

VILLAGE OF GERMANTOWN HILLS, ILLINOIS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED APRIL 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
TABLE OF CONTENTS
YEAR ENDED APRIL 30, 2025**

PRINCIPAL OFFICIALS	1
INDEPENDENT AUDITORS' REPORT	2
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	6
STATEMENT OF ACTIVITIES	8
BALANCE SHEET – GOVERNMENTAL FUNDS	9
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION	10
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	11
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	12
STATEMENT OF NET POSITION – SEWER FUND	13
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – SEWER FUND	15
STATEMENT OF CASH FLOWS – SEWER FUND	16
NOTES TO BASIC FINANCIAL STATEMENTS	18
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
ILLINOIS MUNICIPAL RETIREMENT FUND – SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS	40
ILLINOIS MUNICIPAL RETIREMENT FUND – SCHEDULE OF EMPLOYER CONTRIBUTIONS	41
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ESTIMATED REVENUES, APPROPRIATION, AND ACTUAL – GENERAL FUND	42
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ESTIMATED REVENUES, APPROPRIATION, AND ACTUAL – MOTOR FUEL TAX FUND	44
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	45

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
TABLE OF CONTENTS
YEAR ENDED APRIL 30, 2025**

SUPPLEMENTARY INFORMATION

CONSOLIDATED YEAR-END FINANCIAL REPORT	48
NONMAJOR GOVERNMENTAL FUNDS	
COMBINING BALANCE SHEET	49
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE	50
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ESTIMATED REVENUES, APPROPRIATION, AND ACTUAL	
ILLINOIS MUNICIPAL RETIREMENT FUND	51
SOCIAL SECURITY FUND	52
AUDIT FUND	53
BUSINESS DISTRICT FUND	54
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS, TAX DISTRIBUTIONS, AND TAX RATES	55
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 <i>GOVERNMENT AUDITING STANDARDS</i>	56
SCHEDULE OF FINDINGS AND RESPONSES	58

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
PRINCIPAL OFFICIALS
APRIL 30, 2025**

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Karl Figg, President

Paige Patel

Nathan Henricks

Heather Armistead

Tom Eckstein

Todd Rice

Elizabeth Cunningham

Ann Doubet, Administrator

Julia Miller, Treasurer

Zack Hecht, 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, 2025, 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, 2025, 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 twelve 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, 2025 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, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidated year-end financial report, 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, 2025.

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, 2024, (not presented herein) and have issued our report thereon dated September 5, 2024 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, 2024 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 related directly to the underlying accounting and other records used to prepare the April 30, 2024 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 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, 2024.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the list of Village officials and the schedule of assessed valuations, tax extensions, tax distributions, and tax rates, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Peoria, Illinois
July 30, 2025

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash on Hand and in Banks	\$ 2,575,878	\$ 1,840,973	\$ 4,416,851
General Property Tax Receivable	392,264	-	392,264
Receivables - User Fees	-	18,792	18,792
Due from State of Illinois	234,857	-	234,857
Receivables - Other	557,962	-	557,962
Prepaid Items	26,099	2,393	28,492
 Restricted Assets - Cash and Cash Equivalents:			
Emergency Services	8,701	-	8,701
Street Lighting	614	-	614
IEPA Loan Reserves	-	391,317	391,317
Held for Future Sewer System Construction	-	106,360	106,360
Total Restricted Assets	<u>9,315</u>	<u>497,677</u>	<u>506,992</u>
 Property and Equipment - at Cost:			
Not Depreciated:			
Land	336,108	208,693	544,801
Construction in Progress	1,002,686	8,038	1,010,724
Depreciated:			
Sewer Plant	-	10,773,417	10,773,417
Intercepting Sewers	-	450,595	450,595
Rehabilitation of Sewer System	-	3,308,415	3,308,415
Building	362,219	47,931	410,150
Infrastructure	3,470,285	-	3,470,285
Equipment	679,539	369,959	1,049,498
Vehicles	262,484	-	262,484
Total	<u>6,113,321</u>	<u>15,167,048</u>	<u>21,280,369</u>
Less: Accumulated Depreciation	<u>2,240,333</u>	<u>8,339,341</u>	<u>10,579,674</u>
Net Property and Equipment	<u>3,872,988</u>	<u>6,827,707</u>	<u>10,700,695</u>
 Total Assets	 7,669,363	 9,187,542	 16,856,905
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Net Pension Liability	44,176	88,520	132,696

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
APRIL 30, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 562,573	\$ 172,129	\$ 734,702
Accrued Interest	-	12,287	12,287
Accrued Wages Payable	3,174	5,281	8,455
User Fees Received in Advance	-	4,501	4,501
Long-Term Liabilities:			
Due Within One Year	101,757	318,943	420,700
Due in More than One Year	-	3,170,070	3,170,070
Total Liabilities	<u>667,504</u>	<u>3,683,211</u>	<u>4,350,715</u>
NET PENSION LIABILITY	21,056	42,192	63,248
DEFERRED INFLOWS OF RESOURCES			
Franchise Fees	3,940	-	3,940
Subsequent Year's Property Taxes	392,264	-	392,264
Deferred Amount Related to Net Pension Liability	19,167	38,408	57,575
Total Deferred Inflows of Resources	<u>415,371</u>	<u>38,408</u>	<u>453,779</u>
NET POSITION			
Net Investment in Capital Assets	3,771,231	3,338,694	7,109,925
Restricted for:			
IEPA Loan Debt Service	-	391,317	391,317
Future Sewer System Construction	-	106,360	106,360
Transportation	157,877	-	157,877
Retirement	33,087	-	33,087
Business District	201,410	-	201,410
Emergency Services	8,701	-	8,701
Street Lighting	614	-	614
Unrestricted	<u>2,436,688</u>	<u>1,675,880</u>	<u>4,112,568</u>
Total Net Position	<u><u>\$ 6,609,608</u></u>	<u><u>\$ 5,512,251</u></u>	<u><u>\$ 12,121,859</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2025

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	\$ 1,063,363	\$ 351,653	\$ 680,252	\$ (31,458)	\$ -	\$ (31,458)
Public Safety	131,651	16,453	-	(115,198)	-	(115,198)
Highways and Streets	575,358	-	-	(575,358)	-	(575,358)
Interest Expense	4,138	-	-	(4,138)	-	(4,138)
Total Governmental Activities	1,774,510	368,106	680,252	(726,152)	-	(726,152)
Business-Type Activities:						
Sewer Services	1,708,965	1,283,917	-	-	(425,048)	(425,048)
Total Government	<u>\$ 3,483,475</u>	<u>\$ 1,652,023</u>	<u>\$ 680,252</u>	(726,152)	(425,048)	(1,151,200)
GENERAL REVENUES						
Property and Mobile Home Taxes				392,945	-	392,945
Road and Bridge Taxes				80,983	-	80,983
Business District Sales Taxes				120,822	-	120,822
Sales, Use, and Video Gaming Taxes				439,680	-	439,680
State Income Taxes				608,482	-	608,482
Replacement Taxes				888	-	888
Motor Fuel Taxes				154,218	-	154,218
Interest				124,472	105,344	229,816
Rent				1,500	-	1,500
Other				29,017	-	29,017
Total General Revenues				<u>1,953,007</u>	<u>105,344</u>	<u>2,058,351</u>
TRANSFERS				<u>7,500</u>	<u>(7,500)</u>	<u>-</u>
CHANGE IN NET POSITION				1,234,355	(327,204)	907,151
Net Position - Beginning of Year				<u>5,375,253</u>	<u>5,839,455</u>	<u>11,214,708</u>
NET POSITION - END OF YEAR				<u>\$ 6,609,608</u>	<u>\$ 5,512,251</u>	<u>\$ 12,121,859</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2025

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash on Hand and in Banks	\$ 2,202,979	\$ 172,834	\$ 200,065	\$ 2,575,878
General Property Tax Receivable	267,264	-	125,000	392,264
Accounts Receivable	557,962	-	-	557,962
Due from State of Illinois	194,282	12,333	28,242	234,857
Prepaid Items	26,099	-	-	26,099
Due From Other Funds	2,904	-	-	2,904
Restricted Assets - Cash:				
Emergency Services	8,701	-	-	8,701
Street Lighting	614	-	-	614
Total Restricted Assets - Cash	<u>9,315</u>	<u>-</u>	<u>-</u>	<u>9,315</u>
 Total Assets	 <u>\$ 3,260,805</u>	 <u>\$ 185,167</u>	 <u>\$ 353,307</u>	 <u>\$ 3,799,279</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 562,573	\$ -	\$ -	\$ 562,573
Accrued Wages Payable	3,174	-	-	3,174
Due to Other Funds	-	-	2,904	2,904
Total Liabilities	<u>565,747</u>	<u>-</u>	<u>2,904</u>	<u>568,651</u>
 DEFERRED INFLOWS OF RESOURCES				
Franchise Fees	3,940	-	-	3,940
Subsequent Year's Property Taxes	267,264	-	125,000	392,264
Total Deferred Inflows of Resources	<u>271,204</u>	<u>-</u>	<u>125,000</u>	<u>396,204</u>
 FUND BALANCE				
Nonspendable	26,099	-	-	26,099
Restricted	9,315	157,877	234,497	401,689
Assigned	-	27,290	-	27,290
Unassigned	2,388,440	-	(9,094)	2,379,346
Total Fund Balance	<u>2,423,854</u>	<u>185,167</u>	<u>225,403</u>	<u>2,834,424</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 3,260,805</u>	 <u>\$ 185,167</u>	 <u>\$ 353,307</u>	 <u>\$ 3,799,279</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, 2025**

Total Fund Balances - Governmental Funds	\$ 2,834,424
--	--------------

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	3,872,988
---	-----------

Deferred Outflows of Resources for Net Pension Liability	44,176
--	--------

Deferred Inflows of Resources for Net Pension Liability	(19,167)
---	----------

Long-Term Liabilities, Including Debt Certificates, Used in Governmental Activities Not Reported in Governmental Funds	(101,757)
--	-----------

Long-Term Liabilities, Including Net Pension Liabilities, Used in Governmental Activities Not Reported in Governmental Funds	<u>(21,056)</u>
--	-----------------

Total Net Position - Governmental Activities	<u><u>\$ 6,609,608</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, 2025

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
REVENUES				
Property and Mobile Home Taxes	\$ 287,571	\$ -	\$ 105,374	\$ 392,945
Road and Bridge Taxes	80,983	-	-	80,983
Sales, Use, and Video Gaming Taxes	439,680	-	120,822	560,502
State Income Taxes	608,482	-	-	608,482
Replacement Taxes	888	-	-	888
Motor Fuel Taxes	-	154,218	-	154,218
Permits, Licenses, and Franchise Fees	45,485	-	-	45,485
Charges for Services	306,168	-	-	306,168
Grants	680,252	-	-	680,252
Fines	16,453	-	-	16,453
Interest	110,100	13,049	1,323	124,472
Rent	1,500	-	-	1,500
Other	29,017	-	-	29,017
Total Revenues	2,606,579	167,267	227,519	3,001,365
EXPENDITURES				
Current:				
General Government	938,963	-	107,052	1,046,015
Public Safety	131,651	-	-	131,651
Highways and Streets	85,590	295,186	-	380,776
Capital Outlay	1,123,733	-	168,851	1,292,584
Debt Service:				
Principal	101,380	-	-	101,380
Interest	4,138	-	-	4,138
Total Expenditures	2,385,455	295,186	275,903	2,956,544
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	221,124	(127,919)	(48,384)	44,821
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	3,772	-	3,772
Operating Transfers Out	(3,772)	-	-	(3,772)
Total Other Financing Sources (Uses)	(3,772)	3,772	-	-
Net Change in Fund Balance	217,352	(124,147)	(48,384)	44,821
Fund Balance - Beginning of Year	2,206,502	309,314	273,787	2,789,603
FUND BALANCE - END OF YEAR	<u>\$ 2,423,854</u>	<u>\$ 185,167</u>	<u>\$ 225,403</u>	<u>\$ 2,834,424</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, 2025

Net Changes in Fund Balance - Total Governmental Funds	\$	44,821
--	----	--------

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	\$	1,292,583	
Capital Contribution		7,500	
Depreciation Expense		<u>(207,608)</u>	
Net			1,092,475

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		10,916	
Pension Expense		<u>(15,237)</u>	
Net			(4,321)

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

Principal Payments on Debt Certificates		<u>101,380</u>
---	--	----------------

Change in Net Position in Governmental Activities	\$	<u><u>1,234,355</u></u>
---	----	-------------------------

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION
SEWER FUND
APRIL 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash on Hand and in Banks	\$ 1,840,973
Receivables - User Fees	18,792
Prepaid Items	2,393

Restricted Assets:

IEPA Loan Reserves:

Cash	391,317
------	---------

Held For Future Sewer System Construction:

Cash	106,360
------	---------

Total Restricted Assets	<u>497,677</u>
-------------------------	----------------

Property and Equipment - at Cost:

Not Depreciated:

Land	208,693
------	---------

Construction in Progress	8,038
--------------------------	-------

Depreciated:

Sewer Plant	10,773,417
-------------	------------

Intercepting Sewers	450,595
---------------------	---------

Rehabilitation of Sewer System	3,308,415
--------------------------------	-----------

Building	47,931
----------	--------

Equipment	369,959
-----------	---------

Total	<u>15,167,048</u>
-------	-------------------

Less: Accumulated Depreciation	<u>8,339,341</u>
--------------------------------	------------------

Net Property and Equipment	<u>6,827,707</u>
----------------------------	------------------

Total Assets	9,187,542
--------------	-----------

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount Related to Net Pension Liability	<u>88,520</u>
--	---------------

Total Assets and Deferred Outflows of Resources	<u><u>\$ 9,276,062</u></u>
---	----------------------------

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF NET POSITION (CONTINUED)
SEWER FUND
APRIL 30, 2025

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

LIABILITIES

Accounts Payable	\$ 172,129
Accrued Interest	12,287
Accrued Wages Payable	5,281
User Fees Received in Advance	4,501
Long-Term Liabilities:	
Due Within One Year	318,943
Due in More than One Year	3,170,070
Total Liabilities	<u>3,683,211</u>

NET PENSION LIABILITY

42,192

DEFERRED INFLOWS OF RESOURCES

Deferred Amount Related to Net Pension Liability	38,408
--	--------

NET POSITION

Net Investment in Capital Assets	3,338,694
Restricted for:	
IEPA Loan Debt Service	391,317
Future Sewer System Construction	106,360
Unrestricted	1,675,880
Total Net Position	<u>5,512,251</u>

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

\$ 9,276,062

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, 2025

OPERATING REVENUES

User Fees	\$ 1,281,134
Hook-Up Fees	2,600
Miscellaneous	183
Total Operating Revenues	<u>1,283,917</u>

OPERATING EXPENSE

Operating Expenses Other than Depreciation	1,025,716
Depreciation Expense	612,735
Total Operating Expense	<u>1,638,451</u>

OPERATING LOSS

(354,534)

NONOPERATING REVENUES (EXPENSES)

Interest Income	105,344
Interest Expense	(70,514)
Total Nonoperating Revenues (Expenses)	<u>34,830</u>

INCOME (LOSS) BEFORE TRANSFERS

(319,704)

TRANSFERS OUT

(7,500)

CHANGE IN NET POSITION

(327,204)

Net Position - Beginning of Year

5,839,455

NET POSITION - END OF YEAR

\$ 5,512,251

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS
SEWER FUND
YEAR ENDED APRIL 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 1,284,146
Cash Payments to Suppliers and Vendors for Goods and Services	(829,387)
Cash Payments to Employees for Services	<u>(165,991)</u>
Net Cash Provided by Operating Activities	288,768

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets	(79,441)
Principal Paid on Loans and Note Payable	(312,437)
Interest Paid on Loans and Note Payable	<u>(71,436)</u>
Net Cash Used by Capital and Related Financing Activities	(463,314)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	<u>105,344</u>
-----------------	----------------

NET LOSS IN CASH AND CASH EQUIVALENTS

(69,202)

Cash and Cash Equivalents - Beginning of Year

2,407,852

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 2,338,650

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
SEWER FUND
YEAR ENDED APRIL 30, 2025

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

Operating Loss	\$ (354,534)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	612,735
Effects of Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Receivables	2,565
Deferred Outflows of Resources Related to Net Pension Liability	924
Accounts Payable	14,205
Accrued Wages Payable	1,718
User Fees Received in Advance	(2,336)
Net Pension Asset	23,871
Deferred Inflows of Resources	(10,380)
Total Adjustments	<u>643,302</u>
Net Cash Provided by Operating Activities	<u><u>\$ 288,768</u></u>

COMPONENTS OF CASH

Cash on Hand and in Banks	\$ 1,840,973
Restricted Assets:	
Illinois Environmental Protection Agency Loan Reserves:	
Cash	391,317
Held for Future Sewer System Construction:	
Cash	106,360
Total Cash	<u><u>\$ 2,338,650</u></u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets Included in Accounts Payable as of April 30, 2025	\$ (150,000)
Capital Contribution to General Fund	7,500
Total Noncash Capital and Related Financing Activities	<u><u>\$ (142,500)</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2025

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, 2025

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, 2025

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, 2025

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.

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, 2025

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, 2025

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, 2025

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, 2025, 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, 2025

NOTE 2 PROPERTY TAXES (CONTINUED)

The 2023 tax levy is reflected as revenue in fiscal year 2025 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 2024 tax levy is not recognized as revenue because the taxes are considered to be levied to finance the next fiscal year. The 2024 tax levy is recorded as general property taxes receivable and related deferred inflows of resources at April 30, 2025.

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, 2025, \$260,600 of the Village's bank balance of \$510,600 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, 2025.

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	\$ 4,425,219	\$ 4,413,216
Financial Institutions	510,600	510,627
Total	<u>\$ 4,935,819</u>	<u>\$ 4,923,843</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2025

NOTE 4 CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended April 30, 2025, was as follows:

	May 1, 2024	Additions	Deductions	April 30, 2025
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 336,108	\$ -	\$ -	\$ 336,108
Construction in Progress	243,879	842,837	(84,030)	1,002,686
Total Capital Assets Not Being Depreciated	579,987	842,837	(84,030)	1,338,794
Capital Assets Being Depreciated:				
Building	362,219	-	-	362,219
Infrastructure	2,980,647	489,638	-	3,470,285
Equipment	629,689	51,638	(1,788)	679,539
Vehicles	262,484	-	-	262,484
Total Capital Assets Being Depreciated	4,235,039	541,276	(1,788)	4,774,527
Less: Accumulated Depreciation	2,034,513	207,608	(1,788)	2,240,333
Total Capital Assets Being Depreciated, Net	2,200,526	333,668	-	2,534,194
Governmental Activities Capital Assets, Net	<u>\$ 2,780,513</u>	<u>\$ 1,176,505</u>	<u>\$ (84,030)</u>	<u>\$ 3,872,988</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 15,122
Highway and Streets	192,486
Total Depreciation Expense - Governmental Activities	<u>\$ 207,608</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2025

NOTE 4 CAPITAL ASSETS (CONTINUED)

	May 1, 2024	Additions	Deductions	April 30, 2025
Business-Type Activities -				
Sewer Services:				
Capital Assets Not Being				
Depreciated:				
Land	\$ 208,693	\$ -	\$ -	\$ 208,693
Construction in Progress	7,500	8,038	(7,500)	8,038
Total Capital Assets not				
Being Depreciated	216,193	8,038	(7,500)	216,731
Capital Assets Being Depreciated:				
Sewer Plant	10,743,912	39,810	(10,305)	10,773,417
Intercepting Sewers	300,595	150,000	-	450,595
Rehabilitation Sewer System	3,308,415	-	-	3,308,415
Building	47,931	-	-	47,931
Equipment	338,366	31,593	-	369,959
Total Capital Assets Being				
Depreciated	14,739,219	221,403	(10,305)	14,950,317
Less: Accumulated Depreciation	7,736,911	612,735	(10,305)	8,339,341
Total Capital Assets Being				
Depreciated, Net	7,002,308	(391,332)	-	6,610,976
Business-Type Activities				
Capital Assets, Net	<u>\$ 7,218,501</u>	<u>\$ (383,294)</u>	<u>\$ (7,500)</u>	<u>\$ 6,827,707</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, 2025

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

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

Account	Description and Amount	Nature of Authorized Expenditures
Operation and Maintenance	Amount sufficient to pay the reasonable expenses of operation, maintenance, and repair of the Sewer Enterprise Fund. A separate account has Not been established.	Expenses of operating, maintaining, and repairing the system.
Bond Interest and Principal	A fractional amount (not less than 1/12) of the principal and/or interest becoming due on the next succeeding principal and/or interest payment date. As of April 30, 2025, \$142,722 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, 2025, \$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, 2025, \$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, 2025

**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, 2025, 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 \$101,757 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, 2025

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

A description of the debt certificates payable as of April 30, 2025, 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%

\$ 101,757

The annual requirements to amortize all debt outstanding at April 30, 2025, are as follows:

<u>Year Ending April 30,</u> 2026	Governmental Activities Note Payable from Direct Borrowings		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$ 101,757	\$ 2,358	\$ 104,115

The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2025:

	Debt Certificates Payable
Long-Term Debt- April 30, 2024	\$ 203,137
Reduction - Payments on Debt	<u>101,380</u>
Long-Term Debt - April 30, 2025	101,757
Due in One Year	<u>101,757</u>
Due in More than One Year	<u>\$ -</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2025

NOTE 6 SUMMARY OF LONG-TERM DEBT (CONTINUED)

Business-Type Activities

The annual requirements to amortize all debt outstanding at April 30, 2025, are as follows:

<u>Year Ending April 30,</u>	Illinois Environmental Protection Agency Loans Payable				
	2005 Loan	2015 Loan	2019 Loan	Interest	Total
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	-	92,910	151,595	44,221	288,726
2031-2035	-	493,249	801,058	149,319	1,443,626
2036-2040	-	-	877,882	135,031	1,012,913
Total	<u>\$ 139,226</u>	<u>\$ 939,890</u>	<u>\$ 2,409,897</u>	<u>\$ 553,873</u>	<u>\$ 4,042,886</u>

<u>Year Ending April 30,</u>	Total Long-Term Debt		
	Principal	Interest	Total
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	244,505	44,221	288,726
2031-2035	1,294,307	149,319	1,443,626
2036-2040	877,882	135,031	1,012,913
Total	<u>\$ 3,489,013</u>	<u>\$ 553,873</u>	<u>\$ 4,042,886</u>

The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2025:

	IEPA Loans Payable
Long-Term Debt - April 30, 2024	\$ 3,801,447
Reduction - Debt Adjustment	312,434
Long-Term Debt - April 30, 2025	3,489,013
Due in One Year	318,943
Due in More than One Year	<u>\$ 3,170,070</u>

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

The Village's outstanding loans payable from direct borrowings of \$3,489,013 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, 2025

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, 2025, the Village had debt of \$101,757 incurred against this limit of \$9,232,253 providing a debt margin of \$9,130,496.

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, 2025

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, 2024, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries Currently Receiving Benefits	6
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	<u>6</u>
Total	<u><u>22</u></u>

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 2024 and 2025 was 6.52% and 4.81%, respectively. For the fiscal year ended April 30, 2025, the Village contributed \$27,836 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, 2024. 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, 2025

NOTE 7 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The following are the methods and assumptions used to net pension liability (asset) at December 31, 2024:

- 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, 2025

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	33.5 %	4.35 %
International Equities	18.0	5.40
Fixed Income	24.5	5.20
Real Estate	10.5	6.40
Alternatives:	-	
Private Equity	N/A	6.25
Commodities	N/A	4.85
Cash Equivalents	1.0	3.60
Total	87.5 %	

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%; the municipal bond rate is 4.08%; and the resulting single discount rate is 7.25%.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2025

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, 2023	\$ 2,175,385	\$ 2,150,276	\$ 25,109
Changes for the Year:			
Service Cost	48,442	-	48,442
Interest on Total Pension Liability	156,681	-	156,681
Differences Between Expected and Actual Experience of the Total Pension Liability	149,364	-	149,364
Changes of Assumptions	-	-	-
Contributions - Employer	-	42,661	(42,661)
Contributions - Employee	-	22,682	(22,682)
Investment Income	-	251,932	(251,932)
Benefit Payments, including Refunds of Employee Contributions	(76,970)	(76,970)	-
Administrative Expenses	-	(4,951)	4,951
Other (Net Transfer)	-	4,024	(4,024)
Net Changes	<u>277,517</u>	<u>239,378</u>	<u>38,139</u>
Balances - December 31, 2024	<u>\$ 2,452,902</u>	<u>\$ 2,389,654</u>	<u>\$ 63,248</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>\$ 70,264</u>	<u>\$ 63,248</u>	<u>\$ (446,545)</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2025

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, 2025, the Village recognized pension expense of \$56,370. At April 30, 2025 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	\$ 126,088	\$ 36,806
Changes in Assumptions	-	523
Net Difference Between Projected and Actual Experience	-	20,246
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	126,088	57,575
Pension Contributions Made Subsequent to the Measurement Date	6,608	-
Total Deferred Amounts Related to Pensions	<u>\$ 132,696</u>	<u>\$ 57,575</u>

\$6,608 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, 2026.

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2025	\$ 55,372
2026	75,791
2027	(43,662)
2028	(18,988)
Total	<u>\$ 68,513</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2025

NOTE 8 NET POSITION/FUND BALANCE

The fund balances are considered nonspendable for the following purposes at April 30, 2025:

Prepaid Items	<u>\$ 26,099</u>
---------------	------------------

The fund balances are restricted for the following purposes at April 30, 2025:

Highways and Streets	\$ 158,491
Retirement	33,087
Business District	201,410
Public Safety	<u>8,701</u>
Total	<u>\$ 401,689</u>

The fund balances are assigned for the following purposes at April 30, 2025:

Highways and Streets	<u>\$ 27,290</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, 2025, the Village is not due any refunds or credits on coverage contributions. Settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 10 COMMITMENTS

During July 2024, the Village entered into an agreement with Otto Baum Company in the amount of \$1,100,000 for the construction of the Somerset Dr Multi-Use Path. The Village made payments totaling \$650,186 during fiscal year 2025 and had a remaining commitment of \$478,118 as of April 30, 2025.

During January 2024, the Village entered into an agreement with Crawford, Murphy & Tilly in the amount of \$315,989 for the Germantown Hills to Metamora Trail Project. The Village made payments totaling \$85,376 during fiscal year 2025 and had a remaining commitment of \$192,969 as of April 30, 2025.

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, 2025
(SEE INDEPENDENT AUDITORS' REPORT)
(UNAUDITED)

	Calendar Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 48,442	\$ 45,555	\$ 41,113	\$ 38,429	\$ 40,111	\$ 38,139	\$ 36,973	\$ 37,837	\$ 35,211	\$ 37,445
Interest on Total Pension Liability	156,681	153,265	135,227	125,649	119,753	113,567	112,806	107,456	93,255	85,511
Difference Between Expected and Actual Experience	149,364	(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	(76,970)	(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	277,517	67,773	241,127	132,087	80,004	85,409	66,139	74,076	183,607	112,924
Total Pension Liability - Beginning	2,175,385	2,107,612	1,866,485	1,734,398	1,654,394	1,568,985	1,502,846	1,428,770	1,245,163	1,132,239
Total Pension Liability - Ending (A)	<u>\$ 2,452,902</u>	<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	\$ 42,661	\$ 27,807	\$ 32,214	\$ 37,054	\$ 37,332	\$ 46,025	\$ 50,096	\$ 43,480	\$ 40,246	\$ 37,316
Employee Contributions	22,682	23,087	60,541	47,693	41,288	40,396	33,196	30,020	28,400	23,711
Investment Income	251,932	263,105	(251,569)	298,646	250,681	259,910	28,803	174,875	80,463	(15,517)
Benefit Payments and Refunds	(76,970)	(39,797)	(47,298)	(41,253)	(43,261)	(38,790)	(30,080)	(25,433)	(27,654)	(16,355)
Other	(927)	390,374	(277,820)	(227,469)	(186,584)	(1,318)	(732)	(942)	(1,195)	(36)
Net Change in Plan Fiduciary Net Position	239,378	664,576	(483,932)	114,671	99,456	306,223	81,283	222,000	120,260	29,119
Plan Fiduciary Net Position, Beginning	2,150,276	1,485,700	1,969,632	1,854,961	1,755,505	1,449,282	1,367,999	1,145,999	1,025,739	996,620
Plan Fiduciary Net Position, Ending (B)	<u>\$ 2,389,654</u>	<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)	\$ 63,248	\$ 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	97.42 %	98.85 %	70.49 %	105.53 %	106.95 %	106.11 %	92.37 %	91.03 %	80.21 %	82.38 %
Covered Valuation Payroll	\$ 504,051	\$ 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	12.55 %	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.

See accompanying Notes to Required Supplementary Information.

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
APRIL 30, 2025
(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
2025	\$ 32,864	\$ 27,836	\$ (5,028)	\$ 462,978	6.01 %
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

This schedule is presented to illustrate the requirement to show information for 10 years.

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
YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2024
(UNAUDITED)

	2025		2024
	Original and Final Estimated Revenue and Appropriation	Actual	Actual
REVENUES			
Property and Mobile Home Taxes	\$ 287,052	\$ 287,571	\$ 292,110
Road and Bridge Taxes	74,000	80,983	74,305
Sales, Use, and Video Gaming Taxes	566,000	439,680	450,901
State Income Taxes	560,000	608,482	567,827
Replacement Taxes	2,000	888	1,984
Permits, Licenses, and Franchise Fees	51,825	45,485	41,955
Charges for Services	315,000	306,168	273,027
Grants	1,340,000	680,252	96,090
Fines	22,000	16,453	22,419
Interest	110,000	110,100	106,559
Rent	1,500	1,500	1,500
Other	1,500	29,017	10,731
Total Revenues	3,330,877	2,606,579	1,939,408
EXPENDITURES			
Wages	364,320	326,560	284,459
General, Liability, Workers' Compensation, and Unemployment Compensation Insurance	113,500	38,380	36,179
Health Insurance	90,000	78,390	79,948
Repairs, Maintenance, and Supplies	251,000	27,198	72,376
Street Maintenance	225,000	9,034	9,180
Snow Removal	30,000	4,415	22,588
Garbage Disposal	315,000	271,551	261,411
Sewer Fee	500	-	-
Utilities and Telephone	23,000	12,638	12,002
Street Lighting	30,000	8,357	8,011
Rent	5,000	3,012	3,483
Office Supplies and Postage	26,500	2,265	976
Advertising, Printing, and Publications	6,500	2,425	1,833
Professional Fees	125,000	95,167	60,750
Animal Control	500	-	-
Travel and Training	6,000	620	529
Police Protection	150,000	127,736	127,006
Uniforms	2,000	745	1,479
Civil Defense	20,000	3,915	213
Gas and Oil	30,000	8,910	16,101
Capital Improvements	1,845,000	1,159,939	315,930
Debt Service	110,000	105,518	105,518
Engineering	325,000	76,556	25,375
Contingencies and Other	75,500	22,124	9,893
Total Expenditures	4,169,320	2,385,455	1,455,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(838,443)	221,124	484,168

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, 2025
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2024
(UNAUDITED)

	2025		2024
	Original and Final Estimated Revenue and Appropriation	Actual	Actual
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	\$ -	\$ (3,772)	\$ -
NET CHANGE IN FUND BALANCE	<u><u>\$ (838,443)</u></u>	217,352	484,168
Fund Balance - Beginning of Year		<u>2,206,502</u>	<u>1,722,334</u>
FUND BALANCE - END OF YEAR		<u><u>\$ 2,423,854</u></u>	<u><u>\$ 2,206,502</u></u>

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, 2025
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2024

	2025		2024
	Original and Final Estimated Revenues and Appropriation	Actual	Actual
REVENUES			
Motor Fuel Taxes	\$ 150,000	\$ 154,218	\$ 149,854
Interest	5,000	13,049	10,468
Total Revenues	155,000	167,267	160,322
EXPENDITURES			
Street Maintenance	300,000	295,186	-
Rental of Equipment	5,000	-	-
Engineering	35,000	-	-
Total Expenditures	340,000	295,186	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(185,000)	(127,919)	160,322
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	3,772	-
NET CHANGE IN FUND BALANCE	<u>\$ (185,000)</u>	(124,147)	160,322
Fund Balance - Beginning of Year		309,314	148,992
FUND BALANCE - END OF YEAR		<u>\$ 185,167</u>	<u>\$ 309,314</u>

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2025**

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 2024 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 2024 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>	10-year rolling 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 106.0%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2025**

**NOTE 2 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE
CALCULATION OF THE 2024 CONTRIBUTION RATE (CONTINUED)**

Other Information

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2022, actuarial valuation.

SUPPLEMENTARY INFORMATION

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
CONSOLIDATED YEAR-END FINANCIAL REPORT
APRIL 30, 2025**

CSFA Number	Program Name	State	Federal	Other	Total
422-11-1154	Recreational Trails Program	\$ -	\$ 163,632	\$ -	\$ 163,632
	Other Grant Programs and Activities	-	422,809	-	422,809
	Total	<u>\$ -</u>	<u>\$ 586,441</u>	<u>\$ -</u>	<u>\$ 586,441</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
APRIL 30, 2025**

	Illinois Municipal Retirement Fund	Social Security Fund	Audit Fund	Business District Fund	Total
ASSETS					
Cash on Hand and in Banks	\$ 23,946	\$ 2,951	\$ -	\$ 173,168	\$ 200,065
General Property Tax Receivable	25,000	55,000	45,000	-	125,000
Due from State of Illinois	-	-	-	28,242	28,242
	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,242</u>	<u>28,242</u>
Total Assets	<u>\$ 48,946</u>	<u>\$ 57,951</u>	<u>\$ 45,000</u>	<u>\$ 201,410</u>	<u>\$ 353,307</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Due to Other Funds	\$ -	\$ -	\$ 2,904	\$ -	\$ 2,904
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	25,000	55,000	45,000	-	125,000
FUND BALANCE (DEFICIT)					
Restricted for:					
Retirement	23,946	9,141	-	-	33,087
Business District	-	-	-	201,410	201,410
Unassigned	-	(6,190)	(2,904)	-	(9,094)
Total Fund Balance (Deficit)	<u>23,946</u>	<u>2,951</u>	<u>(2,904)</u>	<u>201,410</u>	<u>225,403</u>
Total Deferred Inflows of Resources and Fund Balance	<u>\$ 48,946</u>	<u>\$ 57,951</u>	<u>\$ 45,000</u>	<u>\$ 201,410</u>	<u>\$ 353,307</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2025**

	Illinois Municipal Retirement Fund	Social Security Fund	Audit Fund	Business District Fund	Total
REVENUES					
Property and Mobile Home Taxes	\$ 20,113	\$ 50,136	\$ 35,125	\$ -	\$ 105,374
Sales Taxes	-	-	-	120,822	120,822
Interest	-	-	-	1,323	1,323
Total Revenues	20,113	50,136	35,125	122,145	227,519
EXPENDITURES					
Illinois Municipal Retirement	27,837	-	-	-	27,837
Social Security and Medicare	-	40,995	-	-	40,995
Professional Fees	-	-	38,220	-	38,220
Capital Outlay	-	-	-	168,851	168,851
Total Expenditures	27,837	40,995	38,220	168,851	275,903
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,724)	9,141	(3,095)	(46,706)	(48,384)
Fund Balance - Beginning of Year	31,670	(6,190)	191	248,116	273,787
FUND BALANCE - END OF YEAR	<u>\$ 23,946</u>	<u>\$ 2,951</u>	<u>\$ (2,904)</u>	<u>\$ 201,410</u>	<u>\$ 225,403</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, 2025
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2024**

	2025		
	Original and Final Estimated Revenues and Appropriation	Actual	2024 Actual
REVENUES			
Property and Mobile Home Taxes	\$ 20,000	\$ 20,113	\$ 20,022
Total Revenues	20,000	20,113	20,022
EXPENDITURES			
Illinois Municipal Retirement	45,000	27,837	30,728
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>\$ (25,000)</u>	(7,724)	(10,706)
Fund Balance - Beginning of Year		31,670	42,376
FUND BALANCE - END OF YEAR		<u>\$ 23,946</u>	<u>\$ 31,670</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (DEFICIT) – ESTIMATED REVENUES,
APPROPRIATION, AND ACTUAL
YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2024**

	2025		2024
	Original and Final Estimated Revenues and Appropriation	Actual	Actual
REVENUES			
Property and Mobile Home Taxes	\$ 50,000	\$ 50,136	\$ 45,004
Total Revenues	50,000	50,136	45,004
EXPENDITURES			
Social Security and Medicare	60,000	40,995	47,813
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (10,000)</u>	9,141	(2,809)
Fund Balance - Beginning of Year		(6,190)	(3,381)
FUND BALANCE - END OF YEAR		<u>\$ 2,951</u>	<u>\$ (6,190)</u>

VILLAGE OF GERMANTOWN HILLS, ILLINOIS
AUDIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – ESTIMATED REVENUES,
APPROPRIATION, AND ACTUAL
YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2024

	2025		
	Original and Final Estimated Revenues and Appropriation	Actual	2024 Actual
REVENUES			
Property and Mobile Home Taxes	\$ 35,000	\$ 35,125	\$ 34,993
Total Revenues	35,000	35,125	34,993
EXPENDITURES			
Professional Fees	45,000	38,220	37,905
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>\$ (10,000)</u>	(3,095)	(2,912)
Fund Balance - Beginning of Year		191	3,103
FUND BALANCE - END OF YEAR		<u>\$ (2,904)</u>	<u>\$ 191</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
BUSINESS DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – ESTIMATED REVENUES,
APPROPRIATION, AND ACTUAL
YEAR ENDED APRIL 30, 2025
WITH COMPARATIVE FIGURES FOR YEAR ENDED APRIL 30, 2024**

	2025		2024
	Original and Final Estimated Revenues and Appropriation	Actual	Actual
REVENUES			
Business District Sales Taxes	\$ -	\$ 120,822	\$ 114,816
Interest	-	1,323	1,089
Total Revenues	-	122,145	115,905
EXPENDITURES			
Professional Fees	55,000	-	-
Business District Development	300,000	-	1
Capital Outlay	-	168,851	42,455
Total Expenditures	355,000	168,851	42,456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (355,000)</u>	(46,706)	73,449
Fund Balance - Beginning of Year		248,116	174,667
FUND BALANCE - END OF YEAR		<u>\$ 201,410</u>	<u>\$ 248,116</u>

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS, TAX
DISTRIBUTIONS, AND TAX RATES
TAX YEARS 2024, 2023, AND 2022 (UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ASSESSED VALUATION	<u>\$ 107,040,611</u>	<u>\$ 98,024,775</u>	<u>\$ 90,251,400</u>
General	.1320	.1756	.1992
Liability Insurance	.0384	.0388	.0388
Police Protection	.0673	.0735	.0743
Social Security	.0514	.0511	.0499
Street Lighting	.0113	.0041	.0056
Audit	.0421	.0358	.0388
Illinois Municipal Retirement	.0234	.0205	.0222
Emergency Services and Disaster Agency	<u>.0010</u>	<u>.0011</u>	<u>.0056</u>
Total	<u>.3669</u>	<u>.4005</u>	<u>.4344</u>
TAX EXTENSIONS			
General	\$ 141,294	\$ 172,131	\$ 179,781
Liability Insurance	41,104	38,034	35,018
Police Protection	72,038	72,048	67,057
Social Security	55,019	50,091	45,035
Street Lighting	12,096	4,019	5,054
Audit	45,064	35,093	35,017
Illinois Municipal Retirement	25,048	20,095	20,036
Emergency Services and Disaster Agency	<u>1,070</u>	<u>1,078</u>	<u>5,054</u>
Total	<u>\$ 392,733</u>	<u>\$ 392,589</u>	<u>\$ 392,052</u>
TAX COLLECTIONS RECEIVED BY VILLAGE	<u>\$ -</u>	<u>\$ 392,945</u>	<u>\$ 392,129</u>
ESTIMATED RECEIVABLE	<u>\$ 392,733</u>	<u>\$ 392,589</u>	<u>\$ 392,052</u>
PERCENT COLLECTED	0.00 %	100.09 %	100.02 %



**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**

Honorable President and 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, 2025, 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 July 30, 2025.

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 2025-001 and 2025-002 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
July 30, 2025

**VILLAGE OF GERMANTOWN HILLS, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED APRIL 30, 2025**

FINANCIAL STATEMENT FINDINGS

Finding No. 2025-001 – 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. Even though there are procedures in place for cross-review, there is a risk since the Treasurer has the ability to record cash receipt transactions and handle physical cash collections and deposits. Additionally, we noted 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 also not be responsible for recording transactions. Review procedures should include formal documentation as evidence the review was properly completed.

Views of Responsible Officials:

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, 2025**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding No. 2025-002 – 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. 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.

Condition:

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, and necessary adjustments, in conformity with accounting principles generally accepted in the United State of America (GAAP) nor do they 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:

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

