

VILLAGE OF GERMANTOWN HILLS, ILLINOIS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED APRIL 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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YEAR ENDED APRIL 30, 2024**

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**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
PRINCIPAL OFFICIALS
APRIL 30, 2024**

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Karl Figg, President

Paige Patel

Nathan Henricks

Heather Armistead

Tom Eckstein

Todd Rice

Stephanie Chaon

Ann Doubet, Administrator

Julia Miller, Treasurer

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, 2024, 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, 2024, 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, 2024 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Germantown Hills, Illinois' basic financial statements. The consolidated year-end financial report, combining balance sheet, combining schedule of revenues, expenditures, and changes in fund balance, including estimated revenues, appropriations, and actual comparisons, and the schedule of assessed valuations, tax extensions, tax distributions, and tax rates 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 auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2024 and certain additional procedures, including comparing and reconciling such information directly to the underlying 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, combining balance sheet, combining schedule of revenues, expenditures, and changes in fund balance, including estimated revenues, appropriations, and actual comparisons, and the schedule of assessed valuations, tax extensions, tax distributions, and tax rates are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended April 30, 2024.

We also previously audited, in accordance with GAAS, the basic financial statements of the Village of Germantown Hills, Illinois as of and for the year ended April 30, 2023, (not presented herein) and have issued our report thereon dated August 4, 2023 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, 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 underlying accounting and other records used to prepare the April 30, 2023 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. 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, 2023.

Our audit was conducted for the purpose of forming opinions on the basic financial statements as 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 basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2024, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Peoria, Illinois
September 5, 2024

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2024

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|--------------|
| ASSETS | | | |
| Cash on Hand and in Banks | \$ 2,460,181 | \$ 1,769,120 | \$ 4,229,301 |
| General Property Tax Receivable | 392,052 | - | 392,052 |
| Receivables - User Fees | - | 21,357 | 21,357 |
| Due from State of Illinois | 326,820 | - | 326,820 |
| Receivables - Other | 11,201 | - | 11,201 |
| Prepaid Items | 25,106 | 2,393 | 27,499 |
| Restricted Assets - Cash and Cash Equivalents: | | | |
| Emergency Services | 11,537 | - | 11,537 |
| Street Lighting | 4,948 | - | 4,948 |
| IEPA Loan Reserves | - | 540,039 | 540,039 |
| Held for Future Sewer System Construction | - | 98,693 | 98,693 |
| Total Restricted Assets | 16,485 | 638,732 | 655,217 |
| Property and Equipment - at Cost: | | | |
| Not Depreciated: | | | |
| Land | 336,108 | 208,693 | 544,801 |
| Construction in Progress | 243,879 | 7,500 | 251,379 |
| Depreciated: | | | |
| Sewer Plant | - | 10,743,912 | 10,743,912 |
| Intercepting Sewers | - | 300,595 | 300,595 |
| Rehabilitation of Sewer System | - | 3,308,415 | 3,308,415 |
| Building | 362,219 | 47,931 | 410,150 |
| Infrastructure | 2,980,647 | - | 2,980,647 |
| Equipment | 629,689 | 338,366 | 968,055 |
| Vehicles | 262,484 | - | 262,484 |
| Total | 4,815,026 | 14,955,412 | 19,770,438 |
| Less: Accumulated Depreciation | 2,034,513 | 7,736,911 | 9,771,424 |
| Net Property and Equipment | 2,780,513 | 7,218,501 | 9,999,014 |
| Total Assets | 6,012,358 | 9,650,103 | 15,662,461 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amount Related to Net Pension Liability | 33,137 | 89,444 | 122,581 |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
APRIL 30, 2024

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------|
| LIABILITIES | | | |
| Accounts Payable | \$ 42,765 | \$ 7,924 | \$ 50,689 |
| Accrued Interest | - | 13,210 | 13,210 |
| Accrued Wages Payable | 3,485 | 3,563 | 7,048 |
| User Fees Received in Advance | - | 6,837 | 6,837 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 100,094 | 312,437 | 412,531 |
| Due in More than One Year | 103,043 | 3,489,012 | 3,592,055 |
| Total Liabilities | 249,387 | 3,832,983 | 4,082,370 |
| NET PENSION LIABILITY | 6,788 | 18,321 | 25,109 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Franchise Fees | 3,940 | - | 3,940 |
| Subsequent Year's Property Taxes | 392,052 | - | 392,052 |
| Deferred Amount Related to Net Pension Liability | 18,075 | 48,788 | 66,863 |
| Total Deferred Inflows of Resources | 414,067 | 48,788 | 462,855 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 2,577,376 | 3,417,052 | 5,994,428 |
| Restricted for: | | | |
| IEPA Loan Debt Service | - | 540,039 | 540,039 |
| Future Sewer System Construction | - | 98,693 | 98,693 |
| Transportation | 298,846 | - | 298,846 |
| Audit | 191 | - | 191 |
| Retirement | 31,670 | - | 31,670 |
| Business District | 248,116 | - | 248,116 |
| Emergency Services | 11,537 | - | 11,537 |
| Street Lighting | 4,948 | - | 4,948 |
| Unrestricted | 2,202,569 | 1,783,671 | 3,986,240 |
| Total Net Position | \$ 5,375,253 | \$ 5,839,455 | \$ 11,214,708 |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2024**

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | Net (Expenses) Revenue and Changes in Net Position | | |
|------------------------------------|--------------|-------------------------|---------------------|---|-----------------------------|---------------|
| | | Charges for Services | Operating Grants | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | |
| General Government | \$ 946,781 | \$ 314,982 | \$ 96,090 | \$ (535,709) | \$ - | \$ (535,709) |
| Public Safety | 127,219 | 22,419 | - | (104,800) | - | (104,800) |
| Highways and Streets | 150,673 | - | - | (150,673) | - | (150,673) |
| Interest Expense | 9,825 | - | - | (9,825) | - | (9,825) |
| Total Governmental Activities | 1,234,498 | 337,401 | 96,090 | (801,007) | - | (801,007) |
| Business-Type Activities: | | | | | | |
| Sewer Services | 1,115,120 | 1,214,897 | 300,000 | - | 399,777 | 399,777 |
| Total Government | \$ 2,349,618 | \$ 1,552,298 | \$ 396,090 | (801,007) | 399,777 | (401,230) |
| GENERAL REVENUES | | | | | | |
| Property and Mobile Home Taxes | | | | 392,129 | - | 392,129 |
| Road and Bridge Taxes | | | | 74,305 | - | 74,305 |
| Business District Sales Taxes | | | | 114,816 | - | 114,816 |
| Sales, Use, and Video Gaming Taxes | | | | 450,901 | - | 450,901 |
| State Income Taxes | | | | 567,827 | - | 567,827 |
| Replacement Taxes | | | | 1,984 | - | 1,984 |
| Motor Fuel Taxes | | | | 149,854 | - | 149,854 |
| Interest | | | | 118,116 | 101,960 | 220,076 |
| Rent | | | | 1,500 | - | 1,500 |
| Other | | | | 10,731 | - | 10,731 |
| Total General Revenues | | | | 1,882,163 | 101,960 | 1,984,123 |
| CHANGE IN NET POSITION | | | | 1,081,156 | 501,737 | 1,582,893 |
| Net Position - Beginning of Year | | | | 4,294,097 | 5,337,718 | 9,631,815 |
| NET POSITION - END OF YEAR | | | | \$ 5,375,253 | \$ 5,839,455 | \$ 11,214,708 |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2024**

| | General Fund | Motor Fuel Tax Fund | Other Nonmajor Governmental Funds | Total |
|---|-------------------------|---------------------------|--|-------------------------|
| ASSETS | | | | |
| Cash on Hand and in Banks | \$ 1,915,829 | \$ 297,042 | \$ 247,310 | \$ 2,460,181 |
| General Property Tax Receivable | 287,052 | - | 105,000 | 392,052 |
| Accounts Receivable | 11,201 | - | - | 11,201 |
| Due from State of Illinois | 288,071 | 12,272 | 26,477 | 326,820 |
| Prepaid Items | 25,106 | - | - | 25,106 |
| Restricted Assets - Cash: | | | | |
| Emergency Services | 11,537 | - | - | 11,537 |
| Street Lighting | 4,948 | - | - | 4,948 |
| Total Restricted Assets - Cash | <u>16,485</u> | <u>-</u> | <u>-</u> | <u>16,485</u> |
| Total Assets | <u>\$ 2,543,744</u> | <u>\$ 309,314</u> | <u>\$ 378,787</u> | <u>\$ 3,231,845</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 42,765 | \$ - | \$ - | \$ 42,765 |
| Accrued Wages Payable | 3,485 | - | - | 3,485 |
| Total Liabilities | <u>46,250</u> | <u>-</u> | <u>-</u> | <u>46,250</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Franchise Fees | 3,940 | - | - | 3,940 |
| Subsequent Year's Property Taxes | 287,052 | - | 105,000 | 392,052 |
| Total Deferred Inflows of Resources | <u>290,992</u> | <u>-</u> | <u>105,000</u> | <u>395,992</u> |
| FUND BALANCE | | | | |
| Nonspendable | 25,106 | - | - | 25,106 |
| Restricted | 16,485 | 298,846 | 279,977 | 595,308 |
| Assigned | - | 10,468 | - | 10,468 |
| Unassigned | 2,164,911 | - | (6,190) | 2,158,721 |
| Total Fund Balance | <u>2,206,502</u> | <u>309,314</u> | <u>273,787</u> | <u>2,789,603</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 2,543,744</u> | <u>\$ 309,314</u> | <u>\$ 378,787</u> | <u>\$ 3,231,845</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, 2024**

| | |
|--|----------------------------|
| Total Fund Balances - Governmental Funds | \$ 2,789,603 |
| 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 | 2,780,513 |
| Deferred Outflows of Resources for Net Pension Liability | 33,137 |
| Deferred Inflows of Resources for Net Pension Liability | (18,075) |
| Long-Term Liabilities, Including Debt Certificates, Used in Governmental Activities Not Reported in Governmental Funds | (203,137) |
| Long-Term Liabilities, Including Net Pension Liabilities, Used in Governmental Activities Not Reported in Governmental Funds | <u>(6,788)</u> |
| Total Net Position - Governmental Activities | <u><u>\$ 5,375,253</u></u> |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2024**

| | General Fund | Motor Fuel Tax Fund | Other Nonmajor Governmental Funds | Total |
|--|---------------------|---------------------------|--|---------------------|
| REVENUES | | | | |
| Property and Mobile Home Taxes | \$ 292,110 | \$ - | \$ 100,019 | \$ 392,129 |
| Road and Bridge Taxes | 74,305 | - | - | 74,305 |
| Sales, Use, and Video Gaming Taxes | 450,901 | - | 114,816 | 565,717 |
| State Income Taxes | 567,827 | - | - | 567,827 |
| Replacement Taxes | 1,984 | - | - | 1,984 |
| Motor Fuel Taxes | - | 149,854 | - | 149,854 |
| Permits, Licenses, and Franchise Fees | 41,955 | - | - | 41,955 |
| Charges for Services | 273,027 | - | - | 273,027 |
| Grants | 96,090 | - | - | 96,090 |
| Fines | 22,419 | - | - | 22,419 |
| Interest | 106,559 | 10,468 | 1,089 | 118,116 |
| Rent | 1,500 | - | - | 1,500 |
| Other | 10,731 | - | - | 10,731 |
| Total Revenues | <u>1,939,408</u> | <u>160,322</u> | <u>215,924</u> | <u>2,315,654</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 910,679 | - | 116,447 | 1,027,126 |
| Public Safety | 127,219 | - | - | 127,219 |
| Highways and Streets | 34,555 | - | - | 34,555 |
| Capital Outlay | 277,269 | - | 42,455 | 319,724 |
| Debt Service: | | | | |
| Principal | 95,693 | - | - | 95,693 |
| Interest | 9,825 | - | - | 9,825 |
| Total Expenditures | <u>1,455,240</u> | <u>-</u> | <u>158,902</u> | <u>1,614,142</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 484,168 | 160,322 | 57,022 | 701,512 |
| Fund Balance - Beginning of Year | <u>1,722,334</u> | <u>148,992</u> | <u>216,765</u> | <u>2,088,091</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 2,206,502</u> | <u>\$ 309,314</u> | <u>\$ 273,787</u> | <u>\$ 2,789,603</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, 2024**

Net Changes in Fund Balance - Total Governmental Funds \$ 701,512

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 | \$ 319,722 | |
| Depreciation Expense | (205,785) | |
| Net | | 113,937 |

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 | 217,547 | |
| Pension Expense | (47,533) | |
| Net | | 170,014 |

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 | | 95,693 |
|---|--|--------|

| | | |
|---|--|--------------|
| Change in Net Position in Governmental Activities | | \$ 1,081,156 |
|---|--|--------------|

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
SEWER FUND
APRIL 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

| | | |
|--|----|------------|
| Cash on Hand and in Banks | \$ | 1,769,120 |
| Receivables - User Fees | | 21,357 |
| Prepaid Items | | 2,393 |
| Restricted Assets: | | |
| IEPA Loan Reserves: | | |
| Cash | | 540,039 |
| Held For Future Sewer System Construction: | | |
| Cash | | 98,693 |
| Total Restricted Assets | | 638,732 |
| Property and Equipment - at Cost: | | |
| Not Depreciated: | | |
| Land | | 208,693 |
| Construction in Progress | | 7,500 |
| Depreciated: | | |
| Sewer Plant | | 10,743,912 |
| Intercepting Sewers | | 300,595 |
| Rehabilitation of Sewer System | | 3,308,415 |
| Building | | 47,931 |
| Equipment | | 338,366 |
| Total | | 14,955,412 |
| Less: Accumulated Depreciation | | 7,736,911 |
| Net Property and Equipment | | 7,218,501 |
| Total Assets | | 9,650,103 |

DEFERRED OUTFLOWS OF RESOURCES

| | | |
|--|--|--------------|
| Deferred Amount Related to Net Pension Liability | | 89,444 |
| | | 89,444 |
| Total Assets and Deferred Outflows of Resources | | \$ 9,739,547 |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
SEWER FUND
APRIL 30, 2024**

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

LIABILITIES

| | | |
|-------------------------------|----|-----------|
| Accounts Payable | \$ | 7,924 |
| Accrued Interest | | 13,210 |
| Accrued Wages Payable | | 3,563 |
| User Fees Received in Advance | | 6,837 |
| Long-Term Liabilities: | | |
| Due Within One Year | | 312,437 |
| Due in More than One Year | | 3,489,012 |
| Total Liabilities | | 3,832,983 |

NET PENSION LIABILITY

18,321

DEFERRED INFLOWS OF RESOURCES

| | | |
|--|--|--------|
| Deferred Amount Related to Net Pension Liability | | 48,788 |
|--|--|--------|

NET POSITION

| | | |
|----------------------------------|--|-----------|
| Net Investment in Capital Assets | | 3,417,052 |
| Restricted for: | | |
| IEPA Loan Debt Service | | 540,039 |
| Future Sewer System Construction | | 98,693 |
| Unrestricted | | 1,783,671 |
| Total Net Position | | 5,839,455 |

| | | |
|--|----|-----------|
| Total Liabilities, Net Pension Liability, Deferred Inflows of Resources, and Net Position | \$ | 9,739,547 |
|--|----|-----------|

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, 2024

| | |
|---|------------------|
| OPERATING REVENUES | |
| User Fees | \$ 1,204,154 |
| Hook-Up Fees | 10,400 |
| Miscellaneous | 343 |
| Total Operating Revenues | 1,214,897 |
| OPERATING EXPENSE | |
| Operating Expenses Other than Depreciation | 434,401 |
| Depreciation Expense | 603,617 |
| Total Operating Expense | 1,038,018 |
| OPERATING INCOME | 176,879 |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest Income | 101,960 |
| Interest Expense | (77,102) |
| Grant Income | 300,000 |
| Total Nonoperating Revenues (Expenses) | 324,858 |
| NET INCOME | 501,737 |
| CHANGE IN NET POSITION | 501,737 |
| Net Position - Beginning of Year | 5,337,718 |
| NET POSITION - END OF YEAR | \$ 5,839,455 |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS
SEWER FUND
YEAR ENDED APRIL 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|--------------|
| Cash Received from Customers | \$ 1,216,477 |
| Cash Payments to Suppliers and Vendors for Goods and Services | (444,094) |
| Cash Payments to Employees for Services | (247,368) |
| Net Cash Provided by Operating Activities | 525,015 |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|----------------|---------|
| Grant Receipts | 300,000 |
|----------------|---------|

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|-----------|
| Purchase of Capital Assets | (75,325) |
| Principal Paid on Loans and Note Payable | (306,064) |
| Interest Paid on Loans and Note Payable | (77,809) |
| Net Cash Used by Capital and Related Financing Activities | (459,198) |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-----------------|---------|
| Interest Income | 101,960 |
|-----------------|---------|

NET INCREASE IN CASH AND CASH EQUIVALENTS

467,777

Cash and Cash Equivalents - Beginning of Year

1,940,075

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 2,407,852

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
SEWER FUND
YEAR ENDED APRIL 30, 2024**

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

| | | |
|---|----|--------------------------|
| Operating Income | \$ | 176,879 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | | 603,617 |
| Effects of Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources: | | |
| Receivables | | (1,545) |
| Deferred Outflows of Resources Related to Net Pension Liability | | 50,700 |
| Accounts Payable | | (5,179) |
| Accrued Wages Payable | | 2,867 |
| User Fees Received in Advance | | 3,125 |
| Net Pension Asset | | (348,391) |
| Deferred Inflows of Resources | | 42,942 |
| Total Adjustments | | <u>348,136</u> |
| Net Cash Provided by Operating Activities | | <u><u>\$ 525,015</u></u> |

COMPONENTS OF CASH

| | | |
|---|----|----------------------------|
| Cash on Hand and in Banks | \$ | 1,769,120 |
| Restricted Assets: | | |
| Illinois Environmental Protection Agency Loan Reserves: | | |
| Cash | | 540,039 |
| Held for Future Sewer System Construction: | | |
| Cash | | 98,693 |
| Total Cash | | <u><u>\$ 2,407,852</u></u> |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

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, 2024

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, 2024

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, 2024**

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, 2024, 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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that apply to future periods which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the Village after the measurement date but before the Village's reporting period.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to future periods which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of subsequent year property tax receivables that will not be recognized until the year for which they are levied and franchise fees received in advance.

Deferred inflows of resources in the statement of net position consist of subsequent year property tax receivable that will not be recognized until the year for which they are levied, franchise fees received in advance, unrecognized items not yet charged to pension expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

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.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Liabilities

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

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

Fund Balance Classification

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

Nonspendable

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

Restricted

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

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, 2024

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, 2024, 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, 2024**

NOTE 2 PROPERTY TAXES (CONTINUED)

The 2022 tax levy is reflected as revenue in fiscal year 2024 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 2023 tax levy is not recognized as revenue because the taxes are considered to be levied to finance the next fiscal year. The 2023 tax levy is recorded as general property taxes receivable and related deferred inflows of resources at April 30, 2024.

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, 2024, \$537,255 of the Village’s bank balance of \$787,255 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, 2024.

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.

| | <u>Bank Balance</u> | <u>Book Balance</u> |
|------------------------|---------------------|---------------------|
| Illinois Funds | \$ 4,341,391 | \$ 4,297,263 |
| Financial Institutions | 787,255 | 587,255 |
| Total | <u>\$ 5,128,646</u> | <u>\$ 4,884,518</u> |

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 4 CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended April 30, 2024, was as follows:

| | May 1, 2023 | Additions | Deductions | April 30, 2024 |
|---|----------------|------------|------------|-------------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 336,108 | \$ - | \$ - | \$ 336,108 |
| Construction in Progress | 2,402 | 241,477 | - | 243,879 |
| Total Capital Assets Not Being Depreciated | 338,510 | 241,477 | - | 579,987 |
| Capital Assets Being Depreciated: | | | | |
| Building | 338,420 | 23,799 | - | 362,219 |
| Infrastructure | 2,973,192 | 7,455 | - | 2,980,647 |
| Equipment | 629,689 | - | - | 629,689 |
| Vehicles | 215,493 | 46,991 | - | 262,484 |
| Total Capital Assets Being Depreciated | 4,156,794 | 78,245 | - | 4,235,039 |
| Less: Accumulated Depreciation | 1,828,728 | 205,785 | - | 2,034,513 |
| Total Capital Assets Being Depreciated, Net | 2,328,066 | (127,540) | - | 2,200,526 |
| Governmental Activities Capital Assets, Net | \$ 2,666,576 | \$ 113,937 | \$ - | \$ 2,780,513 |

Depreciation expense was charged to functions/programs as follows:

| | |
|--|------------|
| Governmental Activities: | |
| General Government | \$ 16,388 |
| Highway and Streets | 189,397 |
| Total Depreciation Expense - Governmental Activities | \$ 205,785 |

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 4 CAPITAL ASSETS (CONTINUED)

| | May 1, 2023 | Additions | Deductions | April 30, 2024 |
|-----------------------------------|---------------------|---------------------|-------------------|---------------------|
| Business-Type Activities - | | | | |
| Sewer Services: | | | | |
| Capital Assets Not Being | | | | |
| Depreciated: | | | | |
| Land | \$ 208,693 | \$ - | \$ - | \$ 208,693 |
| Construction in Progress | 307,918 | 5,098 | 305,516 | 7,500 |
| Total Capital Assets not | | | | |
| Being Depreciated | 516,611 | 5,098 | 305,516 | 216,193 |
| Capital Assets Being Depreciated: | | | | |
| Sewer Plant | 10,398,136 | 345,776 | - | 10,743,912 |
| Intercepting Sewers | 300,595 | - | - | 300,595 |
| Rehabilitation Sewer System | 3,308,415 | - | - | 3,308,415 |
| Building | 47,931 | - | - | 47,931 |
| Equipment | 308,399 | 29,967 | - | 338,366 |
| Total Capital Assets Being | | | | |
| Depreciated | 14,363,476 | 375,743 | - | 14,739,219 |
| Less: Accumulated Depreciation | 7,133,294 | 603,617 | - | 7,736,911 |
| Total Capital Assets Being | | | | |
| Depreciated, Net | 7,230,182 | (227,874) | - | 7,002,308 |
| Business-Type Activities | | | | |
| Capital Assets, Net | <u>\$ 7,746,793</u> | <u>\$ (222,776)</u> | <u>\$ 305,516</u> | <u>\$ 7,218,501</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, 2024**

**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:

| <u>Account</u> | <u>Description and Amount</u> | <u>Nature of Authorized Expenditures</u> |
|-----------------------------|---|--|
| 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, 2024, \$291,444 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, 2024, \$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, 2024, \$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, 2024

**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, 2024, 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 \$203,137 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, 2024**

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

A description of the debt certificates payable as of April 30, 2024, 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% \$ 203,137

The annual requirements to amortize all debt outstanding at April 30, 2024, are as follows:

| <u>Year Ending April 30,</u> | Governmental Activities Note Payable from Direct Borrowings | | |
|------------------------------|--|----------|------------|
| | Principal | Interest | Total |
| 2025 | \$ 100,094 | \$ 5,424 | \$ 105,518 |
| 2026 | 103,043 | 2,358 | 105,401 |
| Total | \$ 203,137 | \$ 7,782 | \$ 210,919 |

The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2024:

| | Debt Certificates Payable |
|---------------------------------|---------------------------------|
| Long-Term Debt- April 30, 2023 | \$ 298,830 |
| Reduction - Payments on Debt | 95,693 |
| Long-Term Debt - April 30, 2024 | 203,137 |
| Due in One Year | 100,094 |
| Due in More than One Year | \$ 103,043 |

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

Business-Type Activities

The annual requirements to amortize all debt outstanding at April 30, 2024, are as follows:

| <u>Year Ending April 30,</u> | Illinois Environmental Protection Agency Loans Payable | | | | |
|------------------------------|--|---------------------|---------------------|-------------------|---------------------|
| | 2005 Loan | 2015 Loan | 2019 Loan | Interest | Total |
| 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 | - | 91,083 | 148,844 | 48,798 | 288,725 |
| 2030-2034 | - | 483,553 | 786,519 | 173,553 | 1,443,625 |
| 2035-2039 | - | 102,604 | 861,950 | 62,502 | 1,027,056 |
| 2040 | - | - | 182,067 | 2,516 | 184,583 |
| Total | <u>\$ 229,203</u> | <u>\$ 1,024,019</u> | <u>\$ 2,548,227</u> | <u>\$ 535,310</u> | <u>\$ 4,336,759</u> |

| <u>Year Ending April 30,</u> | Total Long-Term Debt | | |
|------------------------------|----------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 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 |
| 2029 | 239,927 | 48,798 | 288,725 |
| 2030-2034 | 1,270,072 | 173,553 | 1,443,625 |
| 2035-2039 | 964,554 | 62,502 | 1,027,056 |
| 2040 | 182,067 | 2,516 | 184,583 |
| Total | <u>\$ 3,801,449</u> | <u>\$ 535,310</u> | <u>\$ 4,336,759</u> |

The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2024:

| | IEPA Loans Payable |
|---------------------------------|-----------------------|
| Long-Term Debt - April 30, 2023 | \$ 4,107,513 |
| Proceeds from New Debt | - |
| Reduction - Debt Adjustment | 306,064 |
| Long-Term Debt - April 30, 2024 | 3,801,449 |
| Due in One Year | 312,437 |
| Due in More than One Year | <u>\$ 3,489,012</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, 2024

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, 2024, the Village had debt of \$203,137 incurred against this limit of \$8,454,637 providing a debt margin of \$8,251,499.

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, 2024**

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, 2023, 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 | 10 |
| Active Plan Members | 7 |
| Total | 22 |

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 2023 and 2024 was 5.42% and 6.52%, respectively. For the fiscal year ended April 30, 2024, the Village contributed \$30,729 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, 2023. 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, 2024

NOTE 7 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The following are the methods and assumptions used to net pension liability (asset) at December 31, 2023:

- 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 2023 valuation pursuant to an experience study of the period 2020-2022.
- For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024**

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 | 34.5 % | 6.35 % |
| International Equities | 18.0 | 8.00 |
| Fixed Income | 24.5 | 4.85 |
| Real Estate | 10.5 | 7.20 |
| Alternatives: | 11.5 | |
| Private Equity | N/A | 12.35 |
| Commodities | N/A | 7.20 |
| Cash Equivalents | 1.0 | 3.80 |
| 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 3.77%; and the resulting single discount rate is 7.25%.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

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, 2022 | \$ 2,107,612 | \$ 1,485,700 | \$ 621,912 |
| Changes for the Year: | | | |
| Service Cost | 45,555 | - | 45,555 |
| Interest on Total Pension Liability | 153,265 | - | 153,265 |
| Differences Between Expected and Actual Experience of the Total Pension Liability | (93,432) | - | (93,432) |
| Changes of Assumptions | (1,327) | - | (1,327) |
| Contributions - Employer | - | 27,807 | (27,807) |
| Contributions - Employee | - | 23,087 | (23,087) |
| Investment Income | - | 263,105 | (263,105) |
| Benefit Payments, including Refunds of Employee Contributions | (39,797) | (39,797) | - |
| Administrative Expenses | - | (1,398) | 1,398 |
| Other (Net Transfer) | 3,509 | 391,772 | (388,263) |
| Net Changes | <u>67,773</u> | <u>664,576</u> | <u>(596,803)</u> |
| Balances - December 31, 2023 | <u>\$ 2,175,385</u> | <u>\$ 2,150,276</u> | <u>\$ 25,109</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>\$ 309,642</u> | <u>\$ 25,109</u> | <u>\$ (207,167)</u> |

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

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, 2024, the Village recognized pension expense of \$17,852. At April 30, 2024 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Deferred Amounts to be Recognized in Pension Expense in Future Periods: | | |
| Differences Between Expected and Actual Experience | \$ 58,393 | \$ 65,589 |
| Changes in Assumptions | - | 1,274 |
| Net Difference Between Projected and Actual Experience | 52,553 | - |
| Total Deferred Amounts to be Recognized in Pension Expense in Future Periods | 110,946 | 66,863 |
| Pension Contributions Made Subsequent to the Measurement Date | 11,635 | - |
| Total Deferred Amounts Related to Pensions | \$ 122,581 | \$ 66,863 |

\$11,635 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, 2025.

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:

| Year Ending December 31, | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--------------------------|--------------------------------------|-------------------------------------|
| 2024 | 27,180 | 29,534 |
| 2025 | 51,729 | 28,715 |
| 2026 | 56,715 | 8,614 |
| 2027 | (24,678) | - |
| Total | \$ 110,946 | \$ 66,863 |

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 8 NET POSITION/FUND BALANCE

The fund balances are considered nonspendable for the following purposes at April 30, 2024:

| | |
|---------------|------------------|
| Prepaid Items | <u>\$ 25,106</u> |
|---------------|------------------|

The fund balances are restricted for the following purposes at April 30, 2024:

| | |
|----------------------|-------------------|
| Highways and Streets | \$ 303,794 |
| Retirement | 31,670 |
| Audit | 191 |
| Business District | 248,116 |
| Public Safety | 11,537 |
| Total | <u>\$ 595,308</u> |

The fund balances are assigned for the following purposes at April 30, 2024:

| | |
|----------------------|------------------|
| Highways and Streets | <u>\$ 10,468</u> |
|----------------------|------------------|

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, 2024, 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.

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, 2024
(SEE INDEPENDENT AUDITORS' REPORT)
(UNAUDITED)

| | Calendar Year Ended December 31, | | | | | | | | |
|--|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Total Pension Liability: | | | | | | | | | |
| Service Cost | \$ 45,555 | \$ 41,113 | \$ 38,429 | \$ 40,111 | \$ 38,139 | \$ 36,973 | \$ 37,837 | \$ 35,211 | \$ 37,445 |
| Interest on Total Pension Liability | 153,265 | 135,227 | 125,649 | 119,753 | 113,567 | 112,806 | 107,456 | 93,255 | 85,511 |
| Difference Between Expected and Actual Experience | (93,432) | 112,085 | 9,262 | (20,994) | (27,507) | (106,232) | 3,605 | 87,199 | 4,414 |
| Assumption Changes | (1,327) | - | - | (15,605) | - | 52,672 | (49,389) | (4,404) | 1,909 |
| Benefit Payments and Refunds | (39,797) | (47,298) | (41,253) | (43,261) | (38,790) | (30,080) | (25,433) | (27,654) | (16,355) |
| Other | 3,509 | - | - | - | - | - | - | - | - |
| Net Change in Total Pension Liability | <u>67,773</u> | <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>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> | <u>1,132,239</u> |
| Total Pension Liability - Ending (A) | <u>\$ 2,175,385</u> | <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 | \$ 27,807 | \$ 32,214 | \$ 37,054 | \$ 37,332 | \$ 46,025 | \$ 50,096 | \$ 43,480 | \$ 40,246 | \$ 37,316 |
| Employee Contributions | 23,087 | 60,541 | 47,693 | 41,288 | 40,396 | 33,196 | 30,020 | 28,400 | 23,711 |
| Investment Income | 263,105 | (251,569) | 298,646 | 250,681 | 259,910 | 28,803 | 174,875 | 80,463 | (15,517) |
| Benefit Payments and Refunds | (39,797) | (47,298) | (41,253) | (43,261) | (38,790) | (30,080) | (25,433) | (27,654) | (16,355) |
| Other | 390,374 | (277,820) | (227,469) | (186,584) | (1,318) | (732) | (942) | (1,195) | (36) |
| Net Change in Plan Fiduciary Net Position | <u>664,576</u> | <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>1,485,700</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> | <u>996,620</u> |
| Plan Fiduciary Net Position, Ending (B) | <u>\$ 2,150,276</u> | <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) | \$ 25,109 | \$ 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 | 98.85 % | 70.49 % | 105.53 % | 106.95 % | 106.11 % | 92.37 % | 91.03 % | 80.21 % | 82.38 % |
| Covered Valuation Payroll | \$ 513,040 | \$ 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 | 4.89 % | 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, 2024
(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 |
|--------------------------------|---|------------------------|--|--------------------|--|
| 2024 | \$ 27,807 | \$ 30,729 | \$ 2,922 | \$ 530,729 | 5.79 % |
| 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, 2024
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2023
(UNAUDITED)

| | 2024 | | 2023 Actual |
|---|--|------------|----------------|
| | Original and Final Estimated Revenue and Appropriation | Actual | |
| REVENUES | | | |
| Property and Mobile Home Taxes | \$ 291,710 | \$ 292,110 | \$ 318,451 |
| Road and Bridge Taxes | 70,000 | 74,305 | 69,729 |
| Sales, Use, and Video Gaming Taxes | 570,500 | 450,901 | 439,064 |
| State Income Taxes | 535,000 | 567,827 | 525,077 |
| Replacement Taxes | 2,400 | 1,984 | 2,245 |
| Permits, Licenses, and Franchise Fees | 46,355 | 41,955 | 41,445 |
| Charges for Services | 265,000 | 273,027 | 246,471 |
| Grants | 855,000 | 96,090 | - |
| Fines | 6,000 | 22,419 | 6,793 |
| Interest | 54,000 | 106,559 | 52,879 |
| Rent | 1,500 | 1,500 | 1,500 |
| Other | 300 | 10,731 | 318 |
| Total Revenues | 2,697,765 | 1,939,408 | 1,703,972 |
| EXPENDITURES | | | |
| Wages | 338,320 | 284,459 | 276,750 |
| General, Liability, Workers' Compensation, and Unemployment Compensation Insurance | 105,000 | 36,179 | 33,507 |
| Health Insurance | 70,000 | 79,948 | 56,268 |
| Repairs, Maintenance, and Supplies | 191,000 | 72,376 | 43,467 |
| Street Maintenance | 150,000 | 9,180 | 157,951 |
| Snow Removal | 30,000 | 22,588 | 8,735 |
| Garbage Disposal | 290,000 | 261,411 | 224,029 |
| Sewer Fee | 500 | - | - |
| Utilities and Telephone | 23,000 | 12,002 | 12,175 |
| Street Lighting | 25,000 | 8,011 | 7,407 |
| Rent | 2,000 | 3,483 | 4,650 |
| Office Supplies and Postage | 15,500 | 976 | 2,085 |
| Advertising, Printing, and Publications | 6,000 | 1,833 | 1,663 |
| Professional Fees | 80,000 | 60,750 | 41,543 |
| Animal Control | 500 | - | - |
| Travel and Training | 4,000 | 529 | 360 |
| Police Protection | 145,000 | 127,006 | 107,915 |
| Uniforms | 2,000 | 1,479 | 730 |
| Civil Defense | 15,000 | 213 | - |
| Gas and Oil | 30,000 | 16,101 | 16,036 |
| Capital Improvements | 1,845,000 | 315,930 | 340,189 |
| Debt Service | 110,000 | 105,518 | 105,518 |
| Engineering | 350,000 | 25,375 | 63,975 |
| Contingencies and Other | 75,000 | 9,893 | 10,019 |
| Total Expenditures | 3,902,820 | 1,455,240 | 1,514,972 |

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, 2024
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2023
(UNAUDITED)**

| | 2024 | | |
|--|--|---------------------|---------------------|
| | Original and Final Estimated Revenue and Appropriation | Actual | 2023 Actual |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | \$ (1,205,055) | \$ 484,168 | \$ 189,000 |
| Fund Balance - Beginning of Year | | 1,722,334 | 1,533,334 |
| FUND BALANCE - END OF YEAR | | \$ 2,206,502 | \$ 1,722,334 |

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, 2024
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2023**

| | 2024 | | | 2023 |
|--|---|-------------------|----|----------------|
| | Original and Final Estimated Revenues and Appropriation | Actual | | Actual |
| REVENUES | | | | |
| Motor Fuel Taxes | \$ 132,000 | \$ 149,854 | \$ | 177,389 |
| Interest | 5,000 | 10,468 | | 4,413 |
| Total Revenues | 137,000 | 160,322 | | 181,802 |
| 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 | \$ (203,000) | 160,322 | | (214,094) |
| Fund Balance - Beginning of Year | | 148,992 | | 363,086 |
| FUND BALANCE - END OF YEAR | | \$ 309,314 | \$ | 148,992 |

See accompanying Notes to Required Supplementary Information.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2024

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 2023 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 2023 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> | 20-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> | 2.75% 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 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. |

SUPPLEMENTARY INFORMATION

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
CONSOLIDATED YEAR-END FINANCIAL REPORT
APRIL 30, 2024**

| CSFA Number | Program Name | State | Federal | Other | Total |
|----------------|-------------------------------|-------|-----------|--------------|--------------|
| 422-11-1154 | Recreational Trails Program | \$ - | \$ 36,368 | \$ - | \$ 36,368 |
| | All Other Costs Not Allocated | - | - | 2,313,250 | 2,313,250 |
| | Total | \$ - | \$ 36,368 | \$ 2,313,250 | \$ 2,349,618 |

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
APRIL 30, 2024**

| | Illinois Municipal Retirement Fund | Social Security Fund | Audit Fund | Business District Fund | Total |
|---|---|----------------------------|-------------------|------------------------------|-------------------|
| ASSETS | | | | | |
| Cash on Hand and in Banks | \$ 31,670 | \$ (6,190) | \$ 191 | \$ 221,639 | \$ 247,310 |
| General Property Tax Receivable | 20,000 | 50,000 | 35,000 | - | 105,000 |
| Due from State of Illinois | - | - | - | 26,477 | 26,477 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 51,670</u> | <u>\$ 43,810</u> | <u>\$ 35,191</u> | <u>\$ 248,116</u> | <u>\$ 378,787</u> |
| DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | | |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Subsequent Year's Property Taxes | \$ 20,000 | \$ 50,000 | \$ 35,000 | \$ - | \$ 105,000 |
| FUND BALANCE (DEFICIT) | | | | | |
| Restricted for: | | | | | |
| Audit | - | - | 191 | - | 191 |
| Retirement | 31,670 | - | - | - | 31,670 |
| Business District | - | - | - | 248,116 | 248,116 |
| Unassigned | - | (6,190) | - | - | (6,190) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balance (Deficit) | <u>31,670</u> | <u>(6,190)</u> | <u>191</u> | <u>248,116</u> | <u>273,787</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Deferred Inflows of Resources and Fund Balance | <u>\$ 51,670</u> | <u>\$ 43,810</u> | <u>\$ 35,191</u> | <u>\$ 248,116</u> | <u>\$ 378,787</u> |

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2024**

| | Illinois Municipal Retirement Fund | Social Security Fund | Audit Fund | Business District Fund | Total |
|--|---|----------------------------|---------------|------------------------------|-------------------|
| REVENUES | | | | | |
| Property and Mobile Home Taxes | \$ 20,022 | \$ 45,004 | \$ 34,993 | \$ - | \$ 100,019 |
| Sales Taxes | - | - | - | 114,816 | 114,816 |
| Interest | - | - | - | 1,089 | 1,089 |
| Total Revenues | <u>20,022</u> | <u>45,004</u> | <u>34,993</u> | <u>115,905</u> | <u>215,924</u> |
| EXPENDITURES | | | | | |
| Illinois Municipal Retirement | 30,728 | - | - | - | 30,728 |
| Social Security and Medicare | - | 47,813 | - | - | 47,813 |
| Professional Fees | - | - | 37,905 | - | 37,905 |
| Business District Development | - | - | - | 1 | 1 |
| Capital Outlay | - | - | - | 42,455 | 42,455 |
| Total Expenditures | <u>30,728</u> | <u>47,813</u> | <u>37,905</u> | <u>42,456</u> | <u>158,902</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (10,706) | (2,809) | (2,912) | 73,449 | 57,022 |
| Fund Balance - Beginning of Year | <u>42,376</u> | <u>(3,381)</u> | <u>3,103</u> | <u>174,667</u> | <u>216,765</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 31,670</u> | <u>\$ (6,190)</u> | <u>\$ 191</u> | <u>\$ 248,116</u> | <u>\$ 273,787</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, 2024
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2023**

| | 2024 | | | 2023 |
|--|---|-----------|----|-----------|
| | Original and Final Estimated Revenues and Appropriation | Actual | | Actual |
| REVENUES | | | | |
| Property and Mobile Home Taxes | \$ 20,000 | \$ 20,022 | \$ | 20,045 |
| Total Revenues | 20,000 | 20,022 | | 20,045 |
| EXPENDITURES | | | | |
| Illinois Municipal Retirement | 40,000 | 30,728 | | 30,400 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | \$ (20,000) | (10,706) | | (10,355) |
| Fund Balance - Beginning of Year | | 42,376 | | 52,731 |
| FUND BALANCE - END OF YEAR | | \$ 31,670 | | \$ 42,376 |

**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, 2024
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2023**

| | 2024 | | | 2023 |
|--|---|------------|----|------------|
| | Original and Final Estimated Revenues and Appropriation | Actual | | Actual |
| REVENUES | | | | |
| Property and Mobile Home Taxes | \$ 45,000 | \$ 45,004 | \$ | 32,985 |
| Total Revenues | 45,000 | 45,004 | | 32,985 |
| EXPENDITURES | | | | |
| Social Security and Medicare | 50,000 | 47,813 | | 44,339 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | \$ (5,000) | (2,809) | | (11,354) |
| Fund Balance - Beginning of Year | | (3,381) | | 7,973 |
| FUND BALANCE - END OF YEAR | | \$ (6,190) | | \$ (3,381) |

**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, 2024
 WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2023**

| | 2024 | | |
|--|---|-----------|----------------|
| | Original and Final Estimated Revenues and Appropriation | Actual | 2023 Actual |
| REVENUES | | | |
| Property and Mobile Home Taxes | \$ 35,000 | \$ 34,993 | \$ 21,060 |
| Total Revenues | 35,000 | 34,993 | 21,060 |
| EXPENDITURES | | | |
| Professional Fees | 35,000 | 37,905 | 28,035 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | \$ - | (2,912) | (6,975) |
| Fund Balance - Beginning of Year | | 3,103 | 10,078 |
| FUND BALANCE - END OF YEAR | | \$ 191 | \$ 3,103 |

**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, 2024
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2023**

| | 2024 | | |
|--|---|-------------------|-------------------|
| | Original and Final Estimated Revenues and Appropriation | Actual | 2023 Actual |
| REVENUES | | | |
| Business District Sales Taxes | \$ - | \$ 114,816 | \$ 117,272 |
| Interest | - | 1,089 | 327 |
| Total Revenues | - | 115,905 | 117,599 |
| EXPENDITURES | | | |
| Professional Fees | 55,000 | - | - |
| Business District Development | 300,000 | 1 | 27,674 |
| Capital Outlay | - | 42,455 | 70,938 |
| Total Expenditures | 355,000 | 42,456 | 98,612 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | \$ (355,000) | 73,449 | 18,987 |
| Fund Balance - Beginning of Year | | 174,667 | 155,680 |
| FUND BALANCE - END OF YEAR | | \$ 248,116 | \$ 174,667 |

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS, TAX
DISTRIBUTIONS, AND TAX RATES
TAX YEARS 2023, 2022, AND 2021 (UNAUDITED)**

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|----------------------|
| ASSESSED VALUATION | <u>\$ 98,024,775</u> | <u>\$ 90,251,400</u> | <u>\$ 84,639,172</u> |
| General | .1756 | .1992 | .2558 |
| Liability Insurance | .0388 | .0388 | .0331 |
| Police Protection | .0735 | .0743 | .0745 |
| Social Security | .0511 | .0499 | .0390 |
| Street Lighting | .0041 | .0056 | .0060 |
| Audit | .0358 | .0388 | .0249 |
| Illinois Municipal Retirement | .0205 | .0222 | .0237 |
| Emergency Services and Disaster Agency | <u>.0011</u> | <u>.0056</u> | <u>.0060</u> |
| Total | <u>.4005</u> | <u>.4344</u> | <u>.4630</u> |
| TAX EXTENSIONS | | | |
| General | \$ 172,131 | \$ 179,781 | \$ 216,338 |
| Liability Insurance | 38,034 | 35,018 | 28,016 |
| Police Protection | 72,048 | 67,057 | 63,056 |
| Social Security | 50,091 | 45,035 | 33,009 |
| Street Lighting | 4,019 | 5,054 | 5,078 |
| Audit | 35,093 | 35,017 | 21,075 |
| Illinois Municipal Retirement | 20,095 | 20,036 | 20,059 |
| Emergency Services and Disaster Agency | <u>1,078</u> | <u>5,054</u> | <u>4,681</u> |
| Total | <u>\$ 392,589</u> | <u>\$ 392,052</u> | <u>\$ 391,312</u> |
| TAX COLLECTIONS RECEIVED BY VILLAGE | <u>\$ -</u> | <u>\$ 392,129</u> | <u>\$ 392,541</u> |
| ESTIMATED RECEIVABLE | <u>\$ 392,589</u> | <u>\$ 392,052</u> | <u>\$ 391,312</u> |
| PERCENT COLLECTED | 0.00 % | 100.02 % | 100.31 % |



**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, 2024, and the related notes to the financial statements, which collectively comprise the Village of Germantown Hills, Illinois, basic financial statements, and have issued our report thereon dated September 5, 2024.

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 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

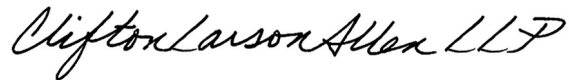
As part of obtaining reasonable assurance about whether Village of Germantown Hills, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Germantown Hills, Illinois' Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Peoria, Illinois
September 5, 2024

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED APRIL 30, 2024**

FINANCIAL STATEMENT FINDINGS

Finding No. 2024-001 – 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, 2024**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding No. 2024-002 – 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 proposed material audit adjustments and the footnote disclosures. The Village also relies on the audit firm to prepare capital asset additions, disposals, and the depreciation schedules. However, Village management has reviewed and approved the annual financial statements and related footnote disclosures, including proposed material audit adjustments and capital asset activity.

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



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.