

VILLAGE OF GERMANTOWN HILLS, ILLINOIS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED APRIL 30, 2023



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YEAR ENDED APRIL 30, 2023**

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**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
PRINCIPAL OFFICIALS
APRIL 30, 2023**

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

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Rich Brecklin, Superintendent of Public Works



INDEPENDENT AUDITORS' REPORT

Honorable President and Board of Trustees
Village of Germantown Hills, Illinois
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, (the Village) as of and for the year ended April 30, 2023, 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, 2023, 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 the pension information and budgetary comparison information listed in the table of contents 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 omitted 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit for the year ended April 30, 2023 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 statements and schedules for the year ended April 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2023 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 consolidated year-end financial report and the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended April 30, 2023.

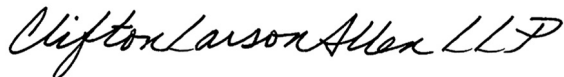
We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village for the year ended April 30, 2022 (not presented herein) and have issued our report thereon dated September 16, 2022, which contained 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 individual fund schedules for the year ended April 30, 2022 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, 2022, basic financial statements. The information has been subjected to the audit procedures applied in the audit of the 2022 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 those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended April 30, 2022.

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

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The list of Village officials and the schedule of assessed valuations, tax extensions, tax distributions, and tax rates, which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2023, 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
August 4, 2023

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash on Hand and in Banks	\$ 1,872,491	\$ 1,416,986	\$ 3,289,477
General Property Tax Receivable	391,710	-	391,710
Receivables - User Fees	-	19,812	19,812
Due from State of Illinois	216,475	-	216,475
Receivables - Other	7,194	-	7,194
Prepaid Items	23,098	2,393	25,491
Restricted Assets - Cash and Cash Equivalents:			
Emergency Services	6,700	-	6,700
Street Lighting	7,909	-	7,909
Liability Insurance	1,149	-	1,149
IEPA Loan Reserves	-	444,891	444,891
Held for Future Sewer System Construction	-	78,198	78,198
Total Restricted Assets	15,758	523,089	538,847
Property and Equipment - at Cost:			
Not Depreciated:			
Land	336,108	208,693	544,801
Construction in Progress	2,402	307,918	310,320
Depreciated:			
Sewer Plant	-	10,398,136	10,398,136
Intercepting Sewers	-	300,595	300,595
Rehabilitation of Sewer System	-	3,308,415	3,308,415
Building	338,420	47,931	386,351
Infrastructure	2,973,192	-	2,973,192
Equipment	629,689	308,399	938,088
Vehicles	215,493	-	215,493
Total	4,495,304	14,880,087	19,375,391
Less: Accumulated Depreciation	1,828,728	7,133,294	8,962,022
Net Property and Equipment	2,666,576	7,746,793	10,413,369
Total Assets	5,193,302	9,709,073	14,902,375
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Net Pension Liability	97,529	140,144	237,673

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
APRIL 30, 2023

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 42,142	\$ 13,103	\$ 55,245
Accrued Interest	-	13,917	13,917
Accrued Wages Payable	843	696	1,539
User Fees Received in Advance	-	3,712	3,712
Long-Term Liabilities:			
Due Within One Year	96,816	306,064	402,880
Due in More than One Year	202,014	3,801,449	4,003,463
Total Liabilities	<u>341,815</u>	<u>4,138,941</u>	<u>4,480,756</u>
NET PENSION LIABILITY	255,200	366,712	621,912
DEFERRED INFLOWS OF RESOURCES			
Franchise Fees	3,940	-	3,940
Subsequent Year's Property Taxes	391,710	-	391,710
Deferred Amount Related to Net Pension Liability	4,069	5,846	9,915
Total Deferred Inflows of Resources	<u>399,719</u>	<u>5,846</u>	<u>405,565</u>
NET POSITION			
Net Investment in Capital Assets	2,367,746	3,639,280	6,007,026
Restricted for:			
IEPA Loan Debt Service	-	444,891	444,891
Future Sewer System Construction	-	78,198	78,198
Liability Insurance	1,149	-	1,149
Business District	174,667	-	174,667
Emergency Services	6,700	-	6,700
Street Lighting	7,909	-	7,909
Unrestricted	<u>1,735,926</u>	<u>1,175,349</u>	<u>2,911,275</u>
Total Net Position	<u>\$ 4,294,097</u>	<u>\$ 5,337,718</u>	<u>\$ 9,631,815</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2023**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	\$ 1,039,105	\$ 287,916	\$ -	\$ (751,189)	\$ -	\$ (751,189)
Public Safety	107,915	6,793	-	(101,122)	-	(101,122)
Highways and Streets	837,577	-	-	(837,577)	-	(837,577)
Interest Expense	11,224	-	-	(11,224)	-	(11,224)
Total Governmental Activities	1,995,821	294,709	-	(1,701,112)	-	(1,701,112)
Business-Type Activities:						
Sewer Services	1,640,495	1,214,971	465,818	-	40,294	40,294
Total Government	<u>\$ 3,636,316</u>	<u>\$ 1,509,680</u>	<u>\$ 465,818</u>	(1,701,112)	40,294	(1,660,818)
GENERAL REVENUES						
Property and Mobile Home Taxes				392,541	-	392,541
Road and Bridge Taxes				69,729	-	69,729
Business District Sales Taxes				117,272	-	117,272
Sales, Use, and Video Gaming Taxes				439,064	-	439,064
State Income Taxes				525,077	-	525,077
Replacement Taxes				2,245	-	2,245
Motor Fuel Taxes				177,389	-	177,389
Interest				57,619	54,784	112,403
Rent				1,500	-	1,500
Other				318	-	318
Total General Revenues				<u>1,782,754</u>	<u>54,784</u>	<u>1,837,538</u>
CHANGE IN NET POSITION				81,642	95,078	176,720
Net Position - Beginning of Year				<u>4,212,455</u>	<u>5,242,640</u>	<u>9,455,095</u>
NET POSITION - END OF YEAR				<u>\$ 4,294,097</u>	<u>\$ 5,337,718</u>	<u>\$ 9,631,815</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2023**

	General Fund	Motor Fuel Tax Fund	Other Nonmajor Governmental Funds	Total
ASSETS				
Cash on Hand and in Banks	\$ 1,545,288	\$ 136,869	\$ 190,334	\$ 1,872,491
General Property Tax Receivable	291,710	-	100,000	391,710
Accounts Receivable	7,194	-	-	7,194
Due from State of Illinois	177,921	12,123	26,431	216,475
Prepaid Items	23,098	-	-	23,098
Restricted Assets - Cash:				
Emergency Services	6,700	-	-	6,700
Street Lighting	7,909	-	-	7,909
Liability Insurance	1,149	-	-	1,149
Total Restricted Assets - Cash	<u>15,758</u>	<u>-</u>	<u>-</u>	<u>15,758</u>
 Total Assets	 <u>\$ 2,060,969</u>	 <u>\$ 148,992</u>	 <u>\$ 316,765</u>	 <u>\$ 2,526,726</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 42,142	\$ -	\$ -	\$ 42,142
Accrued Wages Payable	843	-	-	843
Total Liabilities	<u>42,985</u>	<u>-</u>	<u>-</u>	<u>42,985</u>
DEFERRED INFLOWS OF RESOURCES				
Franchise Fees	3,940	-	-	3,940
Subsequent Year's Property Taxes	291,710	-	100,000	391,710
Total Deferred Inflows of Resources	<u>295,650</u>	<u>-</u>	<u>100,000</u>	<u>395,650</u>
FUND BALANCE				
Nonspendable	23,098	-	-	23,098
Restricted	15,758	-	174,667	190,425
Assigned	-	148,992	45,479	194,471
Unassigned	1,683,478	-	(3,381)	1,680,097
Total Fund Balance	<u>1,722,334</u>	<u>148,992</u>	<u>216,765</u>	<u>2,088,091</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 2,060,969</u>	 <u>\$ 148,992</u>	 <u>\$ 316,765</u>	 <u>\$ 2,526,726</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, 2023**

Total Fund Balances - Governmental Funds	\$ 2,088,091
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	2,666,576
Deferred Outflows of Resources for Net Pension Liability	97,529
Deferred Inflows of Resources for Net Pension Liability	(4,069)
Long-Term Liabilities, Including Debt Certificates, Used in Governmental Activities Not Reported in Governmental Funds	(298,830)
Long-Term Liabilities, Including Net Pension Liabilities, Used in Governmental Activities Not Reported in Governmental Funds	<u>(255,200)</u>
Total Net Position - Governmental Activities	<u>\$ 4,294,097</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, 2023**

	General Fund	Motor Fuel Tax Fund	Other Nonmajor Governmental Funds	Total
REVENUES				
Property and Mobile Home Taxes	\$ 318,451	\$ -	\$ 74,090	\$ 392,541
Road and Bridge Taxes	69,729	-	-	69,729
Sales, Use, and Video Gaming Taxes	439,064	-	117,272	556,336
State Income Taxes	525,077	-	-	525,077
Replacement Taxes	2,245	-	-	2,245
Motor Fuel Taxes	-	177,389	-	177,389
Permits, Licenses, and Franchise Fees	41,445	-	-	41,445
Charges for Services	246,471	-	-	246,471
Fines	6,793	-	-	6,793
Interest	52,879	4,413	327	57,619
Rent	1,500	-	-	1,500
Other	318	-	-	318
Total Revenues	<u>1,703,972</u>	<u>181,802</u>	<u>191,689</u>	<u>2,077,463</u>
EXPENDITURES				
Current:				
General Government	842,468	-	130,448	972,916
Public Safety	107,915	-	-	107,915
Highways and Streets	221,926	395,896	-	617,822
Capital Outlay	237,145	-	70,938	308,083
Debt Service:				
Principal	94,294	-	-	94,294
Interest	11,224	-	-	11,224
Total Expenditures	<u>1,514,972</u>	<u>395,896</u>	<u>201,386</u>	<u>2,112,254</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	189,000	(214,094)	(9,697)	(34,791)
Fund Balance - Beginning of Year	<u>1,533,334</u>	<u>363,086</u>	<u>226,462</u>	<u>2,122,882</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,722,334</u></u>	<u><u>\$ 148,992</u></u>	<u><u>\$ 216,765</u></u>	<u><u>\$ 2,088,091</u></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, 2023**

Net Changes in Fund Balance - Total Governmental Funds \$ (34,791)

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	\$ 308,083	
Depreciation Expense	(207,207)	
Net	100,876	100,876

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	22,610	
Pension Expense	(101,347)	
Net	(78,737)	(78,737)

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		94,294
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Change in Net Position in Governmental Activities \$ 81,642

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
SEWER FUND
APRIL 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash on Hand and in Banks	\$	1,416,986
Receivables - User Fees		19,812
Prepaid Items		2,393
Restricted Assets:		
IEPA Loan Reserves:		
Cash		444,891
Held For Future Sewer System Construction:		
Cash		78,198
Total Restricted Assets		523,089
Property and Equipment - at Cost:		
Not Depreciated:		
Land		208,693
Construction in Progress		307,918
Depreciated:		
Sewer Plant		10,398,136
Intercepting Sewers		300,595
Rehabilitation of Sewer System		3,308,415
Building		47,931
Equipment		308,399
Total		14,880,087
Less: Accumulated Depreciation		7,133,294
Net Property and Equipment		7,746,793
Total Assets		9,709,073

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount Related to Net Pension Liability		140,144
		140,144
Total Assets and Deferred Outflows of Resources		\$ 9,849,217

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
SEWER FUND
APRIL 30, 2023**

**LIABILITIES, NET PENSION LIABILITY, DEFERRED
INFLOWS OF RESOURCES, AND NET POSITION**

LIABILITIES

Accounts Payable	\$	13,103
Accrued Interest		13,917
Accrued Wages Payable		696
User Fees Received in Advance		3,712
Long-Term Liabilities:		
Due Within One Year		306,064
Due in More than One Year		3,801,449
Total Liabilities		4,138,941

NET PENSION LIABILITY

366,712

DEFERRED INFLOWS OF RESOURCES

Deferred Amount Related to Net Pension Liability		5,846
--	--	-------

NET POSITION

Net Investment in Capital Assets		3,639,280
Restricted for:		
IEPA Loan Debt Service		444,891
Future Sewer System Construction		78,198
Unrestricted		1,175,349
Total Net Position		5,337,718

Total Liabilities, Net Pension Liability, Deferred Inflows of Resources,
and Net Position

\$ 9,849,217

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, 2023

OPERATING REVENUES	
User Fees	\$ 1,188,109
Hook-Up Fees	7,800
Miscellaneous	19,062
Total Operating Revenues	1,214,971
 OPERATING EXPENSE	
Operating Expenses Other than Depreciation	982,741
Depreciation Expense	574,581
Total Operating Expense	1,557,322
 OPERATING INCOME	 (342,351)
 NONOPERATING REVENUES (EXPENSES)	
Interest Income	54,784
Interest Expense	(83,173)
Grant Income	465,818
Total Nonoperating Revenues (Expenses)	437,429
 NET INCOME	 95,078
 CHANGE IN NET POSITION	 95,078
Net Position - Beginning of Year	5,242,640
 NET POSITION - END OF YEAR	 \$ 5,337,718

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS
SEWER FUND
YEAR ENDED APRIL 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 1,211,544
Cash Payments to Suppliers and Vendors for Goods and Services	(605,163)
Cash Payments to Employees for Services	<u>(241,630)</u>
Net Cash Provided by Operating Activities	364,751

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Grant Receipts	<u>232,909</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets	(528,949)
Principal Paid on Loans and Note Payable	(299,824)
Interest Paid on Loans and Note Payable	<u>(84,049)</u>
Net Cash Used by Capital and Related Financing Activities	(912,822)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	<u>54,784</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS

(260,378)

Cash and Cash Equivalents - Beginning of Year

2,200,453

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,940,075

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
SEWER FUND
YEAR ENDED APRIL 30, 2023**

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

Operating Loss	\$ (342,351)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	574,581
Effects of Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Receivables	(5,371)
Deferred Outflows of Resources Related to Net Pension Liability	(126,180)
Accounts Payable	(1,916)
User Fees Received in Advance	1,944
Net Pension Asset	421,640
Deferred Inflows of Resources	(157,596)
Total Adjustments	<u>707,102</u>
Net Cash Provided by Operating Activities	<u><u>\$ 364,751</u></u>

COMPONENTS OF CASH

Cash on Hand and in Banks	\$ 1,416,986
Restricted Assets:	
Illinois Environmental Protection Agency Loan Reserves:	
Cash	444,891
Held for Future Sewer System Construction:	
Cash	78,198
Total Cash	<u><u>\$ 1,940,075</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Germantown Hills, Illinois (the 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.

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.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-Wide Statements (Continued)

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.

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.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Measurement Focus, Basis of Accounting (Continued)

Government-Wide and Proprietary Fund Financial Statements (Continued)

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.

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.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023, 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.

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

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 statement 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.

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.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Liabilities (Continued)

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.

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.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification (Continued)

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, 2023, 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.

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.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 2 PROPERTY TAXES (CONTINUED)

The 2021 tax levy is reflected as revenue in fiscal year 2023 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 2022 tax levy is not recognized as revenue because the taxes are considered to be levied to finance the next fiscal year. The 2022 tax levy is recorded as general property taxes receivable and related deferred inflows of resources at April 30, 2023.

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, 2023, \$372,655 of the Village’s bank balance of \$622,654 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, 2023.

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	\$ 3,220,427	\$ 3,205,669
Financial Institutions	622,654	622,655
Total	\$ 3,843,081	\$ 3,828,324

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 4 CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended April 30, 2023, was as follows:

	May 1, 2022	Additions	Deductions	April 30, 2023
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 101,365	\$ 234,743	\$ -	\$ 336,108
Construction in Progress	35,195	2,402	(35,195)	2,402
Total Capital Assets Not Being Depreciated	136,560	237,145	(35,195)	338,510
Capital Assets Being Depreciated:				
Building	338,420	-	-	338,420
Infrastructure	2,867,059	106,133	-	2,973,192
Equipment	640,922	-	(11,233)	629,689
Vehicles	215,493	-	-	215,493
Total Capital Assets Being Depreciated	4,061,894	106,133	(11,233)	4,156,794
Less: Accumulated Depreciation	1,632,754	207,207	(11,233)	1,828,728
Total Capital Assets Being Depreciated, Net	2,429,140	(101,074)	-	2,328,066
Governmental Activities Capital Assets, Net	\$ 2,565,700	\$ 133,669	\$ -	\$ 2,666,576

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 17,275
Highway and Streets	189,932
Total Depreciation Expense - Governmental Activities	\$ 207,207

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 4 CAPITAL ASSETS (CONTINUED)

	May 1, 2022	Additions	Deductions	April 30, 2023
Business-Type Activities -				
Sewer Services:				
Capital Assets Not Being Depreciated:				
Land	\$ 208,693	\$ -	\$ -	\$ 208,693
Construction in Progress	81,153	226,765	-	307,918
Total Capital Assets not Being Depreciated	289,846	226,765	-	516,611
Capital Assets Being Depreciated:				
Sewer Plant	10,135,952	262,184	-	10,398,136
Intercepting Sewers	300,595	-	-	300,595
Rehabilitation Sewer System	3,308,415	-	-	3,308,415
Building	47,931	-	-	47,931
Equipment	268,399	40,000	-	308,399
Total Capital Assets Being Depreciated	14,061,292	302,184	-	14,363,476
Less: Accumulated Depreciation	6,558,713	574,581	-	7,133,294
Total Capital Assets Being Depreciated, Net	7,502,579	(272,397)	-	7,230,182
Business-Type Activities Capital Assets, Net	<u>\$ 7,792,425</u>	<u>\$ (45,632)</u>	<u>\$ -</u>	<u>\$ 7,746,793</u>

NOTE 5 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (IEPA) LOANS PAYABLE

On May 3, 2005, the Village signed a loan agreement with the 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, 2023

**NOTE 5 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (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:

Account	Description and Amount	Nature of Authorized Expenditures
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.
Bond Interest and Principal	A fractional amount (not less than 1/12) of the principal and/or interest becoming due on the next succeeding principal and/or interest payment date. As of April 30, 2023, \$196,296 has been accumulated.	Paying current principal and interest on loan.
Bond Reserve	Amount equal to 1/24 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, 2023, \$95,148 has been accumulated.	Paying principal and interest on loan in the event that the bond and interest account has sufficient funds.
Depreciation Account	Amount that equals 1/120 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, 2023, \$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.
Surplus	The amount remaining after payment into the above accounts. This is accounted for as the remainder of the unrestricted funds of the Sewer Enterprise Fund.	Constructing or acquiring repairs, improvements, or extensions to the system, calling or redeeming bonds, or any other lawful purpose of the system.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

**NOTE 5 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (IEPA) LOANS PAYABLE
(CONTINUED)**

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.

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, 2023, comprise 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 \$298,830 contains a provision that in an event of default, outstanding amounts become immediately due if the Village is unable to make payment.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

A description of the debt certificates payable as of April 30, 2023, 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>\$ 298,830</u>
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The annual requirements to amortize all debt outstanding at April 30, 2023, are as follows:

<u>Year Ending April 30,</u>	Governmental Activities Note Payable from Direct Borrowings		
	Principal	Interest	Total
2024	\$ 96,816	\$ 8,399	\$ 105,215
2025	100,094	5,424	105,518
2026	101,920	2,358	104,278
Total	\$ 298,830	\$ 16,181	\$ 315,011

The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2023:

	Debt Certificates Payable
Long-Term Debt- April 30, 2022	\$ 393,124
Reduction - Payments on Debt	94,294
Long-Term Debt - April 30, 2023	298,830
Due in One Year	96,816
Due in More than One Year	\$ 202,014

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

Business-Type Activities

The annual requirements to amortize all debt outstanding at April 30, 2023, are as follows:

<u>Year Ending April 30,</u>	Illinois Environmental Protection Agency Loans Payable				
	2005 Loan	2015 Loan	2019 Loan	Interest	Total
2024	\$ 87,769	\$ 82,477	\$ 135,818	\$ 77,809	\$ 383,873
2025	89,977	84,131	138,329	71,437	383,874
2026	92,240	85,817	140,886	64,929	383,872
2027	46,986	87,538	143,490	58,285	336,299
2028	-	89,293	146,142	53,290	288,725
2029-2033	-	474,048	772,245	197,332	1,443,625
2034-2038	-	203,192	846,306	81,700	1,131,198
2038-2040	-	-	360,829	8,337	369,166
Total	<u>\$ 316,972</u>	<u>\$ 1,106,496</u>	<u>\$ 2,684,045</u>	<u>\$ 613,119</u>	<u>\$ 4,720,632</u>

<u>Year Ending April 30,</u>	Total Long-Term Debt		
	Principal	Interest	Total
2024	\$ 306,064	\$ 77,809	\$ 383,873
2025	312,437	71,437	383,874
2026	318,943	64,929	383,872
2027	278,014	58,285	336,299
2028	235,435	53,290	288,725
2027-2031	1,246,293	197,332	1,443,625
2032-2036	1,049,498	81,700	1,131,198
2037-2040	360,829	8,337	369,166
Total	<u>\$ 4,107,513</u>	<u>\$ 613,119</u>	<u>\$ 4,720,632</u>

The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2023:

	IEPA <u>Loans Payable</u>
Long-Term Debt - April 30, 2022	\$ 4,407,337
Proceeds from New Debt	-
Reduction - Debt Adjustment	<u>299,824</u>
Long-Term Debt - April 30, 2023	4,107,513
Due in One Year	<u>306,064</u>
Due in More than One Year	<u>\$ 3,801,449</u>

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

The Village's outstanding loans payable from direct borrowings of \$3,801,449 contain provisions that in an event of default, outstanding amounts become immediately due if the Village is unable to make payment.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

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, 2023, the Village had debt of \$298,830 incurred against this limit of \$7,784,183 providing a debt margin of \$7,485,050.

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 Annual Comprehensive 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. The Sheriff's Law Enforcement Personnel 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.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 7 PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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.

Employees Covered by Benefit Terms

As of December 31, 2022, 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	9
Active Plan Members	6
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 2022 and 2023 was 6.28% and 5.42%, respectively. For the fiscal year ended April 30, 2023, the Village contributed \$30,406 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, 2022. The total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 7 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The following are the methods and assumptions used to net pension liability (asset) at December 31, 2022:

- 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.
- 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.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023**

NOTE 7 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

- 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	35.5 %	7.82 %
International Equities	18.0	9.23
Fixed Income	25.5	5.01
Real Estate	10.5	7.10
Alternatives:	9.5	
Private Equity	N/A	13.43
Commodities	N/A	7.42
Cash Equivalents	1.0	4.00
Total	100.0 %	

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:

- 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
- 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 4.05%; and the resulting single discount rate is 7.25%.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 7 PENSION PLAN (CONTINUED)

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, 2021	\$ 1,866,485	\$ 1,969,632	\$ (103,147)
Changes for the Year:			
Service Cost	41,113	-	41,113
Interest on Total Pension Liability	135,227	-	135,227
Differences Between Expected and Actual Experience of the Total Pension Liability	112,085	-	112,085
Changes of Assumptions	-	-	-
Contributions - Employer	-	32,214	(32,214)
Contributions - Employee	-	60,541	(60,541)
Investment Income	-	(251,569)	251,569
Benefit Payments, including Refunds of Employee Contributions	(47,298)	(47,298)	-
Administrative Expenses	-	(1,125)	1,125
Other (Net Transfer)	-	(276,695)	276,695
Net Changes	<u>241,127</u>	<u>(483,932)</u>	<u>725,059</u>
Balances - December 31, 2022	<u>\$ 2,107,612</u>	<u>\$ 1,485,700</u>	<u>\$ 621,912</u>

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)	<u>\$ 907,954</u>	<u>\$ 621,912</u>	<u>\$ 386,602</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 7 PENSION PLAN (CONTINUED)

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

For the year ended April 30, 2023, the Village recognized pension expense of \$247,008. At April 30, 2023 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	\$ 88,718	\$ 5,752
Changes in Assumptions	-	4,163
Net Difference Between Projected and Actual Experience	<u>140,241</u>	<u>-</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	228,959	9,915
Pension Contributions Made Subsequent to the Measurement Date	<u>8,714</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 237,673</u></u>	<u><u>\$ 9,915</u></u>

\$8,714 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, 2024.

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>
2023	19,307	9,096
2024	51,856	819
2025	76,405	-
2026	81,391	-
Total	<u><u>\$ 228,959</u></u>	<u><u>\$ 9,915</u></u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 8 NET POSITION/FUND BALANCE

The fund balances are considered nonspendable for the following purposes at April 30, 2023:

Prepaid Items	\$ 23,098
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The fund balances are restricted for the following purposes at April 30, 2023:

Highways and Streets	\$ 7,909
Liability Insurance	1,149
Business District	174,667
Public Safety	6,700
Total	\$ 190,425

The fund balances are assigned for the following purposes at April 30, 2023:

Highways and Streets	\$ 148,992
Audit	3,103
Retirement	42,376
Total	\$ 194,471

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, 2023, 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 COMMITMENTS

The Village has an agreement with Crawford, Murphy, & Tilly, Inc for engineering and construction services for the Somerset Multi-Use Path Project not to exceed \$86,000 as of April 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
APRIL 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)
(UNAUDITED)

	Calendar Year Ended December 31,							
	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:								
Service Cost	\$ 41,113	\$ 38,429	\$ 40,111	\$ 38,139	\$ 36,973	\$ 37,837	\$ 35,211	\$ 37,445
Interest on Total Pension Liability	135,227	125,649	119,753	113,567	112,806	107,456	93,255	85,511
Difference Between Expected and Actual Experience	112,085	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	(47,298)	(41,253)	(43,261)	(38,790)	(30,080)	(25,433)	(27,654)	(16,355)
Net Change in Total Pension Liability	<u>241,127</u>	<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>1,866,485</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>	<u>1,132,239</u>
Total Pension Liability - Ending (A)	<u>\$ 2,107,612</u>	<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	\$ 32,214	\$ 37,054	\$ 37,332	\$ 46,025	\$ 50,096	\$ 43,480	\$ 40,246	\$ 37,316
Employee Contributions	60,541	47,693	41,288	40,396	33,196	30,020	28,400	23,711
Investment Income	(251,569)	298,646	250,681	259,910	28,803	174,875	80,463	(15,517)
Benefit Payments and Refunds	(47,298)	(41,253)	(43,261)	(38,790)	(30,080)	(25,433)	(27,654)	(16,355)
Other	(277,820)	(227,469)	(186,584)	(1,318)	(732)	(942)	(1,195)	(36)
Net Change in Plan Fiduciary Net Position	<u>(483,932)</u>	<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>1,969,632</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>	<u>996,620</u>
Plan Fiduciary Net Position, Ending (B)	<u>\$ 1,485,700</u>	<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)	\$ 621,912	\$ (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	70.49 %	105.53 %	106.95 %	106.11 %	92.37 %	91.03 %	80.21 %	82.38 %
Covered Valuation Payroll	\$ 512,970	\$ 445,895	\$ 408,477	\$ 394,775	\$ 384,839	\$ 366,921	\$ 346,052	\$ 325,619
Net Pension Liability as a Percentage of Covered Valuation Payroll	121.24 %	(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
APRIL 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)
(UNAUDITED)**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2023	\$ 32,215	\$ 30,406	\$ (1,809)	\$ 506,213	6.01 %
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
YEAR ENDED APRIL 30, 2023
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2022
(UNAUDITED)

	2023		
	Original and Final Estimated Revenue and Appropriation	Actual	2022 Actual
REVENUES			
Property and Mobile Home Taxes	\$ 317,312	\$ 318,451	\$ 286,089
Road and Bridge Taxes	72,000	69,729	69,410
Sales, Use, and Video Gaming Taxes	495,500	439,064	392,566
State Income Taxes	500,000	525,077	543,737
Replacement Taxes	1,800	2,245	1,673
Permits, Licenses, and Franchise Fees	48,600	41,445	38,484
Charges for Services	260,000	246,471	248,391
Grants	-	-	50,000
Fines	3,000	6,793	4,217
Interest	1,700	52,879	1,671
Rent	1,500	1,500	1,500
Other	2,000	318	1,923
Total Revenues	1,703,412	1,703,972	1,639,661
EXPENDITURES			
Wages	308,320	276,750	258,733
General, Liability, Workers' Compensation, and Unemployment Compensation Insurance	97,500	33,507	30,807
Health Insurance	65,000	56,268	45,217
Repairs, Maintenance, and Supplies	141,000	43,467	62,957
Street Maintenance	150,000	157,951	3,780
Snow Removal	30,000	8,735	19,555
Garbage Disposal	290,000	224,029	270,429
Sewer Fee	500	-	-
Utilities and Telephone	23,000	12,175	12,726
Street Lighting	25,000	7,407	6,399
Rent	2,000	4,650	-
Office Supplies and Postage	15,500	2,085	2,856
Advertising, Printing, and Publications	6,000	1,663	1,287
Professional Fees	80,000	41,543	27,707
Animal Control	500	-	-
Travel and Training	4,000	360	296
Police Protection	130,000	107,915	112,241
Uniforms	2,000	730	1,378
Civil Defense	15,000	-	1,881
Gas and Oil	30,000	16,036	16,357
Capital Improvements	750,000	340,189	320,380
Debt Service	110,000	105,518	105,518
Engineering	50,000	63,975	23,849
Contingencies and Other	58,000	10,019	9,478
Total Expenditures	2,383,320	1,514,972	1,333,831

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 (CONTINUED)
YEAR ENDED APRIL 30, 2023
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2022
(UNAUDITED)

	2023			2022
	Original and Final Estimated Revenue and Appropriation	Actual		Actual
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (679,908)</u>	\$ 189,000		\$ 305,830
Fund Balance - Beginning of Year		1,533,334		1,227,504
FUND BALANCE - END OF YEAR		\$ 1,722,334		\$ 1,533,334

See accompanying Notes to Required Supplementary Information.

**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, 2023
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2022**

	2023		
	Original and Final Estimated Revenues and Appropriation	Actual	2022 Actual
REVENUES			
Motor Fuel Taxes	\$ 215,000	\$ 177,389	\$ 212,581
Interest	300	4,413	390
Total Revenues	215,300	181,802	212,971
EXPENDITURES			
Street Maintenance	300,000	395,896	-
Rental of Equipment	5,000	-	-
Engineering	35,000	-	-
Total Expenditures	340,000	395,896	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (124,700)	(214,094)	212,971
Fund Balance - Beginning of Year		363,086	150,115
FUND BALANCE - END OF YEAR		\$ 148,992	\$ 363,086

See accompanying Notes to Required Supplementary Information.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2023

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 2022 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 2022 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>	21-year closed period
<i>Asset Valuation Method:</i>	Five-year smoothed market; 20% corridor
<i>Wage Growth:</i>	2.75%
<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, 2023**

CSFA Number	Program Name	State	Federal	Other	Total
420-00-1758	Site Improvements	\$ 406,475	\$ -	\$ -	\$ 406,475
N/A	America Rescue Plan Act	-	465,577	-	465,577
	All Other Costs Not Allocated	-	-	2,764,264	2,764,264
	Total	<u>\$ 406,475</u>	<u>\$ 465,577</u>	<u>\$ 2,764,264</u>	<u>\$ 3,636,316</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
APRIL 30, 2023**

	Illinois Municipal Retirement Fund	Social Security Fund	Audit Fund	Business District Fund	Total
ASSETS					
Cash on Hand and in Banks	\$ 42,376	\$ (3,381)	\$ 3,103	\$ 148,236	\$ 190,334
General Property Tax Receivable	20,000	45,000	35,000	-	100,000
Due from State of Illinois	-	-	-	26,431	26,431
	<u>62,376</u>	<u>(3,381)</u>	<u>3,103</u>	<u>174,667</u>	<u>216,765</u>
Total Assets	<u>\$ 62,376</u>	<u>\$ 41,619</u>	<u>\$ 38,103</u>	<u>\$ 174,667</u>	<u>\$ 316,765</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	\$ 20,000	\$ 45,000	\$ 35,000	\$ -	\$ 100,000
FUND BALANCE (DEFICIT)					
Restricted for:					
Business District	-	-	-	174,667	174,667
Assigned for:					
Audit	-	-	3,103	-	3,103
Retirement	42,376	-	-	-	42,376
Unassigned	-	(3,381)	-	-	(3,381)
Total Fund Balance (Deficit)	<u>42,376</u>	<u>(3,381)</u>	<u>3,103</u>	<u>174,667</u>	<u>216,765</u>
Total Deferred Inflows of Resources and Fund Balance	<u>\$ 62,376</u>	<u>\$ 41,619</u>	<u>\$ 38,103</u>	<u>\$ 174,667</u>	<u>\$ 316,765</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2023**

	Illinois Municipal Retirement Fund	Social Security Fund	Audit Fund	Business District Fund	Total
REVENUES					
Property and Mobile Home Taxes	\$ 20,045	\$ 32,985	\$ 21,060	\$ -	\$ 74,090
Sales Taxes	-	-	-	117,272	117,272
Interest	-	-	-	327	327
Total Revenues	<u>20,045</u>	<u>32,985</u>	<u>21,060</u>	<u>117,599</u>	<u>191,689</u>
EXPENDITURES					
Illinois Municipal Retirement	30,400	-	-	-	30,400
Social Security and Medicare	-	44,339	-	-	44,339
Professional Fees	-	-	28,035	-	28,035
Business District Development	-	-	-	27,674	27,674
Capital Outlay	-	-	-	70,938	70,938
Total Expenditures	<u>30,400</u>	<u>44,339</u>	<u>28,035</u>	<u>98,612</u>	<u>201,386</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(10,355)	(11,354)	(6,975)	18,987	(9,697)
Fund Balance - Beginning of Year	<u>52,731</u>	<u>7,973</u>	<u>10,078</u>	<u>155,680</u>	<u>226,462</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ 42,376</u></u>	<u><u>\$ (3,381)</u></u>	<u><u>\$ 3,103</u></u>	<u><u>\$ 174,667</u></u>	<u><u>\$ 216,765</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, 2023
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2022**

	2023			2022
	Original and Final Estimated Revenues and Appropriation	Actual		Actual
REVENUES				
Property and Mobile Home Taxes	\$ 20,000	\$ 20,045	\$	45,845
Total Revenues	20,000	20,045		45,845
EXPENDITURES				
Illinois Municipal Retirement	80,000	30,400		35,966
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (60,000)</u>	(10,355)		9,879
Fund Balance - Beginning of Year		52,731		42,852
FUND BALANCE - END OF YEAR		<u>\$ 42,376</u>	\$	<u>52,731</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, 2023
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2022**

	2023		
	Original and Final Estimated Revenues and Appropriation	Actual	2022 Actual
REVENUES			
Property and Mobile Home Taxes	\$ 33,000	\$ 32,985	\$ 37,853
Total Revenues	33,000	32,985	37,853
EXPENDITURES			
Social Security and Medicare	48,000	44,339	42,211
DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (15,000)</u>	(11,354)	(4,358)
Fund Balance - Beginning of Year		7,973	12,331
FUND BALANCE (DEFICIT) - END OF YEAR		<u>\$ (3,381)</u>	<u>\$ 7,973</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, 2023
 WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2022**

	2023			2022
	Original and Final Estimated Revenues and Appropriation	Actual		Actual
REVENUES				
Property and Mobile Home Taxes	\$ 21,000	\$ 21,060	\$	19,936
Total Revenues	21,000	21,060		19,936
EXPENDITURES				
Professional Fees	30,000	28,035		26,250
DEFICIENCY OF REVENUES UNDER EXPENDITURES	\$ (9,000)	(6,975)		(6,314)
Fund Balance - Beginning of Year		10,078		16,392
FUND BALANCE - END OF YEAR		\$ 3,103		\$ 10,078

**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, 2023
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2022**

	2023		
	Original and Final Estimated Revenues and Appropriation	Actual	2022 Actual
REVENUES			
Business District Sales Taxes	\$ -	\$ 117,272	\$ 105,549
Interest	-	327	43
Total Revenues	-	117,599	105,592
EXPENDITURES			
Professional Fees	55,000	-	-
Business District Development	200,000	27,674	5,393
Capital Outlay		70,938	35,195
Total Expenditures	255,000	98,612	40,588
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (255,000)</u>	18,987	65,004
Fund Balance - Beginning of Year		155,680	90,676
FUND BALANCE - END OF YEAR		<u>\$ 174,667</u>	<u>\$ 155,680</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS, TAX
DISTRIBUTIONS, AND TAX RATES
TAX YEARS 2022, 2021, AND 2020 (UNAUDITED)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSESSED VALUATION	<u>\$ 90,251,400</u>	<u>\$ 84,639,172</u>	<u>\$ 84,462,019</u>
General	.1992	.2558	.2267
Liability Insurance	.0388	.0331	.0296
Police Protection	.0743	.0745	.0746
Social Security	.0499	.0390	.0450
Street Lighting	.0056	.0060	.0083
Audit	.0388	.0249	.0237
Illinois Municipal Retirement	.0222	.0237	.0545
Emergency Services and Disaster Agency	.0056	.0060	.0009
Total	<u>.4344</u>	<u>.4630</u>	<u>.4633</u>
TAX EXTENSIONS			
General	\$ 179,781	\$ 216,338	\$ 191,475
Liability Insurance	35,018	28,016	25,001
Police Protection	67,057	63,056	63,009
Social Security	45,035	33,009	38,008
Street Lighting	5,054	5,078	7,010
Audit	35,017	21,075	20,018
Illinois Municipal Retirement	20,036	20,059	46,032
Emergency Services and Disaster Agency	5,054	4,681	760
Total	<u>\$ 392,052</u>	<u>\$ 391,312</u>	<u>\$ 391,313</u>
TAX COLLECTIONS RECEIVED BY VILLAGE	<u>\$ -</u>	<u>\$ 392,541</u>	<u>\$ 389,723</u>
ESTIMATED RECEIVABLE	<u>\$ 392,052</u>	<u>\$ 391,312</u>	<u>\$ 391,313</u>
PERCENT COLLECTED	0.00 %	100.31 %	99.59 %



**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, 2023, 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 August 4, 2023.

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 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

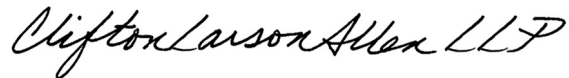
As part of obtaining reasonable assurance about whether Village of Germantown Hills, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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
August 4, 2023

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED APRIL 30, 2023**

FINANCIAL STATEMENT FINDINGS

Finding No. 2023-001 – 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 Doubet, Administrator

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED APRIL 30, 2023**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding No. 2023-002 – 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 Doubet, Administrator



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