,588	336,138
Debt Service:				
Principal	91,656	-	-	91,656
Interest	13,862	-	-	13,862
Total Expenditures	<u>1,333,831</u>	<u>-</u>	<u>145,015</u>	<u>1,478,846</u>
EXCESS OF REVENUES OVER EXPENDITURES	305,830	212,971	64,211	583,012
Fund Balance - Beginning of Year	<u>1,227,504</u>	<u>150,115</u>	<u>162,251</u>	<u>1,539,870</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,533,334</u>	<u>\$ 363,086</u>	<u>\$ 226,462</u>	<u>\$ 2,122,882</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, 2022**

Net Changes in Fund Balance - Total Governmental Funds \$ 583,012

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
is the activity related to capital assets for the year:

Capital Outlay	\$	374,494	
Loss on Sale of Capital Assets		(8,397)	
Depreciation Expense		<u>(213,052)</u>	
Net			153,045

Governmental funds report pension contributions as expenditures/income
when made. However, in the statement of activities, pension
expense/income 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		33,161	
Pension Expense		<u>(45,019)</u>	
Net			(11,858)

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>91,656</u>
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Change in Net Position in Governmental Activities			<u><u>\$ 815,855</u></u>
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VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
SEWER FUND
APRIL 30, 2022

ASSETS

Cash on Hand and in Banks	\$	1,774,607
Receivables - User Fees		14,441
Prepaid Items		2,393
Restricted Assets:		
IEPA Loan Reserves:		
Cash		357,672
Held For Future Sewer System Construction:		
Cash		68,174
Total Restricted Assets		425,846
Net Pension Asset		54,928
Property and Equipment - at Cost:		
Not Depreciated:		
Land		208,693
Construction in Progress		81,153
Depreciated:		
Sewer Plant		10,135,952
Intercepting Sewers		300,595
Rehabilitation of Sewer System		3,308,415
Building		47,931
Equipment		268,399
Total		14,351,138
Less: Accumulated Depreciation		6,558,713
Net Property and Equipment		7,792,425
Total Assets		10,064,640

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount Related to Net Pension Asset		13,964
		13,964
Total Assets and Deferred Outflows of Resources	\$	10,078,604

LIABILITIES

Accounts Payable	\$	15,019
Accrued Interest		14,793
Accrued Wages Payable		696
User Fees Received in Advance		1,768
Unearned Revenue		232,909
Long-Term Liabilities:		
Due Within One Year		299,824
Due in More than One Year		4,107,513
Total Liabilities		4,672,522

DEFERRED INFLOWS OF RESOURCES

Deferred Amount Related to Net Pension Asset		163,442
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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, 2022

NET POSITION

Net Investment in Capital Assets	\$ 3,385,088
Restricted for:	
IEPA Loan Debt Service	357,672
Future Sewer System Construction	68,174
Unrestricted	<u>1,431,706</u>
Total Net Position	<u>5,242,640</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 <u>\$ 10,078,604</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, 2022

OPERATING REVENUES

User Fees	\$ 1,194,155
Hook-Up Fees	13,000
Miscellaneous	297
Total Operating Revenues	1,207,452

Operating Expenses Other Than Depreciation	741,953
Depreciation Expense	557,692
Total Operating Expense	1,299,645

Operating Loss	(92,193)
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NONOPERATING REVENUES (EXPENSES)

Interest Income	1,759
Interest Expense	(91,374)
Total Nonoperating Revenues (Expenses)	(89,615)

Net Loss	(181,808)
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CHANGE IN NET POSITION

(181,808)

Net Position - Beginning of Year	5,424,448
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NET POSITION - END OF YEAR

\$ 5,242,640

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS
SEWER FUND
YEAR ENDED APRIL 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 1,210,178
Cash Payments to Suppliers and Vendors for Goods and Services	(247,341)
Cash Payments to Employees for Services	(220,433)
Net Cash Provided by Operating Activities	742,404

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets	(81,153)
Proceeds from IEPA	-
Principal Paid on Loans and Note Payable	(335,313)
Interest Paid on Loans and Note Payable	(93,322)
Net Cash Used by Capital and Related Financing Activities	(509,788)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	1,759
	1,759

NET DECREASE IN CASH AND CASH EQUIVALENTS

234,375

Cash and Cash Equivalents - Beginning of Year

1,966,078

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 2,200,453

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
SEWER FUND
YEAR ENDED APRIL 30, 2022**

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

Operating Loss	\$	(92,193)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		557,692
Effects of Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Receivables		3,716
Deferred Outflows of Resources Related to Net Pension Asset		2,397
Accounts Payable		4,366
Accrued Wages Payable		-
User Fees Received in Advance		(990)
Net Pension Asset		(964)
Deferred Inflows of Resources		268,380
Total Adjustments		<u>834,597</u>
Net Cash Provided by Operating Activities	\$	<u><u>742,404</u></u>

COMPONENTS OF CASH

Cash on Hand and in Banks	\$	1,774,607
Restricted Assets:		
IEPA Loan Reserves:		
Cash		357,672
Held for Future Sewer System Construction:		
Cash		68,174
Total Cash	\$	<u><u>2,200,453</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

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 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, 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, 2022

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 – This fund is used 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, 2022

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, 2022

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, 2022, 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, 2022

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:

Buildings	40 Years
Equipment and Vehicles	5 to 10 Years
Infrastructure	20 to 50 Years

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 of resources related to pension expense to be recognized in future periods.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows/inflows 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, 2022

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

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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, 2022

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, 2022, 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, 2022

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 2020 tax levy is reflected as revenue in fiscal year 2022 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 2021 tax levy is not recognized as revenue because the taxes are considered to be levied to finance the next fiscal year. The 2021 tax levy is recorded as general property taxes receivable and related deferred inflows of resources at April 30, 2022.

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, 2022, \$242,749 of the Village's bank balance of \$492,749 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, 2022.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Illinois Funds is rated AAAm. State law limits investments as described above. The Village has no investment policy that would further limit its investment choices.

Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the Village's fair value of the pool.

	Bank Balance	Book Balance
Illinois Funds	\$ 3,665,979	\$ 3,625,525
Financial Institutions	492,749	492,749
Total	\$ 4,158,728	\$ 4,118,274

NOTE 4 CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended April 30, 2022 was as follows:

	May 1, 2021	Additions	Deductions	April 30, 2022
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 101,365	\$ -	\$ -	\$ 101,365
Construction in Progress	-	35,195	-	35,195
Total Capital Assets not Being Depreciated	101,365	35,195	-	136,560
Capital Assets Being Depreciated:				
Building	350,783	-	(12,363)	338,420
Infrastructure	2,615,259	251,800	-	2,867,059
Equipment	620,833	87,499	(67,410)	640,922
Vehicles	284,927	-	(69,434)	215,493
Total Capital Assets Being Depreciated	3,871,802	339,299	(149,207)	4,061,894
Less: Accumulated Depreciation	1,560,512	213,052	(140,810)	1,632,754
Total Capital Assets Being Depreciated, Net	2,311,290	126,247	(8,397)	2,429,140
Governmental Activities Capital Assets, Net	\$ 2,412,655	\$ 126,247	\$ (8,397)	\$ 2,565,700

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:		
General Government	\$	22,705
Highway and Streets		190,347
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>213,052</u>

	May 1, 2021	Additions	Deductions	April 30, 2022
Business-Type Activities -				
Sewer Services:				
Capital Assets not Being Depreciated:				
Land	\$ 208,693	\$ -	\$ -	\$ 208,693
Construction in Progress	-	81,153	-	81,153
Total Capital Assets not Being Depreciated	208,693	81,153	-	289,846
Capital Assets Being Depreciated:				
Sewer Plant	10,135,952	-	-	10,135,952
Intercepting Sewers	300,595	-	-	300,595
Rehabilitation Sewer System	3,308,415	-	-	3,308,415
Building	47,931	-	-	47,931
Equipment	285,757	-	(17,358)	268,399
Total Capital Assets Being Depreciated	14,078,650	-	(17,358)	14,061,292
Less: Accumulated Depreciation	6,018,379	557,692	(17,358)	6,558,713
Total Capital Assets Being Depreciated, Net	8,060,271	(557,692)	-	7,502,579
Business-Type Activities Capital Assets, Net	<u>\$ 8,268,964</u>	<u>\$ (476,539)</u>	<u>\$ -</u>	<u>\$ 7,792,425</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.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 5 IEPA LOANS PAYABLE (CONTINUED)

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:

<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, 2022, \$109,077 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, 2022, \$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, 2022, \$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.

On December 20, 2013, the Village signed a loan agreement with the 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.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 5 IEPA LOANS PAYABLE (CONTINUED)

On April 18, 2019, the Village signed a loan agreement with the IEPA for \$3,500,000 with an interest rate of 1.84% due in semi-annual payments beginning September 1, 2020. The purpose of the loan was for constructing an overflow trunk sewer for WWTP #1 to WWTP #2 to allow high flows to be diverted and prevent overflow at WWTP #1. The project also includes construction of a new influent pump station and screen at WWTP #2. At April 30, 2021, \$3,500,000 had been drawn down on the loan. The project was scheduled to be completed in March 2020, at which time the loan would enter repayment. However, the project was not completed until October 2020. On October 19, 2020, the loan agreement was adjusted to \$2,975,000, based on \$525,000 loan forgiveness, with an interest rate of 1.84% due in semi-annual payments beginning February 2021 through February 2040. There are no restriction requirements related to this loan.

NOTE 6 SUMMARY OF LONG-TERM DEBT

Governmental Activities

The notes payable from direct borrowings at April 30, 2022 comprise of general obligation debt certificates. 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 \$627,515 of certificates were issued during fiscal year 2017.

The Village's outstanding note payable from direct borrowings of \$393,124 contains a provision that in an event of default, outstanding amounts become immediately due if the Village is unable to make payment.

A description of the debt certificates payable as of April 30, 2022 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%	\$	<u>393,124</u>

The annual requirements to amortize all debt outstanding at April 30, 2022 are as follows:

<u>Year Ending April 30,</u>	Governmental Activities Note Payable from Direct Borrowings		
	Principal	Interest	Total
2023	\$ 93,991	\$ 11,285	\$ 105,276
2024	97,119	8,399	105,518
2025	100,094	5,424	105,518
2026	101,920	2,358	104,278
Total	\$ 393,124	\$ 27,466	\$ 420,590

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022**

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, 2022:

	Debt Certificates Payable
Long-Term Debt at April 30, 2021	\$ 484,780
Reduction - Payments on Debt	91,656
Long-Term Debt at April 30, 2022	393,124
Due in One Year	93,991
Due in More than One Year	\$ 299,133

Business-Type Activities

On September 1, 2011, the Village obtained a direct financing 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. The bank loan was paid in full during fiscal year 2022.

The annual requirements to amortize all debt outstanding at April 30, 2022 are as follows:

<u>Year Ending April 30.</u>	IEPA Loans Payable				
	2005 Loan	2015 Loan	2019 Loan	Interest	Total
2023	\$ 85,615	\$ 80,856	\$ 133,353	\$ 92,426	\$ 392,250
2024	87,769	82,477	135,818	84,049	390,113
2025	89,977	84,131	138,329	77,809	390,246
2026	92,240	85,817	140,886	71,437	390,380
2027	46,986	87,538	143,490	64,929	342,943
2028-2032	-	464,731	758,229	244,148	1,467,108
2033-2037	-	301,803	830,946	125,142	1,257,891
2038-2040	-	-	536,346	29,653	565,999
Total	\$ 402,587	\$ 1,187,353	\$ 2,817,397	\$ 789,593	\$ 5,196,930

<u>Year Ending April 30.</u>	Total Long-Term Debt		
	Principal	Interest	Total
2023	\$ 299,824	\$ 92,426	\$ 392,250
2024	306,064	84,049	390,113
2025	312,437	77,809	390,246
2026	318,943	71,437	390,380
2027	278,014	64,929	342,943
2027-2031	1,222,960	244,148	1,467,108
2032-2036	1,132,749	125,142	1,257,891
2037-2040	536,346	29,653	565,999
Total	\$ 4,407,337	\$ 789,593	\$ 5,196,930

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022**

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, 2022:

	IEPA Loans Payable	Direct Financing Bank Note Payable	Total Long-Term Debt
Long-Term Debt at April 30, 2021	\$ 4,701,137	\$ 41,513	\$ 4,742,650
Proceeds from New Debt	-	-	-
Reduction - Debt Adjustment	293,800	41,513	335,313
Long-Term Debt at April 30, 2022	4,407,337	-	4,407,337
Due in One Year	299,824	-	299,824
Due in More than One Year	<u>\$ 4,107,513</u>	<u>\$ -</u>	<u>\$ 4,107,513</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, 2022, the Village had debt of \$393,366 incurred against this limit of \$7,300,129 providing a debt margin of \$6,906,763.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 7 PENSION PLAN

Plan Description

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement 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, 2022**

NOTE 8 PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries Currently Receiving Benefits	5
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	7
Total	20

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 2021 and 2022 were 8.31% and 6.28%, respectively. For the fiscal year ended April 30, 2022, the Village contributed \$35,956 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 (Asset)

The Village’s net pension liability (asset) was measured as of December 31, 2021. 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 net pension liability (asset) at December 31, 2021:

- 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 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, 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 2020 valuation pursuant to an experience study of the period 2017-2019.
- For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 8 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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	39 %	1.90 %
International Equities	15	3.15
Fixed Income	25	(0.60)
Real Estate	10	3.30
Alternatives	10	
Private Equity	N/A	5.50
Commodities	N/A	1.70
Cash Equivalents	1	(0.90)
Total	100 %	

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 8 PENSION PLAN (CONTINUED)

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability (asset). 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 1.84%; and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances - December 31, 2020	\$ 1,734,398	\$ 1,854,961	\$ (120,563)
Changes for the Year:			
Service Cost	38,429	-	38,429
Interest on Total Pension Liability	125,649	-	125,649
Differences Between Expected and Actual			
Experience of the Total Pension Liability	9,262	-	9,262
Changes of Assumptions	-	-	-
Contributions - Employer	-	37,054	(37,054)
Contributions - Employee	-	47,693	(47,693)
Investment Income	-	298,646	(298,646)
Benefit Payments, including Refunds			
of Employee Contributions	(41,253)	(41,253)	-
Administrative Expenses	-	(993)	993
Other (Net Transfer)	-	(226,476)	226,476
Net Changes	<u>132,087</u>	<u>114,671</u>	<u>17,416</u>
Balances - December 31, 2021	<u>\$ 1,866,485</u>	<u>\$ 1,969,632</u>	<u>\$ (103,147)</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 8 PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), 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 (Asset)	\$ 156,873	\$ (103,147)	\$ (311,530)

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

For the year ended April 30, 2022, the Village recognized pension expense of \$81,498. At April 30, 2022 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>
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	\$ 6,958	\$ 35,358
Changes in Assumptions	8,744	7,977
Net Difference Between Projected and Actual	-	263,588
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	15,702	306,923
Pension Contributions Made Subsequent to the Measurement Date	10,521	-
Total Deferred Amounts Related to Pensions	\$ 26,223	\$ 306,923

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 8 PENSION PLAN (CONTINUED)

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

\$10,521 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 (asset) in the year ended April 30, 2023.

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>
2022	\$ 11,048	\$ 111,688
2023	2,304	101,504
2024	2,304	60,678
2025	46	33,053
Total	<u>\$ 15,702</u>	<u>\$ 306,923</u>

NOTE 8 NET POSITION/FUND BALANCE

The fund balances are considered nonspendable for the following purposes at April 30, 2022:

Prepaid Items	\$ 21,209
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The fund balances are restricted for the following purposes at April 30, 2022:

Highways and Streets	\$ 305,205
Liability Insurance	8,550
Retirement	26,105
Business District	155,680
Public Safety	1,625
Total	\$ 497,165

The fund balances are assigned for the following purposes at April 30, 2022:

Highways and Streets	\$ 68,122
Audit	10,078
Retirement	34,599
Total	\$ 112,799

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE 9 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, 2022, 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 10 RISKS AND UNCERTAINTIES

The World Health Organization has declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Village, COVID-19 may impact various parts of its 2023 operations and financial results. Management believes the Village is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated.

NOTE 11 SUBSEQUENT EVENT

During the month of September 2022, the Village purchased approximately 26 acres of land for the approximate amount of \$235,000.

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Calendar Year Ended December 31,						
	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 38,429	\$ 40,111	\$ 38,139	\$ 36,973	\$ 37,837	\$ 35,211	\$ 37,445
Interest on Total Pension Liability	125,649	119,753	113,567	112,806	107,456	93,255	85,511
Difference Between Expected and Actual Experience	9,262	(20,994)	(27,507)	(106,232)	3,605	87,199	4,414
Assumption Changes	-	(15,605)	-	52,672	(49,389)	(4,404)	1,909
Benefit Payments and Refunds	(41,253)	(43,261)	(38,790)	(30,080)	(25,433)	(27,654)	(16,355)
Net Change in Total Pension Liability	<u>132,087</u>	<u>80,004</u>	<u>85,409</u>	<u>66,139</u>	<u>74,076</u>	<u>183,607</u>	<u>112,924</u>
Total Pension Liability - Beginning	<u>1,734,398</u>	<u>1,654,394</u>	<u>1,568,985</u>	<u>1,502,846</u>	<u>1,428,770</u>	<u>1,245,163</u>	<u>1,132,239</u>
Total Pension Liability - Ending (A)	<u>\$ 1,866,485</u>	<u>\$ 1,734,398</u>	<u>\$ 1,654,394</u>	<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	\$ 37,054	\$ 37,332	\$ 46,025	\$ 50,096	\$ 43,480	\$ 40,246	\$ 37,316
Employee Contributions	47,693	41,288	40,396	33,196	30,020	28,400	23,711
Investment Income	298,646	250,681	259,910	28,803	174,875	80,463	(15,517)
Benefit Payments and Refunds	(41,253)	(43,261)	(38,790)	(30,080)	(25,433)	(27,654)	(16,355)
Other	(227,469)	(186,584)	(1,318)	(732)	(942)	(1,195)	(36)
Net Change in Plan Fiduciary Net Position	<u>114,671</u>	<u>99,456</u>	<u>306,223</u>	<u>81,283</u>	<u>222,000</u>	<u>120,260</u>	<u>29,119</u>
Plan Fiduciary Net Position, Beginning	<u>1,854,961</u>	<u>1,755,505</u>	<u>1,449,282</u>	<u>1,367,999</u>	<u>1,145,999</u>	<u>1,025,739</u>	<u>996,620</u>
Plan Fiduciary Net Position, Ending (B)	<u>\$ 1,969,632</u>	<u>\$ 1,854,961</u>	<u>\$ 1,755,505</u>	<u>\$ 1,449,282</u>	<u>\$ 1,367,999</u>	<u>\$ 1,145,999</u>	<u>\$ 1,025,739</u>
Net Pension Liability (Asset), Ending (A) - (B)	\$ (103,147)	\$ (120,563)	\$ (101,111)	\$ 119,703	\$ 134,847	\$ 282,771	\$ 219,424
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.53%	106.95%	106.11%	92.37%	91.03%	80.21%	82.38%
Covered Valuation Payroll	\$ 445,895	\$ 408,477	\$ 394,775	\$ 384,839	\$ 366,921	\$ 346,052	\$ 325,619
Net Pension Liability as a Percentage of Covered Valuation Payroll	-23.13%	-29.52%	-25.61%	31.10%	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 accompanying Notes to Required Supplementary Information.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)
APRIL 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percent of Covered Payroll
2022	\$ 37,054	\$ 35,956	\$ (1,098)	\$ 473,622	7.59 %
2021	37,332	40,467	3,135	417,051	9.70
2020	46,025	53,367	7,342	394,775	13.52
2019	50,096	48,602	(1,494)	384,839	12.63
2018	43,480	45,468	1,988	365,544	12.44
2017	37,316	41,387	4,071	355,335	11.65
2016	40,246	38,957	(1,289)	335,654	11.61

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

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, 2022
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2021

	2022		2021 Actual
	Original and Final Estimated Revenue and Appropriation	Actual	
REVENUES			
Property and Mobile Home Taxes	\$ 287,138	\$ 286,089	\$ 277,412
Road and Bridge Taxes	72,000	69,410	69,224
Sales, Use, and Video Gaming Taxes	443,000	392,566	335,341
State Income Taxes	395,000	543,737	417,205
Replacement Taxes	900	1,673	822
Permits, Licenses, and Franchise Fees	43,400	38,484	38,394
Charges for Services	250,000	248,391	250,394
Grants	-	50,000	142,731
Fines	11,000	4,217	13,539
Interest	4,000	1,671	3,503
Rent	100	1,500	1,500
Other	100	1,923	499
Total Revenues	1,506,638	1,639,661	1,550,564
EXPENDITURES			
Wages	288,320	258,733	237,300
General, Liability, Workers' Compensation, and Unemployment Compensation Insurance	97,500	30,807	31,400
Health Insurance	75,000	45,217	65,110
Repairs, Maintenance, and Supplies	121,000	62,957	197,157
Street Maintenance	325,000	3,780	177,429
Snow Removal	30,000	19,555	20,858
Garbage Disposal	285,000	270,429	240,791
Sewer Fee	500	-	-
Utilities and Telephone	26,000	12,726	12,704
Street Lighting	30,000	6,399	6,087
Rent	2,000	-	-
Office Supplies and Postage	65,500	2,856	2,007
Advertising, Printing, and Publications	6,000	1,287	1,490
Professional Fees	80,000	27,707	50,691
Animal Control	500	-	-
Travel and Training	4,000	296	104
Police Protection	130,000	112,241	115,980
Uniforms	2,000	1,378	862
Civil Defense	15,000	1,881	3,790
Gas and Oil	15,000	16,357	5,241
Capital Improvements	415,000	320,380	103,552
Debt Service	110,000	105,518	105,518
Engineering	75,000	23,849	51,000
Contingencies and Other	37,000	9,478	6,564
Total Expenditures	2,235,320	1,333,831	1,435,635
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(728,682)	305,830	114,929

See accompanying Notes to Required Supplementary Information.

**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, 2022
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2021**

	2022		2021 Actual
	Original and Final Estimated Revenue and Appropriation	Actual	
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Fixed Assets	\$ -	\$ -	\$ 3,512
Operating Transfers In	-	-	34,000
Total Other Financing Sources (Uses)	-	-	37,512
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ (728,682)</u>	305,830	152,441
Fund Balance - Beginning of Year		<u>1,227,504</u>	<u>1,075,063</u>
FUND BALANCE - END OF YEAR		<u>\$ 1,533,334</u>	<u>\$ 1,227,504</u>

**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, 2022
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2021**

	2022		
	Original and Final Estimated Revenues and Appropriation	Actual	2021 Actual
REVENUES			
Motor Fuel Taxes	\$ 202,000	\$ 212,581	\$ 236,383
Interest	300	390	267
Total Revenues	202,300	212,971	236,650
EXPENDITURES			
Street Maintenance	300,000	-	154,000
Rental of Equipment	5,000	-	-
Engineering	35,000	-	-
Total Expenditures	340,000	-	154,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(137,700)	212,971	82,650
OTHER FINANCING SOURCES			
Operating Transfers Out	-	-	(34,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	\$ (137,700)	212,971	48,650
Fund Balance - Beginning of Year		150,115	101,465
FUND BALANCE - END OF YEAR		\$ 363,086	\$ 150,115

See accompanying Notes to Required Supplementary Information.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2022

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 2021 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 2021 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>	23-year closed period
<i>Asset Valuation Method:</i>	Five-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.25%
<i>Salary Increases:</i>	2.85% to 13.75%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
<i>Mortality:</i>	For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted (105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

SUPPLEMENTARY INFORMATION

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
CONSOLIDATED YEAR-END FINANCIAL REPORT
APRIL 30, 2022**

CSFA Number	Program Name	State	Federal	Other	Total
494-00-2356	Local REBUILD ILLINOIS Bond Program	\$ 50,000	\$ -	\$ -	\$ 50,000
	All Other Costs Not Allocated	<u>-</u>	<u>-</u>	<u>2,587,022</u>	<u>2,587,022</u>
	Total	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 2,587,022</u>	<u>\$ 2,637,022</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
APRIL 30, 2022**

	Illinois Municipal Retirement Fund	Social Security Fund	Audit Fund	Business District Fund	Total
ASSETS					
Cash on Hand and in Banks	\$ 52,731	\$ 7,973	\$ 10,078	\$ 131,126	\$ 201,908
General Property Tax Receivable	20,000	33,000	21,000	-	74,000
Due from State of Illinois	-	-	-	24,554	24,554
Total Assets	<u>\$ 72,731</u>	<u>\$ 40,973</u>	<u>\$ 31,078</u>	<u>\$ 155,680</u>	<u>\$ 300,462</u>
DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Deferred Inflows of Resources:					
Subsequent Year's Property Taxes	\$ 20,000	\$ 33,000	\$ 21,000	\$ -	\$ 74,000
Fund Balance:					
Restricted for:					
Retirement	25,719	386	-	-	26,105
Business District	-	-	-	155,680	155,680
Assigned for:					
Audit	-	-	10,078	-	10,078
Retirement	27,012	7,587	-	-	34,599
Fund Balance	<u>52,731</u>	<u>7,973</u>	<u>10,078</u>	<u>155,680</u>	<u>226,462</u>
Total Deferred Inflows of Resources and Fund Balance	<u>\$ 72,731</u>	<u>\$ 40,973</u>	<u>\$ 31,078</u>	<u>\$ 155,680</u>	<u>\$ 300,462</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2022**

	Illinois Municipal Retirement Fund	Social Security Fund	Audit Fund	Business District Fund	Total
REVENUES					
Property and Mobile Home Taxes	\$ 45,845	\$ 37,853	\$ 19,936	\$ -	\$ 103,634
Sales Taxes	-	-	-	105,549	105,549
Interest	-	-	-	43	43
Total Revenues	<u>45,845</u>	<u>37,853</u>	<u>19,936</u>	<u>105,592</u>	<u>209,226</u>
EXPENDITURES					
Illinois Municipal Retirement	35,966	-	-	-	35,966
Social Security and Medicare	-	42,211	-	-	42,211
Professional Fees	-	-	26,250	-	26,250
Business District Development	-	-	-	5,393	5,393
Capital Outlay	-	-	-	35,195	35,195
Total Expenditures	<u>35,966</u>	<u>42,211</u>	<u>26,250</u>	<u>40,588</u>	<u>145,015</u>
EXCESS OF REVENUES OVER EXPENDITURES	9,879	(4,358)	(6,314)	65,004	64,211
Fund Balance - Beginning of Year	<u>42,852</u>	<u>12,331</u>	<u>16,392</u>	<u>90,676</u>	<u>162,251</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 52,731</u></u>	<u><u>\$ 7,973</u></u>	<u><u>\$ 10,078</u></u>	<u><u>\$ 155,680</u></u>	<u><u>\$ 226,462</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, 2022
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2021**

	<u>2022</u>		
	Original and Final Estimated Revenues and Appropriation	Actual	2021 Actual
REVENUES			
Property and Mobile Home Taxes	\$ 46,000	\$ 45,845	\$ 53,084
Interest	-	-	6
Total Revenues	<u>46,000</u>	<u>45,845</u>	<u>53,090</u>
EXPENDITURES			
Illinois Municipal Retirement	<u>85,000</u>	<u>35,966</u>	<u>37,244</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (39,000)</u>	9,879	15,846
Fund Balance - Beginning of Year		<u>42,852</u>	<u>27,006</u>
FUND BALANCE - END OF YEAR		<u>\$ 52,731</u>	<u>\$ 42,852</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, 2022
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2021**

	2022		
	Original and Final Estimated Revenues and Appropriation	Actual	2021 Actual
REVENUES			
Property and Mobile Home Taxes	\$ 38,000	\$ 37,853	\$ 38,086
Interest	-	-	5
Total Revenues	38,000	37,853	38,091
EXPENDITURES			
Social Security and Medicare	45,000	42,211	33,347
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (7,000)</u>	(4,358)	4,744
Fund Balance - Beginning of Year		12,331	7,587
FUND BALANCE - END OF YEAR		<u>\$ 7,973</u>	<u>\$ 12,331</u>

**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, 2022
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2021**

	2022		
	Original and Final Estimated Revenues and Appropriation	Actual	2021 Actual
REVENUES			
Property and Mobile Home Taxes	\$ 20,000	\$ 19,936	\$ 23,087
Interest	-	-	2
Total Revenues	20,000	19,936	23,089
EXPENDITURES			
Professional Fees	30,000	26,250	21,734
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (10,000)</u>	(6,314)	1,355
Fund Balance - Beginning of Year		16,392	15,037
FUND BALANCE - END OF YEAR		<u>\$ 10,078</u>	<u>\$ 16,392</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, 2022
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2021**

	2022		
	Original and Final Estimated Revenues and Appropriation	Actual	2021 Actual
REVENUES			
Business District Sales Taxes	\$ -	\$ 105,549	\$ 101,220
Interest	-	43	73
Total Revenues	-	105,592	101,293
EXPENDITURES			
Professional Fees	75,000	-	-
Business District Development	200,000	5,393	95,704
Capital Outlay		35,195	-
Total Expenditures	275,000	40,588	95,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (275,000)	65,004	5,589
Fund Balance - Beginning of Year, as Previously Reported		90,676	109,986
Prior Period Adjustment		-	(24,899)
Fund Balance - Beginning of Year, as Restated		90,676	85,087
FUND BALANCE - END OF YEAR		\$ 155,680	\$ 90,676

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS, TAX
DISTRIBUTIONS, AND TAX RATES
TAX YEARS 2021, 2020, AND 2019 (UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSESSED VALUATION	<u>\$ 84,639,172</u>	<u>\$ 84,462,019</u>	<u>\$ 84,233,806</u>
General	.2558	.2267	.2190
Liability Insurance	.0331	.0296	.0297
Police Protection	.0745	.0746	.0689
Social Security	.0390	.0450	.0452
Street Lighting	.0060	.0083	.0107
Audit	.0249	.0237	.0274
Illinois Municipal Retirement (IMRF)	.0237	.0545	.0630
Emergency Services & Disaster Agency (ESDA)	.0060	.0009	.0009
Total	<u>.4630</u>	<u>.4633</u>	<u>.4648</u>
TAX EXTENSIONS			
General	\$ 216,338	\$ 191,475	\$ 184,472
Liability Insurance	28,016	25,001	25,018
Police Protection	63,056	63,009	58,037
Social Security	33,009	38,008	38,074
Street Lighting	5,078	7,010	9,013
Audit	21,075	20,018	23,080
Illinois Municipal Retirement (IMRF)	20,059	46,032	53,067
Emergency Services and Disaster Agency (ESDA)	4,681	760	758
Total	<u>\$ 391,312</u>	<u>\$ 391,313</u>	<u>\$ 391,519</u>
TAX COLLECTIONS RECEIVED BY VILLAGE	<u>\$ -</u>	<u>\$ 389,723</u>	<u>\$ 391,669</u>
ESTIMATED RECEIVABLE	<u>\$ 391,312</u>	<u>\$ 391,313</u>	<u>\$ 391,519</u>
PERCENT COLLECTED	0.00%	99.59%	100.04%



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

Board of Trustees
Village of Germantown Hills, Illinois
Germantown Hills, 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 the Village of Germantown Hills, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Germantown Hills, Illinois' basic financial statements, and have issued our report thereon dated September 16, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Germantown Hills, 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 Germantown Hills, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Germantown Hills, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

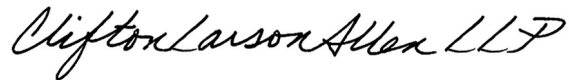
As part of obtaining reasonable assurance about whether Village of Germantown Hills, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Village of Germantown Hills, Illinois' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Germantown Hills, Illinois' response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Village of Germantown Hills, Illinois' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Peoria, Illinois
September 16, 2022

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED APRIL 30, 2022**

FINANCIAL STATEMENT FINDINGS

Finding No. 2022-001 – Segregation of Duties

Criteria or Specific Requirement:

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements, including the related disclosures in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition:

Due to the limited number of personnel performing accounting functions in the Village office, there is a lack of segregation of duties over accounting transactions. Specifically, the Treasurer has the ability to record cash receipt transactions and handle physical cash collections and deposits. Additionally, we noted no documented evidence that bank reconciliations are reviewed and approved by someone other than the preparer and there is a potential for someone to approve their own expenses.

Effect:

As a result of the lack of segregation of duties, due to the limited number of personnel involved in accounting transactions, there is a higher risk that errors or misappropriation could occur and not be detected within a timely period.

Cause:

There is limited number of personnel involved in accounting transactions within the Village office.

Recommendation:

When this condition exists, management's close supervision and review of accounting information is the best means of preventing or detecting errors and irregularities. The Village Board should continue to closely monitor financial reporting. When available, the Village should re-assign tasks to create the appropriate segregations of duties. If possible, individuals with responsibilities for handling cash should not also be responsible for recording transactions. Review procedures should include formal documentation as evidence the review was properly completed.

Views of Responsible Officials and Planned Corrective Action:

To the extent possible, monitoring of monthly financial results and compliance information by the Village Board will continue in the Village office.

Contact Person:

Ann Sasso, Administrator

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED APRIL 30, 2022**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding No. 2022-002 – Financial Statement Preparation

Criteria or Specific Requirement:

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements, including the related disclosures in conformity with U.S. GAAP.

Condition:

The Village does not have an internal control policy in place over annual financial statement reporting that would enable management to prepare its annual financial statements and ensure related footnote disclosures are complete and presented in accordance with U.S. GAAP.

Management has informed us they do not have an internal control policy in place over the annual financial reporting and they do not have the necessary staff capacity to prepare the annual financial statements including footnote disclosures.

Effect:

The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the Village's internal controls.

Cause:

The Village relies on the audit firm to prepare the annual financial statements including the footnote disclosures. However, Village management has reviewed and approved the annual financial statements and related footnote disclosures.

Recommendation:

Management should continue to evaluate its internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Views of Responsible Officials and Planned Corrective Action:

The Village does not deem it cost effective to send designated employees to training classes nor to hire an individual with the proper qualifications.

Contact Person:

Ann Sasso, Administrator



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