

Village of South Holland, Illinois

Annual Financial Report
April 30, 2025

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Independent Auditor's Report

RSM US LLP

Honorable Mayor and Members of the Village Board
Board of Trustees
Village of South Holland, Illinois

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of South Holland, Illinois (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 management's discussion and analysis, the Schedule of Changes in Net Pension Liability (Asset), Total Pension Liability and Related Ratios and Investment Returns – Illinois Municipal Retirement Fund (IMRF), the Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns – Police Pension Fund, the Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns – Firefighters' Pension Fund, the Schedule of Changes in Total Other Postemployment Benefit Liability and Related Ratios, the Schedule of Contributions – IMRF, the Schedule of Contributions – Police Pension Plan, Schedule of Contributions – Firefighters' Pension Plan, the budgetary comparison information and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The Schedule of Revenues – Budget and Actual – General Fund, the Schedule of Debt Service Requirements, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 Schedule of Revenues – Budget and Actual – General Fund, the Schedule of Debt Service Requirements, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Equalized Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections, but does not include the basic financial statements and our auditor's 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 November 25, 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 Village's internal control over financial reporting and compliance.

RSM VS LLP

Chicago, Illinois
November 25, 2025

Basic Financial Statements

Management's Discussion and Analysis

The management of the Village of South Holland, Illinois (the Village) is providing this overview and analysis of the financial activities of the Village for fiscal year ended April 30, 2025. Please read it in conjunction with the Financial Statements in this report.

Financial Highlights

The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2025 by \$88,061,927 and fiscal year 2024 by \$80,963,449. Total payments made on bonded debt of the Village totaled \$2,400,000 during the fiscal year. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,346,658 or 38.9 percent of total General Fund expenditures, whereas at the end of fiscal year 2024, unassigned fund balance for the General Fund was \$14,138,138 or 37.5 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to be an introduction to the Village's basic financial statements. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements provide a broad overview of the Village's finances in a manner similar to a private-sector business. The government's current financial resources are combined and consolidated with capital assets and long-term obligations using the accrual basis of accounting.

The government-wide financial statements include the financial activities of the Village and the Village's component unit.

The statement of net position presents information on all of the Village's assets, deferred inflows of resources, liabilities and deferred outflows of resources, with the remaining difference between the categories reported as net position. Over time, the increase or decrease in net position may be a useful indicator of whether the Village's financial position is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as they occur, regardless of the timing of cash flow. Therefore, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods. The costs of various governmental services and any subsidy to business activities are presented.

Both of these government-wide financial statements distinguish the functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The Village's governmental activities include general government, public works, public safety, and the garbage department. Property, sales, utility and income taxes pay for most of those activities. The Village's business-type activities include water operations.

Village of South Holland, Illinois Management's Discussion and Analysis

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Village funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund statements is narrower than that of the government-wide financial statements, it may be useful to compare similar information to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains 22 individual governmental funds. Information is presented separately in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds: General Fund and Route 6 TIF Capital Project Fund. Data from the other 20 governmental funds are combined into a single, aggregated presentation.

The Village adopts an annual appropriated budget for its general, debt service and certain special revenue funds. A budgetary comparison statement has been provided where appropriate to demonstrate compliance with this budget.

One type of proprietary fund is an enterprise fund. The Village maintains one enterprise fund to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The function is water operations. Water operations are considered to be a major fund of the Village.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's pension and postemployment benefit information and its compliance to the General Fund budget.

Village of South Holland, Illinois
Management's Discussion and Analysis

Government-Wide Financial Analysis

The following tables are the condensed Statements of Net Position for the Village as of April 30, 2025 and 2024.

April 30, 2025

	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	\$ 45,660,728	\$ 1,779,449	\$ 47,440,177
Noncurrent assets	83,950,686	18,067,295	102,017,981
Total assets	<u>129,611,414</u>	<u>19,846,744</u>	<u>149,458,158</u>
Deferred outflows of resources	<u>6,999,593</u>	<u>302,378</u>	<u>7,301,971</u>
Current liabilities	7,622,878	1,205,028	8,827,906
Long-term liabilities	33,477,110	1,636,794	35,113,904
Total liabilities	<u>41,099,988</u>	<u>2,841,822</u>	<u>43,941,810</u>
Deferred inflows of resources	<u>24,657,601</u>	<u>98,791</u>	<u>24,756,392</u>
Net position:			
Net investment in capital assets	78,388,891	16,535,558	94,924,449
Restricted	10,903,460	-	10,903,460
Unrestricted (deficit)	(18,438,933)	672,951	(17,765,982)
Total net position	<u>\$ 70,853,418</u>	<u>\$ 17,208,509</u>	<u>\$ 88,061,927</u>

April 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	\$ 44,384,793	\$ 3,519,118	\$ 47,903,911
Capital assets	82,332,686	14,621,696	96,954,382
Total assets	<u>126,717,479</u>	<u>18,140,814</u>	<u>144,858,293</u>
Deferred outflows of resources	<u>6,917,676</u>	<u>481,817</u>	<u>7,399,493</u>
Current liabilities	7,807,515	1,688,711	9,496,226
Long-term liabilities	34,510,478	1,829,795	36,340,273
Total liabilities	<u>42,317,993</u>	<u>3,518,506</u>	<u>45,836,499</u>
Deferred inflows of resources	<u>25,333,176</u>	<u>124,662</u>	<u>25,457,838</u>
Net position:			
Net investment in capital assets	73,947,185	12,896,331	86,843,516
Restricted	5,411,177	-	5,411,177
Unrestricted (deficit)	(13,374,376)	2,083,132	(11,291,244)
Total net position	<u>\$ 65,983,986</u>	<u>\$ 14,979,463</u>	<u>\$ 80,963,449</u>

Village of South Holland, Illinois
Management's Discussion and Analysis

The majority of the Village's net position is invested in capital assets that are used to provide services to the citizens of the Village. Although they are reported net of related debt, it should be noted that the resources needed to repay any debt must be provided from other sources since they cannot be liquidated to repay liabilities. Restricted net position of the Village, which is only authorized to be spent for specific purposes as defined in the notes to the financial statements, was \$10,903,460 at April 30, 2025. Unrestricted net position was a deficit of \$18,438,763 at April 30, 2025.

Of the \$33,477,110 listed as Governmental Activities Long-term liabilities, \$2,785,585 is debt, net of premiums and discounts. During fiscal year 2029, this debt is scheduled to be fully retired and is currently being funded by the Village's tax levy and incremental taxes generated by the TIF districts. Tax increment financing tax revenues are expected to fully pay for the \$2,225,000 in principal payments and no general fund or other resources are expected to pay for these obligations.

The following tables are the condensed Statements of Activities for the Village for the fiscal years ended April 30, 2025 and 2024.

For the Year Ended April 30, 2025

	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$ 8,474,841	\$ 7,402,612	\$ 15,877,453
Operating grants and contributions	1,631,049	3,132,782	4,763,831
General revenues:			
Property taxes	18,600,013	-	18,600,013
Intergovernmental	12,239,781	-	12,239,781
Investment income	1,432,447	14,661	1,447,108
Other	1,919,452	-	1,919,452
Total revenues	<u>44,297,583</u>	<u>10,550,055</u>	<u>54,847,638</u>
Expenses:			
General government	13,560,541	-	13,560,541
Public safety:			
Fire department	5,515,131	-	5,515,131
Police department	9,698,164	-	9,698,164
Building department	1,720,702	-	1,720,702
Public works	5,837,574	-	5,837,574
Garbage department	2,754,106	-	2,754,106
Interest expense	140,993	-	140,993
Amortization	(30,560)	-	(30,560)
Water	-	8,552,509	8,552,509
Total expenses	<u>39,196,651</u>	<u>8,552,509</u>	<u>47,749,160</u>
Transfers and contributed capital	(231,500)	231,500	-
Change in net position	4,869,432	2,229,046	7,098,478
Net position May 1, 2024	<u>65,983,986</u>	<u>14,979,463</u>	<u>80,963,449</u>
Net position April 30, 2025	<u>\$ 70,853,418</u>	<u>\$ 17,208,509</u>	<u>\$ 88,061,927</u>

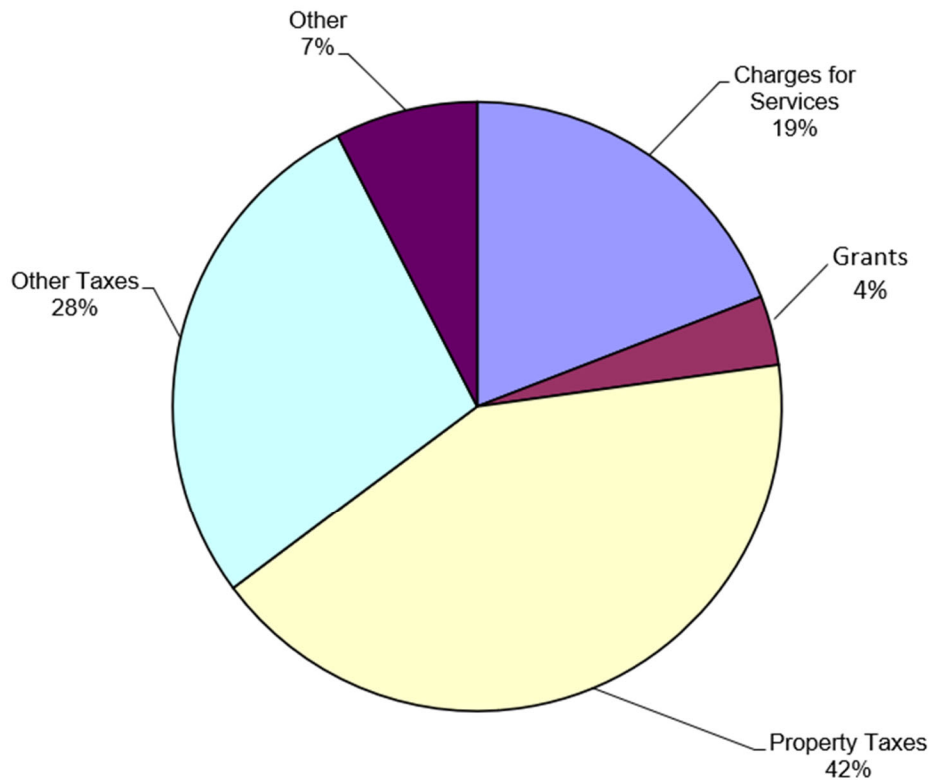
Village of South Holland, Illinois
Management's Discussion and Analysis

For the Year Ended April 30, 2024			
	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$ 8,828,955	\$ 7,857,712	\$ 16,686,667
Operating grants and contributions	1,689,782	244,863	1,934,645
General revenues:			
Property taxes	18,857,829	-	18,857,829
Intergovernmental	10,851,568	-	10,851,568
Investment income	1,203,017	78,462	1,281,479
Gain on sale of capital assets	554,267	-	554,267
Other	1,897,364	-	1,897,364
Total revenues	<u>43,882,782</u>	<u>8,181,037</u>	<u>52,063,819</u>
Expenses:			
General government	12,916,228	-	12,916,228
Public safety:			
Fire department	6,002,780	-	6,002,780
Police department	10,047,946	-	10,047,946
Building department	1,604,663	-	1,604,663
Public works	4,903,957	-	4,903,957
Garbage department	2,500,425	-	2,500,425
Interest expense	345,122	-	345,122
Amortization	(30,560)	-	(30,560)
Water	-	8,672,029	8,672,029
Total expenses	<u>38,290,561</u>	<u>8,672,029</u>	<u>46,962,590</u>
Transfers and contributed capital	<u>(4,181,071)</u>	<u>4,181,071</u>	<u>-</u>
Change in net position	1,411,150	3,690,079	5,101,229
Net position May 1, 2023	<u>64,572,836</u>	<u>11,289,384</u>	<u>75,862,220</u>
Net position April 30, 2024	<u>\$ 65,983,986</u>	<u>\$ 14,979,463</u>	<u>\$ 80,963,449</u>

Village of South Holland, Illinois Management's Discussion and Analysis

The following chart summarizes how the Village's governmental activities are funded.

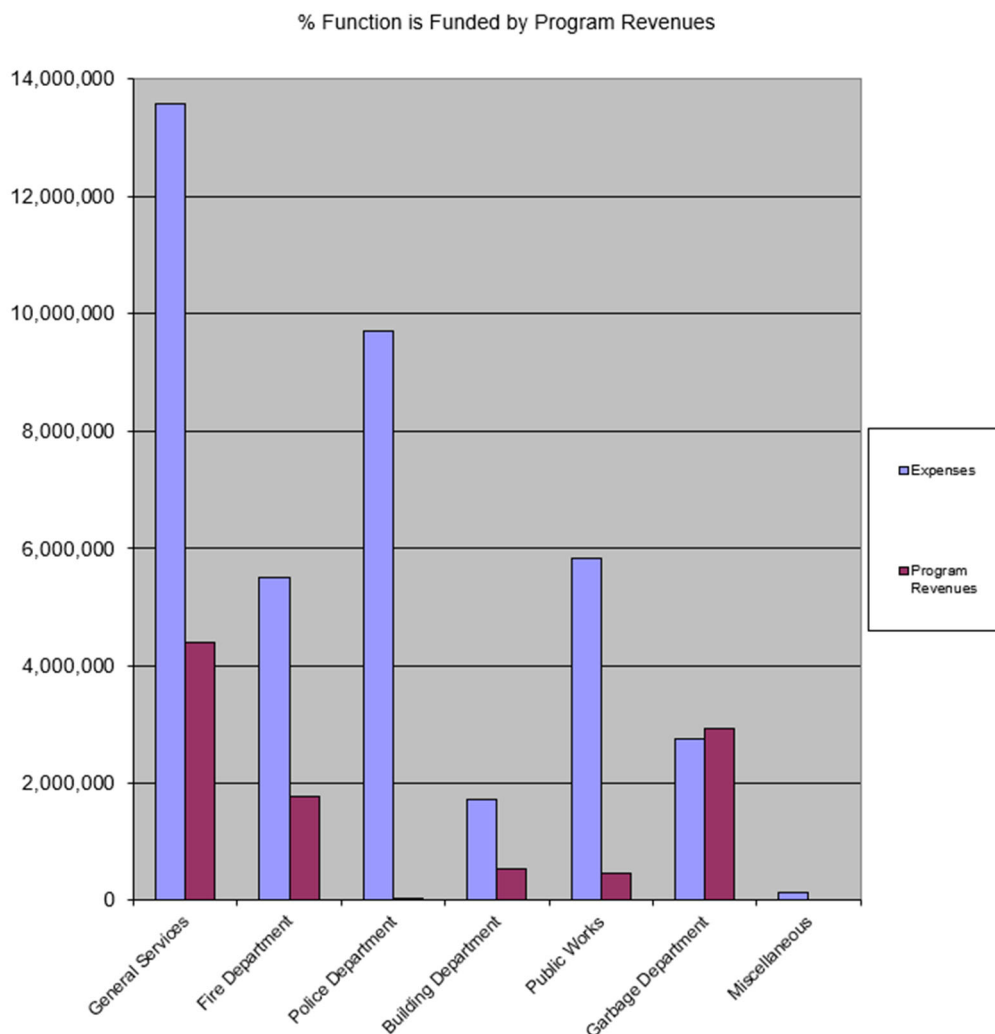
Revenues by Source - Governmental Activities



Approximately 70 percent of governmental activities are funded primarily by property tax and sales and other taxes. The Village has home rule authority to raise property taxes without the effects of property tax caps. The Village undertakes a rigorous budget process to minimize the necessity for unusual tax increases. The Village has continued to improve the level of services provided to residents by continuing to adhere to its prescribed fiscal controls. Each year this becomes more challenging.

Village of South Holland, Illinois Management's Discussion and Analysis

The following chart reflects the Village's governmental activities expenses by function, along with the percentage that each function is funded by program revenues. General revenues, including property and other taxes and investment income, are used to fund the Village's functions as program revenues alone are not sufficient.



Business-type activities are to be funded through charges for related services. This year, water operations resulted in revenues of \$2,003,849 more than its expenses, while the fiscal year 2024 water operations resulted in revenues of \$490,992 less than its expenses.

Financial Analysis of the Village's Funds

Governmental funds provide information on near term inflows, outflows and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$24,151,240, while governmental fund balances were \$23,502,192 at the end of fiscal year 2024.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water fund was \$672,951 at April 30, 2025 and \$2,083,132 at April 30, 2024.

Village of South Holland, Illinois Management's Discussion and Analysis

General Fund Budgetary Highlights

No amendments were made to the original budget. The fund balance of the General Fund decreased by \$768,642 in fiscal year 2025 and decreased by \$692,823 in fiscal year 2024.

During fiscal year 2025, actual General Fund revenues were less than budgeted revenues by \$7,232,418.

Actual General Fund expenditures were less than budgeted expenditures by \$10,048,261. The Village has a rigorous budget and oversight structure which resulted in holding expenditures to below budgeted numbers in nearly every department.

Capital Asset and Debt Administration

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2025 and 2024 amounts to \$101,160,200 and \$96,170,416, net of accumulated depreciation, respectively. This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, streets, sidewalks, storm sewers, manholes, hydrants, valves, streetlights and the water distribution system. Prior to fiscal year 2004, the Village's infrastructure (roads, bridges, storm sewers, water mains) had not been reported or depreciated in governmental financial statements. These assets have now been valued and reported in the government-wide financial statements. The Village has elected to depreciate these assets over their estimated useful lives.

At the end of the current year, the Village had total general obligation bond debt of \$2,985,000 and tax incremental financing bond debt of \$2,225,000. General obligation bonds within governmental activities decreased by \$2,400,000 relating to principal repayments. Total business-type debt decreased by a net total of \$193,628 as principal payments were made on the IEPA loan during the year.

The management of the Village of South Holland, Illinois (the Village) is providing this overview and analysis of the financial activities of the Village for fiscal year ended April 30, 2025. Please read it in conjunction with the Financial Statements in this report.

Economic Factors and Next Year's Budget

The Village continues to aggressively pursue economic development opportunities with the team lead by the Director of Community & Economic Development and the Economic Development Manager. The Village also maintains an active role in collaborating with the South Holland Business Association and its Executive Director.

Commercial and industrial vacancy rates remain low within the Village. Over the past year, numerous significant relocation/expansion projects were completed, led by Cantarero Pallets who occupied over 200,000 SF of industrial space. Ezzy Manufacturing completed a significant renovation of over 30,000 SF in July 2025, UPS expanded its corporate training facility, and M&J Construction broke ground on a 20,000 SF facility. On the commercial side, Quiktrip broke ground on a new fuel station that is scheduled to open in 2026 and Chase Bank completed construction of their new building. Continental Restaurant, Stanfa Tire and Boost Mobile utilized the Village's façade grant program to begin renovations, and Wendy's and Dunkin Donuts also completed significant store refreshes. South Suburban College broke ground on a new fifty-two-million-dollar Allied Health & Nursing Center in September 2025, further expanding their role as an economic anchor within the Village.

The Village continues its aggressive approach to acquiring any dormant commercial properties to facilitate repositioning and to keep the commercial climate healthy. A few of these properties were acquired in the current fiscal year. High profile acquired properties, such as a 20-acre parcel at the intersection of US-6 and I-94 and a former office building in the Town Center area, are being actively marketed for restaurant uses and other high-quality commercial opportunities. In the residential sector, the Village sold its full inventory from the newly launched Neighborhood Revitalization Program. This already successful program is focused on acquiring vacant single-family residences and then marketing them to established rehabbers. The Village has also partnered with the South Suburban Land Bank to acquire the few remaining vacant single-family properties for renovation and reuse.

Village of South Holland, Illinois Management's Discussion and Analysis

The Village is focusing closely on downtown revitalization of its Town Center. A fifteen-million-dollar Family Athletic Center is under construction, intended to enhance community life and serve as an economic anchor for downtown. Planning and construction are underway to open the Shops at Town Center in 2026. This will be a small business incubator and an economic generator for the Town Center area. The Village has updated its master plan for the area and is constructing new public parking for the Town Center area which will serve these new amenities and support existing private businesses.

The State of Illinois Department of Commerce and Economic Opportunity has approved the Calumet Region Enterprise Zone which totals about 12.5 square miles of land within portions of Lansing, Calumet City, Dolton, South Holland, Riverdale, Thornton and parts of unincorporated Cook County. The new zone went into effect on January 1, 2017, and will exist for 15 years. Businesses located or expanding into the enterprise zone may be eligible for a number of economic incentives including sales tax breaks, waiver of permits and fees and other credits.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the South Holland Village Treasurer, Dillon Herman, 16226 Wausau Avenue, South Holland, Illinois 60473.

Government-Wide Financial Statements

Village of South Holland, Illinois

Statement of Net Position
April 30, 2025

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit Public Library
Assets				
Current:				
Cash and investments	\$ 30,612,791	\$ 400	\$ 30,613,191	\$ 2,893,110
Receivables:				
Property taxes, net	10,980,575	-	10,980,575	1,611,599
Other taxes	203,695	-	203,695	-
Intergovernmental	2,361,474	1,138,444	3,499,918	-
Leases	45,914	-	45,914	-
Customer accounts, net	522,584	1,431,587	1,954,171	-
Prepays and deposits	108,226	-	108,226	-
Internal balances	790,982	(790,982)	-	-
Inventories	34,487	-	34,487	-
Total current assets	45,660,728	1,779,449	47,440,177	4,504,709
Noncurrent:				
Receivables:				
Leases	857,781	-	857,781	-
Capital assets, not being depreciated	35,301,887	3,957,810	39,259,697	-
Capital assets being depreciated, net of accumulated depreciation	47,791,018	14,109,485	61,900,503	2,907,420
Total noncurrent assets	83,950,686	18,067,295	102,017,981	2,907,420
Total assets	129,611,414	19,846,744	149,458,158	7,412,129
Deferred Outflows of Resources				
Pension related amounts	5,736,805	302,378	6,039,183	429,783
Other postemployment benefits related amounts	1,239,707	-	1,239,707	-
Loss on refundings	23,081	-	23,081	-
Total deferred outflows of resources	6,999,593	302,378	7,301,971	429,783

(Continued)

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit Public Library
Liabilities				
Current:				
Accounts payable	\$ 2,371,508	\$ 917,419	\$ 3,288,927	\$ 151,904
Claims payable	471,585	-	471,585	-
Accrued payroll	187,638	10,507	198,145	12,931
Accrued interest	57,878	-	57,878	-
Due to other governments	253,967	-	253,967	-
Unearned revenue	6,725	-	6,725	-
Escrow deposits	24,019	-	24,019	-
Compensated absences	1,136,153	81,046	1,217,199	83,762
Subscription liabilities	94,147	-	94,147	-
General obligation bonds	1,150,000	-	1,150,000	-
Tax incremental financing bonds	1,360,000	-	1,360,000	-
IEPA loan	-	196,056	196,056	-
Other postemployment benefits	509,258	-	509,258	-
Total current liabilities	7,622,878	1,205,028	8,827,906	248,597
Noncurrent:				
Claims payable	76,549	-	76,549	-
Subscription liabilities	91,744	-	91,744	-
General obligation bonds, net	1,880,631	-	1,880,631	-
Tax incremental financing bonds, net	904,954	-	904,954	-
IEPA loan	-	1,335,681	1,335,681	-
Net pension liability	23,190,773	301,113	23,491,886	293,181
Other postemployment benefits	7,332,459	-	7,332,459	-
Total noncurrent liabilities	33,477,110	1,636,794	35,113,904	293,181
Total liabilities	41,099,988	2,841,822	43,941,810	541,778
Deferred Inflows of Resources				
Pension related amounts	2,574,057	98,791	2,672,848	169,243
Other postemployment benefit related amounts	3,015,587	-	3,015,587	-
Property taxes for subsequent year	18,260,134	-	18,260,134	2,729,807
Lease related amounts	807,823	-	807,823	-
Total deferred inflows of resources	24,657,601	98,791	24,756,392	2,899,050
Net Position				
Net investment in capital assets	78,388,891	16,535,558	94,924,449	2,907,420
Restricted for:				
MFT projects	999,622	-	999,622	-
Park	484,359	-	484,359	-
Sewer	280,697	-	280,697	-
Debt service	90,493	-	90,493	-
Capital projects	9,048,289	-	9,048,289	-
Unrestricted (deficit)	(18,438,933)	672,951	(17,765,982)	1,493,664
Total net position	\$ 70,853,418	\$ 17,208,509	\$ 88,061,927	\$ 4,401,084

See notes to financial statements.

Village of South Holland, Illinois

Statement of Activities
Year Ended April 30, 2025

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 13,560,541	\$ 3,251,633	\$ 1,141,722
Public safety:			
Fire department	5,515,131	1,773,843	956
Police department	9,698,164	-	29,779
Building department	1,720,702	539,841	-
Public works	5,837,574	-	458,592
Garbage department	2,754,106	2,909,524	-
Interest expense	110,433	-	-
Total governmental activities	<u>39,196,651</u>	<u>8,474,841</u>	<u>1,631,049</u>
Business-type activities:			
Water	<u>8,552,509</u>	<u>7,402,612</u>	<u>3,132,782</u>
Total business-type activities	<u>8,552,509</u>	<u>7,402,612</u>	<u>3,132,782</u>
Total primary government	<u>\$ 47,749,160</u>	<u>\$ 15,877,453</u>	<u>\$ 4,763,831</u>
Component unit:			
Library	<u>\$ 2,466,796</u>	<u>\$ 1,026</u>	<u>\$ 40,684</u>

General revenues:
Property taxes
Intergovernmental
Investment income
Miscellaneous
Transfers and contributed capital
Total general revenues

Change in net position

Net position:
May 1, 2024

April 30, 2025

See notes to financial statements.

Net (Expense), Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Public Library
\$ (9,167,186)	\$ -	\$ (9,167,186)	\$ -
(3,740,332)	-	(3,740,332)	-
(9,668,385)	-	(9,668,385)	-
(1,180,861)	-	(1,180,861)	-
(5,378,982)	-	(5,378,982)	-
155,418	-	155,418	-
(110,433)	-	(110,433)	-
(29,090,761)	-	(29,090,761)	-
-	1,982,885	1,982,885	-
-	1,982,885	1,982,885	-
(29,090,761)	1,982,885	(27,107,876)	-
-	-	-	(2,425,086)
18,600,013	-	18,600,013	2,376,964
12,239,781	-	12,239,781	30,984
1,432,447	14,661	1,447,108	122,924
1,919,452	-	1,919,452	38,166
(231,500)	231,500	-	-
33,960,193	246,161	34,206,354	2,569,038
4,869,432	2,229,046	7,098,478	143,952
65,983,986	14,979,463	80,963,449	4,257,132
\$ 70,853,418	\$ 17,208,509	\$ 88,061,927	\$ 4,401,084

Fund Financial Statements

Village of South Holland, Illinois

Balance Sheet - Governmental Funds
April 30, 2025

	General Fund	Route 6 TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 16,744,795	\$ 5,529,530	\$ 8,338,466	\$ 30,612,791
Receivables:				
Property taxes, net	8,878,478	15,461	2,086,636	10,980,575
Other taxes	171,347	-	32,348	203,695
Intergovernmental	2,283,892	-	77,582	2,361,474
Customer accounts, net	434,309	-	88,275	522,584
Leases	903,695	-	-	903,695
Prepays and deposits	108,226	-	-	108,226
Inventories	34,487	-	-	34,487
Due from other funds	790,982	-	241,591	1,032,573
Total assets	\$ 30,350,211	\$ 5,544,991	\$ 10,864,898	\$ 46,760,100
Liabilities				
Accounts payable	\$ 1,633,290	\$ 385,845	\$ 352,373	\$ 2,371,508
Accrued payroll	173,739	-	13,899	187,638
Unearned revenue	6,725	-	-	6,725
Escrow deposits	24,019	-	-	24,019
Due to other governments	253,967	-	-	253,967
Due to other funds	-	-	241,591	241,591
Total liabilities	2,091,740	385,845	607,863	3,085,448
Deferred Inflows of Resources				
Unavailable revenue - property taxes	13,545,592	320,736	4,433,576	18,299,904
Unavailable revenue - intergovernmental	415,685	-	-	415,685
Lease related amounts	807,823	-	-	807,823
Total deferred inflows of resources	14,769,100	320,736	4,433,576	19,523,412
Fund Balances				
Nonspendable for prepaids, deposits and inventories	142,713	-	-	142,713
Restricted	-	4,838,410	6,065,050	10,903,460
Unassigned	13,346,658	-	(241,591)	13,105,067
Total fund balances	13,489,371	4,838,410	5,823,459	24,151,240
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,350,211	\$ 5,544,991	\$ 10,864,898	\$ 46,760,100

See notes to financial statements.

Village of South Holland, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2025**

Total fund balances-governmental funds	\$ 24,151,240
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	83,092,905
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State intergovernmental revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the Statement of Activities.	455,455
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Deferred outflows and deferred inflows of resources related to postemployment benefit plans which will be recognized as an increase or reduction to pension expense in future periods reporting:

Deferred outflows due to pensions	5,624,452
Deferred outflows due to other postemployment benefits	1,239,707
Deferred inflows due to pensions	(2,574,057)
Deferred inflows due to other postemployment benefits	(3,015,587)

Pension contributions made after the actuarial valuation date used for calculation of the net pension liability are considered expenditures in the fund financial statements but are deferred outflows of resources in the government-wide financial statements.	112,353
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Premiums related to the issuance of bonds are reflected in the governmental funds in the year of refunding but are capitalized and amortized over the life of the bond issue and netted with the related bond liabilities in the Statement of Net Position.	(87,172)
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Discounts related to the issuance of bonds are reflected in the governmental funds in the year of refunding but are capitalized and amortized over the life of the bond issue and netted with the related bond liabilities in the Statement of Net Position.	1,587
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Deferred losses on debt refundings are not considered to represent a financial resource and, therefore, are not reported in the funds.	23,081
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(Continued)

Village of South Holland, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position (Continued)
April 30, 2025**

The postemployment benefit liability related to IMRF, police, and firefighters' pension plans and other postemployment benefits is recorded on the Statement of Net Position, but not recorded in the fund financial statements:

Net pension liability - Illinois Municipal Retirement Fund	\$ (1,653,169)
Net pension liability - Police Pension Fund	(16,087,691)
Net pension liability - Firefighters' Pension Fund	(5,449,913)
Net other postemployment benefit liability	(7,841,717)

Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:

Claims payable	(548,134)
General obligation bonds	(2,985,000)
Tax incremental financing bonds	(2,225,000)
Subscriptions payable	(185,891)
Accrued interest	(57,878)
Compensated absences	(1,136,153)

Net position of governmental activities	<u>\$ 70,853,418</u>
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See notes to financial statements.

Village of South Holland, Illinois

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended April 30, 2025**

	General Fund	Route 6 TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 12,709,986	\$ 649,000	\$ 5,241,027	\$ 18,600,013
Intergovernmental	10,482,197	-	1,341,899	11,824,096
Licenses and permits	3,246,982	-	-	3,246,982
Fines and forfeitures	676,241	-	-	676,241
Charges for services	2,909,524	-	1,642,094	4,551,618
Grants	491,827	-	1,139,222	1,631,049
Investment income	1,078,543	5,414	348,490	1,432,447
Rental income	84,915	-	271,388	356,303
Miscellaneous	1,369,067	-	194,082	1,563,149
Total revenues	33,049,282	654,414	10,178,202	43,881,898
Expenditures:				
Current:				
General government	7,488,588	28,177	3,538,156	11,054,921
Public safety:				
Police department	9,052,724	-	-	9,052,724
Fire department	4,996,918	-	-	4,996,918
Building department	1,538,990	-	-	1,538,990
Public relations	537,286	-	-	537,286
Public works	5,370,826	-	-	5,370,826
Garbage department	2,455,489	-	-	2,455,489
Capital outlay	2,931,559	575,776	2,049,357	5,556,692
Debt service:				
Principal	78,147	-	2,415,771	2,493,918
Interest and fees	987	-	215,350	216,337
Total expenditures	34,451,514	603,953	8,218,634	43,274,101
Excess (deficiency) of revenues over (under) expenditures	(1,402,232)	50,461	1,959,568	607,797
Other financing sources (uses):				
Initiation of new SBITAs	13,590	-	27,661	41,251
Transfers in	750,000	5,350,000	14,890,000	20,990,000
Transfers out	(130,000)	(595,000)	(20,265,000)	(20,990,000)
Total other financing sources (uses)	633,590	4,755,000	(5,347,339)	41,251
Net change in fund balances	(768,642)	4,805,461	(3,387,771)	649,048
Fund balances:				
May 1, 2024, as previously stated	14,258,013	-	9,244,179	23,502,192
Change within financial reporting entity (nonmajor to major fund)	-	32,949	(32,949)	-
May 1, 2024, as restated	14,258,013	32,949	9,211,230	23,502,192
April 30, 2025	\$ 13,489,371	\$ 4,838,410	\$ 5,823,459	\$ 24,151,240

See notes to financial statements.

Village of South Holland, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2025**

Net change in fund balances-total governmental funds	\$ 649,048
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlay	4,114,003
Depreciation and amortization	(2,338,318)

Certain items related to postemployment benefit activity are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements:

Deferred outflows of resources related to pension expense	(507,030)
Deferred outflows of resources related to other postemployment benefits expense	614,138
Deferred inflows of resources related to pension expense	1,024,698
Deferred inflows of resources related to other postemployment benefits expense	478,159

State revenues that are deferred in the fund financial statements because they are not available but are recognized in the Statement of Activities.	415,685
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The following are expenditures in the governmental funds, but the repayment of debt reduces long-term liabilities in the Statement of Net Position:

General obligation bonds	1,120,000
Tax incremental financing bonds	1,280,000
Subscriptions	93,918

In the fund financial statements, the issuance of long-term debt is considered other financing sources, but in the Statement of Net Position, debt is reported as a liability:

Issuance of subscriptions	(41,251)
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Losses on refunding of bonds are not reflected in the fund financial statements but are recorded as part of liabilities in the Statement of Net Position.

Amortization of all losses on refunding	(25,191)
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Premiums and discounts on the issuance of bonds are recorded as other financing sources/uses in the fund financial statements, but recorded as contra-liabilities in the Statement of Net Position and amortized over the life of the bonds.

Amortization of premium	57,484
Amortization of discount	(1,733)

(Continued)

Village of South Holland, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities (Continued)
Year Ended April 30, 2025**

Assets which were purchased by the governmental activities but transferred to the business-type activities are not recorded in the funds.

Contributions of capital assets	\$ (231,500)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Change in claims payable	473,364
Change in accrued interest	75,344
Change in net pension liability	(1,035,507)
Change in compensated absences	(277,604)
Change in other postemployment benefits	<u>(1,068,275)</u>

Change in net position of governmental activities	<u><u>\$ 4,869,432</u></u>
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See notes to financial statements.

Village of South Holland, Illinois

Statement of Net Position
Enterprise Fund
April 30, 2025

	Water Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 400
Receivables:	
Customer accounts, net	1,431,587
Intergovernmental	1,138,444
Total current assets	<u>2,570,431</u>
Noncurrent assets:	
Construction in progress	3,957,810
Buildings	6,884,645
Equipment	4,804,936
Waterworks and sewerage system	15,510,099
Less accumulated depreciation	(13,090,195)
Total noncurrent assets	<u>18,067,295</u>
Total assets	<u>20,637,726</u>
Deferred Outflows of Resources	
Pension related amounts	<u>302,378</u>
Liabilities	
Current liabilities:	
Accounts payable	917,419
Accrued liabilities	10,507
Compensated absences	81,046
Due to other funds	790,982
IEPA loan	196,056
Total current liabilities	<u>1,996,010</u>
Noncurrent liabilities:	
IEPA loan	1,335,681
Net pension liability	301,113
Total noncurrent liabilities	<u>1,636,794</u>
Total liabilities	<u>3,632,804</u>
Deferred Inflows of Resources	
Pension related amounts	<u>98,791</u>
Net Position	
Net investment in capital assets	16,535,558
Unrestricted	672,951
Total net position	<u>\$ 17,208,509</u>

See notes to financial statements.

Village of South Holland, Illinois

Statement of Revenues, Expenses and Changes in Net Position
Enterprise Fund
Year Ended April 30, 2025

	Water Fund
Operating revenues:	
Water sales	\$ 7,390,242
Operating grants	3,132,782
Miscellaneous	12,370
Total operating revenues	<u>10,535,394</u>
Operating expenses:	
Personnel	1,506,359
Contractual	1,033,013
Commodities	5,430,859
Depreciation	561,314
Total operating expenses	<u>8,531,545</u>
Operating gain	<u>2,003,849</u>
Nonoperating income (expense):	
Interest income	14,661
Interest (expense)	(20,964)
Total nonoperating income (expense)	<u>(6,303)</u>
Gain before contributions and transfers	1,997,546
Transfers - contributed capital	<u>231,500</u>
Change in net position	2,229,046
Net Position:	
May 1, 2024	<u>14,979,463</u>
April 30, 2025	<u><u>\$ 17,208,509</u></u>

See notes to financial statements.

Village of South Holland, Illinois

**Statement of Cash Flows
Enterprise Fund
Year Ended April 30, 2025**

	Water Fund
Cash flows from operating activities:	
Cash received from residents for services	\$ 7,953,756
Cash received from operating grants	1,229,670
Payments to employees	(1,328,323)
Payments to suppliers	(6,206,728)
Net cash provided by operating activities	<u>1,648,375</u>
Cash flows from investing activities:	
Interest income	<u>14,661</u>
Cash flows from noncapital financing activities:	
Interfund balances	<u>790,982</u>
Cash provided by noncapital financing activities	<u>790,982</u>
Cash flows from capital financing activities:	
Purchases of capital assets	(3,775,413)
Principal payments on debt	(193,628)
Interest paid	(20,964)
Net cash used in capital financing activities	<u>(3,990,005)</u>
Net change in cash and cash equivalents	(1,535,987)
Cash and cash equivalents:	
May 1, 2024	<u>1,536,387</u>
April 30, 2025	<u>\$ 400</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating gain	<u>\$ 2,003,849</u>
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Depreciation	561,314
Changes in assets, liabilities deferred outflows of resources, and deferred inflows of resources:	
Accounts receivable	(587,300)
Accounts payable	257,144
Accrued liabilities	2,017
Compensated absences	19,396
Pension related amounts	156,623
Unearned revenue	(764,668)
Total adjustments	<u>(355,474)</u>
Net cash provided by operating activities	<u>\$ 1,648,375</u>
Noncash capital financing activities:	
Capital contributions	<u>\$ 231,500</u>

See notes to financial statements.

Village of South Holland, Illinois

Statement of Fiduciary Net Position

Pension Trust Funds

April 30, 2025

Assets

Cash and cash equivalents	\$ 445,757
Investments, at fair value:	
External investment pool	58,186,821
Other assets	6,206
Total assets	<u>58,638,784</u>

Liabilities

Other	3,115
Total liabilities	<u>3,115</u>

Net Position

Restricted for pensions	<u>\$ 58,635,669</u>
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See notes to financial statements.

Village of South Holland, Illinois

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year Ended April 30, 2025

Additions

Contributions:

Employer	\$ 2,422,817
Plan members	828,932
Total contributions	<u>3,251,749</u>

Investment income:

Net change in fair value of investments	4,804,660
Interest and dividends	623,499
Total investment income	<u>5,428,159</u>
Less: Investment expense	<u>69,730</u>
Net investment income	<u>5,358,429</u>

Total additions	<u>8,610,178</u>
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Deductions

Benefits and refunds	4,070,718
Administrative expenses	100,478
Total deductions	<u>4,171,196</u>

Change in net position	4,438,982
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Net position restricted for pensions:

May 1, 2024	<u>54,196,687</u>
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April 30, 2025	<u><u>\$ 58,635,669</u></u>
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See notes to financial statements.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Village of South Holland provides various municipal services to its residents. These services include police protection, fire protection, paramedic services, water and sewer systems, public works operations, road and bridge maintenance and general administration. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the funds and account groups of the Village of South Holland, the primary government, and its component units, the South Holland Public Library, the South Holland Police Pension Fund and the South Holland Firefighters' Pension Fund, which are included in the Village's reporting entity because of its operational and financial relationship with the Village.

The South Holland Public Library provides library services to the residents of the Village of South Holland but is governed by a board which is separately elected by the public. Financial data of the Library has been discretely presented in the component unit column in the general-purpose financial statements to emphasize that it is legally separate from the Village. Separate financial statements of the Library are not prepared.

The accounting policies of the Village of South Holland conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

As defined by generally accepted accounting principles (GAAP) established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable and a benefit or burden relationship exists. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Financial benefit or burden is created if any one of the following relationships exists:

- (1) The primary government is legally entitled to or has access to the component unit's resources.
- (2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.
- (3) The primary government is obligated in some manner for the other component unit's debt.

The Village of South Holland Public Library is responsible for providing services to the Village's residents. The members of the governing board of the South Holland Public Library are elected by the voters of the Village; however, the Library is fiscally dependent on the Village as the tax levy established by the Library and bonded debt must be approved by the Village. In addition to the criteria above, if a financial benefit and burden relationship exists, a component unit should be included in the primary government's financial statements. Based on the applicable criteria, the Library is a discretely presented component unit within these financial statements.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Police Pension Fund is a single defined benefit, single-employer pension fund established by Illinois Compiled Statutes (Chapter 40, ILCS 5/Article 3). The Police Pension Fund Board is the administrator of the Police Pension Fund and consists of five members, two of whom are appointed by the Village management and three of whom are elected by plan participants. The Village is obligated to fund plan costs based upon actuarial valuations. The Village is also authorized to approve the actuarial assumptions used in the determination of contribution levels. The plan is fiscally dependent on the Village for funding which also generates a financial benefit/burden relationship between the Village and the plan. As such, the plan is presented as a fiduciary component unit of the Village.

The Firefighters' Pension Fund is a single defined benefit, single-employer pension fund established by Illinois Compiled Statutes (Chapter 40, ILCS 5/Article 4). The Firefighters' Pension Fund Board is the administrator of the Firefighters' Pension Fund and consists of five members, two of whom are appointed by the Village management and three of whom are elected by plan participants. The Village is obligated to fund plan costs based upon actuarial valuations. The Village is also authorized to approve the actuarial assumptions used in the determination of contribution levels. The plan is fiscally dependent on the Village for funding which also generates a financial benefit/burden relationship between the Village and the plan. As such, the plan is presented as a fiduciary component unit of the Village.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements: The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double-counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The Village used funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the General Fund include general government, public safety, public works, and garbage.

Route 6 TIF Capital Projects Fund – This fund accounts for capital projects associated with the Route 6 Tax Increment Financing District.

The Village administers the following major proprietary fund:

Water Fund – accounts for the provision of water services to the residents of 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 collection.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year, subject to judgment and consistency so as not to artificially distort normal revenue patterns, except for property taxes which are further explained in Note 3.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term liabilities, which should be recognized when due. However, compensated absences, pension, OPEB, claims and judgments are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider all highly liquid investments with maturities of three months or less, at the date of purchase to be cash equivalents.

Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with GASB No. 72, *Fair Value Measurement and Application*, the Village reports investments at fair value except for investments with the Illinois Funds, the State of Illinois' Police Officers' Pension Investment Fund or the Illinois Firefighter Pension Investment Fund. These investments are reported at net asset value or amortized cost. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

Loans—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide Statement of Net Position.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

Inventories

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital and Intangible Assets

Capital assets which include land, streets, buildings, storm sewers, sanitary sewers, water mains, vehicles and intangible assets, which include easements and similar items, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$50,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded based on their acquisition value at the date of donation.

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Land improvements	15 - 30 years
Buildings	40 - 50 years
Machinery and equipment	10 - 20 years
Streets and sidewalks	20 years
Storm	25 years
Streetlights	10 years
Distribution system	40 years
Leased assets: equipment	3 - 5 years

Deferred Outflows of Resources, Deferred Inflows of Resources and Unearned Revenues

Deferred outflows of resources arise when the consumption of net position in one period is applicable to future periods. The Village reports its deferred pension contributions, deferred amounts related to pensions and other post employment benefits, and deferred losses on bond refunding as deferred outflows of resources.

Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period for the governmental funds. Deferred inflows of resources also result when timing requirements relating to imposed tax revenues are not met, as in when property tax receivables are recorded prior to the period the levy is intended to finance. The Village reports deferred inflows related to leases, pensions and other postemployment benefits on the government-wide financial statements. See Note 6 for pension-related disclosures.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unearned revenues is removed from the financial statements and revenue is recognized.

Compensated Absences

Village employees accumulate vacation hours for subsequent use or for payment upon termination, death or retirement. The Village recognizes a liability for compensated absences for leave that:

- Is attributable to services already rendered,
- Does not expire,
- Accumulates, and
- Is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only for amounts due and payable. The liability for compensated absences includes salary-related benefits, where applicable.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized on a straight-line basis over the life of the bonds. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental funds 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.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds.

Net Pension Liabilities

The net pension liabilities are measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of each of the pension plan's fiduciary net position. Each pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liabilities are measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. See Note 6 for further details on each plan for which the Village has employees participating.

Other Postemployment Benefit (OPEB) Liability

The OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability). The OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. See Note 7 for further details.

Note 1. Summary of Significant Accounting Policies (Continued)

Leases

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the Village's leasing activities. This standard was implemented May 1, 2022.

For leases that have a maximum possible term of 12 months or less at commencement, the Village recognizes expense based on the provisions of the lease contract.

The Village uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor charges is known. The incremental borrowing rate for leases is based on the rate of interest it would have to pay if it issued general obligation bonds to borrow an amount equal to the lease payment under similar terms at the commencement or remeasurement date.

When the Village is a lessor, the Village will continue to depreciate the capital asset being leased until it becomes fully depreciated. In addition, the Village will reduce the lease receivable balance by lease payments (less payment needed to cover accrued interest) and recognize revenue over the lease term in a systematic and rational manner.

Subscription-Based Information Technology Arrangements

The Village is a subscriber to software from various vendors. The Village recognizes a subscription liability and an intangible right-to-use asset (subscription asset) in the Village's financial statements.

At the commencement of a subscription, the Village initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of its subscription term or its useful life.

Subscription assets are reported with other capital assets and subscriptions liabilities are reported with long-term debt on the statement of net position.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected subscription payments to present value and (2) the subscription term.

- The Village uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription.

The Village monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription payable and subscription asset if certain changes occur that are expected to significantly affect the amount of the subscription payable.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Claims and Judgments

Liabilities resulting from claims and judgments, including claims incurred but not reported, have been reflected in the financial statements.

Fund Balances

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. At April 30, 2025, the Village had no committed fund balances.

Assigned – includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: (a) the Village's Board of Trustees itself; or (b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has not authorized any other body or official to assign amounts for specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. At April 30, 2025, the Village has no assigned balances.

Unassigned – includes the residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

It is the Village's policy for the General Fund to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

For all other governmental funds, it is the Village's policy to consider unrestricted resources (i.e., committed, assigned) to have been spent first, followed by restricted resources.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

At April 30, 2025, the Village's fund balance restrictions were for the following purposes:

Restricted purpose:

Major capital projects:

Route 6 TIF Fund	\$ 4,838,410
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Nonmajor special revenue:

MFT projects	999,622
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Park	484,359
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Sewer	280,697
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Special service district #1	170
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Debt service	90,493
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Capital projects:

TIF Districts and capital projects	4,209,709
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Total restricted	<u>\$ 10,903,460</u>
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Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, primarily developers, as well as intra-entity transfers between the governmental activities and business type activities.

Accounting Estimates

The preparation of the 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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

Note 2. Cash and Investments

Cash and investments are held separately and in pools by several of the Village's funds. The Village maintains various cash and investment pools that are available for use by all funds. Income from pooled investments is allocated to the funds based on their proportional share of their investment balance. The deposits and investments of the Police Pension Fund (PPF) and Firefighters' Pension Fund (FPF) are held separately.

A summary of cash and investments as of April 30, 2025, is as follows:

	Governmental & Business- Type Activities	Fiduciary Funds		Component Unit Library
		Police Pension Fund	Firefighters' Pension Fund	
Cash	\$ 2,979,507	\$ 7,628	\$ 19,767	\$ 278,352
Money market	-	241,605	176,757	-
Illinois Funds	27,633,684	-	-	2,614,758
Illinois Police Officer's Pension Investment Fund	-	37,568,921	-	-
Illinois Firefighters' Pension Investment Fund	-	-	20,617,900	-
Total	<u>\$ 30,613,191</u>	<u>\$ 37,818,154</u>	<u>\$ 20,814,424</u>	<u>\$ 2,893,110</u>

Village of South Holland, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Deposits. The Village is authorized to make deposits in commercial banks and savings and loan institutions and make investments in obligations of the U.S. Treasury and U.S. Government Agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, under certain statutory restrictions, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, and life insurance company contracts.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold for.

Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2024. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. The Fund transferred all eligible assets to the Investment Fund on October 1, 2021. Investments in IFPIF are valued at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org.

Illinois Police Officer's Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police officer pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2024. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on September 1, 2022. Investments in IPOPIF are valued at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment policies. The Village's and the Library's investments are made in accordance with the Public Funds Investment Act (30 ILCS 235/1) (the Act) and the Village's investment policy. The PPF's investments are made in accordance with investment policies determined by the and the Illinois Police Officer's Pension Investment Fund's Board. The Illinois Police Officer Pension Investment Fund follow the governing provisions of the Illinois Pension Code (40 ILCS 5/1-113.2 to 113.10) and their investment policies. The PPF's investment policies limit the maximum maturity for any single investment at ten years. However, a longer term investment may be utilized if approved by the Board.

Village of South Holland, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

The FPF's investments are made in accordance with investment policies determined by the and the Illinois Firefighter's Pension Investment Fund's Board. The Illinois Firefighter's Pension Investment Fund follow the governing provisions of the Illinois Pension Code (40 ILCS 5/1-113.2 to 113.10) and their investment policies.

The FPF retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the FPF. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the FPF.

The PPF retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the PPF. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the PPF.

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. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2025, the carrying amount of the Village's deposits with financial institutions, excluding cash on hand of \$550, totaled \$3,003,772. As of April 30, 2025, the carrying amount of the Library's deposits, excluding cash on hand of \$100, was \$278,252. Total bank balances relating to the Village's and Library's deposits with financial institutions totaled \$3,282,024. These bank balances are fully insured and collateralized.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific maturity. However, the Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of April 30, 2025, the Village did not have any investments subject to interest rate risk.

In accordance with their investment policies, the pension funds limit their exposure to interest rate risk by structuring the portfolios to provide liquidity for short- and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk. State law limits investments in stock equities, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these types to the top rating issued by NRSROs. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village helps limit its exposure to credit risk by diversifying investments to minimize the risk of loss resulting from over concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. As of April 30, 2025, the Village did not have any investments other than those deposited in the Illinois Funds, which is rated AAAM by Standard and Poor's.

Concentration of credit risk. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting from over-concentration in a specific issuer or class of securities. The diversification required is as follows:

- a. Up to a 100 percent investment in bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America, its agencies and allowable instrumentalities;

Village of South Holland, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

- b. Up to a 90 percent investment in interest-bearing saving accounts, certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, or certificates of deposits with federally insured institutions that are collateralized or insured at levels acceptable to the Village in excess of the \$250,000 provided by the Federal Deposit Insurance Corporation coverage limit; and
- c. Up to a 33 percent investment in collateralized repurchase agreements or commercial paper.

At April 30, 2025, the Village, the PPF and the FPF were not exposed to concentration of credit risk.

Custodial credit risk - investments. This is the risk that in the event of failure of the counterparty, the Village, Library, or Pension Funds will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Village's investment policy requires the Village Treasurer to maintain a list of financial institutions authorized to provide investment services and a list be maintained of approved security brokers/dealers selected by credit worthiness. All security transactions entered into by the Village shall be conducted on a delivery-versus-payment basis, and securities will be held by an independent third-party custodian designated by the Village Treasurer and evidenced by safekeeping receipts and a written custodian agreement.

The Illinois Funds has a formal policy to address custodial credit risk. Repurchase agreements are purchased from various brokerage firms and financial institutions. Securities pledged as collateral to secure these agreements are required to have a fair value of at least 102% of the agreement. The agreements require both parties to maintain an acceptable margin (yield) on underlying securities to ensure that the agreements are adequately collateralized. The Treasurer accepts only U.S. agency obligations and U.S. Treasury obligations as collateral for repurchase agreements. All securities pledged to secure repurchase agreements are required to be delivered to an appointed custodian of the Illinois Funds. In a delivery vs. pledge transaction, the custodian will be the primary custodian of The Illinois Funds. In a tri-party repurchase agreement, an appointed clearing bank will act as custodian and valuation agent for the securities. As noted above, the repurchase agreements utilized by the Illinois Funds require the broker or financial institution to maintain the fair value of collateral securities at 102% of the agreement.

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation on the inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village did not have any investments recorded at fair value as of April 30, 2025.

The Village has investments measured at net asset value (NAV) such as the Illinois Funds. In addition, the Village has investments measured at amortized cost as the remaining maturity at purchase is less than one year, such as money market accounts.

Village of South Holland, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

The following are investments measured at NAV or amortized cost.

Instruments measured by net asset value (NAV), and amortized cost		Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Village:				
Illinois Funds	\$ 27,633,684	N/A	Daily	1 day
Certificates of deposit	20,173	N/A	Daily	1 day
Village Public Library:				
Illinois Funds	2,614,758	N/A	Daily	1 day
Police Pension Fund:				
Illinois Police Officer Pension Investment Fund	37,568,921	N/A	Daily	1 day
Money Market Fund	241,605	N/A	Daily	1 day
Firefighters' Pension Fund:				
Illinois Firefighters' Pension Investment Fund	20,617,900	N/A	Daily	1 day
Money Market Fund	176,757	N/A	Daily	1 day
	<u>\$ 88,873,798</u>			

Note 3. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and August 1 and are payable in two installments which become due on or about March 1 and September 1. The County collects such taxes and periodically remits them to the Village. Property taxes are recognized as a receivable at the time they are levied. In the governmental activities of the government-wide financial statements and the governmental funds of the fund financial statements, since the 2024 tax levy is intended to finance the expenditures for the year ended April 30, 2026, revenue from the entire 2024 tax levy has been deferred for recognition to the year ending April 30, 2026. The 2023 property tax levy, together with any prior levy year collections, has been recognized as revenue of the governmental funds for the year ended April 30, 2025. An estimated 1 percent reduction of the extended tax levy amount for collection losses has been made to reduce the property taxes receivable to the estimated amount to be collected.

Village of South Holland, Illinois**Notes to Financial Statements**

Note 4. Capital Assets**Governmental Activities:**

A summary of the changes in capital assets for governmental activities of the Village is as follows:

	Balance, May 1, 2024	Additions	Retirements	Balance, April 30, 2025
Capital assets not being depreciated:				
Land and rights of way	\$ 33,154,273	\$ 398,173	\$ -	\$ 33,552,446
Construction in progress	1,948,627	3,169,060	3,368,246	1,749,441
	<u>35,102,900</u>	<u>3,567,233</u>	<u>3,368,246</u>	<u>35,301,887</u>
Capital assets being depreciated:				
Infrastructure	56,358,451	699,469	-	57,057,920
Land improvements	6,192,098	-	-	6,192,098
Municipal buildings and grounds	30,047,350	-	-	30,047,350
Equipment	7,535,999	2,942,795	-	10,478,794
Subscriptions	329,449	41,251	5,883	364,817
	<u>100,463,347</u>	<u>3,683,515</u>	<u>5,883</u>	<u>104,140,979</u>
Less accumulated depreciation for:				
Infrastructure	34,503,572	827,405	-	35,330,977
Land improvements	3,425,529	264,314	-	3,689,843
Municipal buildings and grounds	10,438,085	795,094	-	11,233,179
Equipment	5,559,450	357,233	-	5,916,683
Subscriptions	90,891	94,271	5,883	179,279
	<u>54,017,527</u>	<u>2,338,317</u>	<u>5,883</u>	<u>56,349,961</u>
Total capital assets being depreciated, net	<u>46,445,820</u>	<u>1,345,198</u>	<u>-</u>	<u>47,791,018</u>
Governmental activities capital assets, net	<u>\$ 81,548,720</u>	<u>\$ 4,912,431</u>	<u>\$ 3,368,246</u>	<u>\$ 83,092,905</u>

Village of South Holland, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Business-Type Activities:

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance, May 1, 2024	Additions	Retirements	Balance, April 30, 2025
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 3,957,810	\$ -	\$ 3,957,810
Capital assets being depreciated:				
Water system	15,510,099	-	-	15,510,099
Buildings	6,884,645	-	-	6,884,645
Operating equipment	4,755,833	49,103	-	4,804,936
	<u>27,150,577</u>	<u>49,103</u>	<u>-</u>	<u>27,199,680</u>
Less accumulated depreciation for:				
Waterworks system	7,976,296	242,281	-	8,218,577
Buildings	2,072,696	139,071	-	2,211,767
Operating equipment	2,479,889	179,962	-	2,659,851
	<u>12,528,881</u>	<u>561,314</u>	<u>-</u>	<u>13,090,195</u>
Total capital assets being depreciated, net	<u>14,621,696</u>	<u>(512,211)</u>	<u>-</u>	<u>14,109,485</u>
Total Business-type activities capital assets, net	<u>\$ 14,621,696</u>	<u>\$ 3,445,599</u>	<u>\$ -</u>	<u>\$ 18,067,295</u>

Component Unit:

A summary of changes in capital assets for the component unit of the Village is as follows:

	Balance, May 1, 2024	Additions	Retirements	Balance, April 30, 2025
Capital assets being depreciated:				
Library building	\$ 8,213,456	\$ 146,990	\$ -	\$ 8,360,446
Infrastructure	350,164	-	-	350,164
Land improvements	49,868	-	-	49,868
Equipment	31,032	-	-	31,032
	<u>8,644,520</u>	<u>146,990</u>	<u>-</u>	<u>8,791,510</u>
Less accumulated depreciation for:				
Library building	5,574,292	127,535	-	5,701,827
Infrastructure	115,554	7,003	-	122,557
Land improvements	26,181	2,493	-	28,674
Equipment	31,032	-	-	31,032
	<u>5,747,059</u>	<u>137,031</u>	<u>-</u>	<u>5,884,090</u>
Component units capital assets total	<u>\$ 2,897,461</u>	<u>\$ 9,959</u>	<u>\$ -</u>	<u>\$ 2,907,420</u>

Village of South Holland, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Depreciation and amortization was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities	Component Unit
General government	\$ 890,939	\$ -	\$ -
Public safety:			
Fire department	297,369	-	-
Police department	510,794	-	-
Building department	104,838	-	-
Public works	365,312	-	-
Garbage department	169,065	-	-
Water	-	561,314	-
Library	-	-	137,031
	<u>\$ 2,338,317</u>	<u>\$ 561,314</u>	<u>\$ 137,031</u>

Note 5. Long-Term Obligations

A summary of changes of long-term obligations of the Village's governmental activities is as follows:

	May 1, 2024	Additions	Reductions	April 30, 2025	One Year
General obligation bonds	\$ 2,970,000	\$ -	\$ 560,000	\$ 2,410,000	\$ 575,000
Premium on general obligation bonds	57,799	-	12,168	45,631	-
	<u>3,027,799</u>	<u>-</u>	<u>572,168</u>	<u>2,455,631</u>	<u>575,000</u>
General obligation TIF bonds	2,355,000	-	705,000	1,650,000	785,000
Premium on general obligation TIF bonds	86,857	-	45,316	41,541	-
Discount on general obligation TIF bonds	(3,320)	-	(1,733)	(1,587)	-
	<u>2,438,537</u>	<u>-</u>	<u>748,583</u>	<u>1,689,954</u>	<u>785,000</u>
Direct placement GO bonds	1,135,000	-	560,000	575,000	575,000
Direct placement GO TIF bonds	1,150,000	-	575,000	575,000	575,000
Subscription liability	238,558	41,251	93,918	185,891	94,147
Compensated absences	858,549	277,604	-	1,136,153	1,136,153
Claims payable	1,021,498	(75,295)	398,069	548,134	471,585
Net pension liability	22,155,266	1,035,507	-	23,190,773	-
Other postemployment benefits	6,773,442	1,068,275	-	7,841,717	509,258
	<u>\$ 38,798,649</u>	<u>\$ 2,347,342</u>	<u>\$ 2,947,738</u>	<u>\$ 38,198,253</u>	<u>\$ 4,721,143</u>

The Village's outstanding bonds from direct placements related to governmental activities of \$1,150,000 are secured by the Village's general obligation pledge of the full faith and credit of the Village and are payable from the levy of taxes on all of the taxable property in the Village, without limitation as to rate or amount, and from any other lawfully available funds.

Village of South Holland, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The outstanding bonds contain (1) a provision that the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the pledged taxes and the Village and its officers will comply with all present and future applicable laws in order to assure that the pledged taxes will be levied, extended and collected, and (2) a provision that if any bond or portion of a bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the bond or portion of bond so called for redemption. The outstanding bonds do not contain provisions pertaining to termination events or subjective acceleration clauses.

The General Fund is typically used to liquidate compensated absences, claims payable, net pension liability and other postemployment benefits.

A summary of changes in long-term obligations of the Village's business-type activities is as follows:

	May 1, 2024	Additions	Reductions	April 30, 2025	One Year
IEPA loan	\$ 1,725,365	\$ -	\$ 193,628	\$ 1,531,737	\$ 196,056
Compensated absences	61,650	19,396	-	81,046	81,046
Net pension liability	298,058	3,055	-	301,113	-
	<u>\$ 2,085,073</u>	<u>\$ 22,451</u>	<u>\$ 193,628</u>	<u>\$ 1,913,896</u>	<u>\$ 277,102</u>

A summary of changes in long-term obligations of the Village's component unit is as follows:

	May 1, 2024	Additions	Reductions	April 30, 2025	One Year
Compensated absences	\$ 63,297	\$ 20,465	\$ -	\$ 83,762	\$ 83,762
Net pension liability	303,784	(10,603)	-	293,181	-
	<u>\$ 367,081</u>	<u>\$ 9,862</u>	<u>\$ -</u>	<u>\$ 376,943</u>	<u>\$ 83,762</u>

Village of South Holland, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Details of the Village's long-term obligations as of April 30, 2025, are as follows:

General Obligation Bonds:

A general obligation corporate purpose bond issued to finance public street and other Village public infrastructure improvements, dated February 5, 2019 provides for serial retirement of the principal annually on December 15. Principal retired will be \$575,000 in fiscal year 2026, \$595,000 in fiscal year 2027, \$610,000 in fiscal year 2028 and \$630,000 in fiscal year 2029. Bonds due December 15, 2026 - 2028 are callable at the option of the Village on any date on or after December 15, 2025 at a price of par plus accrued interest. Interest is payable at 3.0%. These bonds are intended to be financed from the extended tax levy.

\$ 2,410,000

A direct placement general obligation corporate purpose bond issued for refunding the prior issue of 2005 associated with the improvement of public streets and other Village infrastructure, dated January 14, 2022 provides for serial retirement of the principal annually on December 15. Principal retired will be \$575,000 in fiscal year 2026. Interest is payable at 1.085%. These bonds are intended to be financed from the extended tax levy.

575,000

Total general obligation bonds

2,985,000

Village of South Holland, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

General Obligation TIF Bonds:

A general obligation corporate purpose bond issued for refunding the prior issue of 2007A associated with Downtown Tax Incremental Financing District, dated April 6, 2015 provides for serial retirement of the principal annually on December 15. Principal retired will be \$340,000 in fiscal year 2026, and \$370,000 in fiscal year 2027. Interest is payable between rates of 1.5% and 3.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy. \$ 710,000

A general obligation corporate purpose bond issued for refunding the prior issue of 2007C associated with Downtown Tax Incremental Financing District, dated April 6, 2015 provides for serial retirement of the principal annually on December 15. Principal retired will be \$445,000 in fiscal year 2026, and \$495,000 in fiscal year 2027. Interest is payable between rates of 4.0% and 5.0%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy. 940,000

A direct placement general obligation corporate purpose bond issued for refunding the prior issue of 2006 associated with Route 6/South Park Avenue Tax Incremental Financing District, dated January 14, 2022 provides for serial retirement of the principal annually on December 15. Principal retired will be \$575,000 in fiscal year 2026. Interest is payable at 1.085%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.

575,000

Total general obligation TIF bonds

2,225,000

On September 30, 2010, the Village entered into an agreement with the Illinois Environmental Protection Agency to borrow \$3,959,705, of which the Village had draw downs totaling \$3,750,471. The loan bears interest at 1.25% and is due in semi-annual installments on February 2 and August 2 each year through August 2, 2032. Debt is retired by the Water Fund. The loan proceeds were utilized for capital improvements.

1,531,737

Total long-term debt obligations

\$ 6,741,737

Village of South Holland, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The future debt service requirements to amortize the total long-term debt obligations of the Village, excluding compensated absences and other postemployment benefits, including interest as of April 30, 2025, are as follows:

Fiscal Year	Bonds		Direct Placement Bonds		Subscription Liabilities		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 1,360,000	\$ 141,865	\$ 1,150,000	\$ 12,478	\$ 94,147	\$ 2,321	\$ 2,760,811
2027	1,460,000	91,825	-	-	87,452	1,892	1,641,169
2028	610,000	37,200	-	-	4,292	71	651,563
2029	630,000	18,900	-	-	-	-	648,900
	<u>\$ 4,060,000</u>	<u>\$ 289,790</u>	<u>\$ 1,150,000</u>	<u>\$ 12,478</u>	<u>\$ 185,891</u>	<u>\$ 4,284</u>	<u>\$ 5,702,443</u>

The future debt service requirements to amortize the total long-term debt obligations of the Village's business-type activities, excluding compensated absences, including interest as of April 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 196,056	\$ 18,536	\$ 214,592
2027	198,514	16,078	214,592
2028	201,003	13,588	214,591
2029	203,524	11,068	214,592
2030	206,076	8,516	214,592
2031 - 2033	526,564	9,914	536,478
	<u>\$ 1,531,737</u>	<u>\$ 77,700</u>	<u>\$ 1,609,437</u>

Note 6. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans:

Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Benefits Provided. The Village participates in IMRF's Regular Plan (RP). 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of 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 percent of the original amount on January 1 every year after retirement.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (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 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent 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>Membership</u>
Inactive Plan members or beneficiaries currently receiving benefits	149
Inactive Plan members entitled to but not yet receiving benefits	134
Active Plan members	<u>132</u>
Total membership	<u><u>415</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5 percent 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 rates for calendar years 2025 and 2024 were 7.01 percent and 6.62 percent, respectively. For the fiscal year ended April 30, 2025, the Village contributed \$511,529 to the plan.

The contributions as of April 30, 2025, are reported in the financial statements as follows:

Governmental Activities - general government expense	\$ 376,266
Business-Type Activities and Water Fund	68,534
Component Unit - Library	<u>66,729</u>
Total	<u><u>\$ 511,529</u></u>

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 rate is set by statute.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Note 6. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability 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 percent.
- **Salary Increases** were expected to be 2.85 percent to 13.75 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25 percent.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For **Non-disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108 percent) and Female (adjusted 106.4 percent) 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.
- 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 of pension 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:

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	4.35%
International Equity	18.0%	5.40%
Fixed Income	24.5%	5.20%
Real Estate	10.5%	6.40%
Alternative Investments	12.5%	4.85 - 6.25%
Cash Equivalents	1.0%	3.60%
Total	<u>100%</u>	

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

1. The long-term expected rate of return (7.25 percent) on pension plan investments during the period in which the fiduciary net position is projected to be sufficient to pay benefits, and
2. The tax-exempt municipal bond rate (4.08 percent) 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.

IMRF's fiduciary net position at December 31, 2024 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. For the purpose of the most recent valuation, the expected rate of return on plan investments is not adjusted by the municipal bond rate, and the resulting single discount rate is 7.25 percent.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability:

The following table shows the components of the Village's total pension liability and related plan fiduciary net position for the year ended December 31, 2024:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at January 1, 2024	\$ 46,669,871	\$ 44,299,314	\$ 2,370,557
Changes for the year:			
Service Cost	614,396	-	614,396
Interest on the Total Pension Liability	3,294,435	-	3,294,435
Differences Between Expected and Actual Experience of Total Pension Liability	477,701	-	477,701
Contributions - Employer	-	498,737	(498,737)
Contributions - Employees	-	337,728	(337,728)
Net Investment Income	-	4,393,654	(4,393,654)
Benefit Payments, Including Refunds of Employee Contributions	(3,073,181)	(3,073,181)	-
Other (Net Transfer)	-	(720,493)	720,493
Net Changes	1,313,351	1,436,445	(123,094)
Balances at December 31, 2024	\$ 47,983,222	\$ 45,735,759	\$ 2,247,463

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25 percent, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Village's net pension liability (asset)	\$ 7,529,638	\$ 2,247,463	\$ (1,980,478)

The net pension liability as of April 30, 2025, is reported on the financial statements as follows:

Governmental Activities	\$ 1,653,169
Business-Type Activities and Water Fund	301,113
Component Unit - Library	293,181
Total	\$ 2,247,463

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense (Income), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2025, the Village recognized pension income in the financial statements as follows:

Governmental Activities - general government expense	\$ 1,213,089
Business-Type Activities and Water Fund	220,955
Component Unit - Library	215,136
Total	\$ 1,649,180

As of April 30, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension		
Expense in Future Periods:		
Differences between expected and actual experience	\$ 588,683	\$ -
Changes of assumptions	-	21,031
Net difference between projected and actual earnings on pension plan investments	1,066,970	-
Total deferred amounts to be recognized in pension expense in future periods	1,655,653	21,031
Employer contribution subsequent to the measurement date	165,207	-
Change in proportionate share	122,484	122,486
Total Deferred Amounts Related to Pensions	\$ 1,943,344	\$ 143,517
Governmental Activities - general government	\$ 1,211,183	\$ (124,517)
Business-Type Activities and Water Fund	302,378	98,791
Component Unit - Library	429,783	169,243
Total	\$ 1,943,344	\$ 143,517

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 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:

	Net Deferred Inflows of Resources
Year ending April 30:	
2026	\$ 914,944
2027	1,558,036
2028	(580,529)
2029	(257,829)
Total	\$ 1,634,622

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Police Pension Fund

Summary of Significant Accounting Policies

Basis of accounting:

The financial statements for the Police Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan.

Plan Description

Plan administration:

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of South Holland. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2025, and, accordingly, the most recent available information has been presented.

Management of the Police Pension Plan is vested in the Police Pension Board which consists of five members; two members are elected from and by the active police, one is elected from and by the retiree beneficiaries and two are appointed by the Mayor with the approval of the Village Board of Trustees.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Plan membership:

At April 30, 2025, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	43
Total membership	93

Benefits provided:

The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established. The Police Pension Plan provides retirement benefits as well as death and disability benefits.

Covered employees hired before January 1, 2011 (Tier 1) attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, and 1 percent of such salary for each additional year of service over 30 years, to a maximum of 75 percent of such salary.

Covered employees hired on or after January 1, 2011 (Tier 2 employees), upon attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. A police officer's salary for pension purposes is capped at \$141,408 and \$138,094 for 2025 and 2024, respectively. The cap is adjusted annually by the lesser of one half of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years of service may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or one half of the change in the Consumer Price Index for the preceding calendar year.

Contributions:

Covered employees are required to contribute 9.91 percent of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90 percent of the actuarial liabilities of the pension fund by April 30, 2041. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2025, the Village's contribution was \$1,744,871, or 38.17 percent of covered payroll.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Investments

Investment policy:

The pension plan's investments have been deposited into the Illinois Police Officers' Pension Investment Fund, an investment trust fund responsible for the consolidation and fiduciary management of pension assets of Illinois suburban and downstate police pension funds. See Note 2 for more details on the Police Pension Fund's investment policy.

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2025:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large	23.00%	3.20%
US Small	5.00%	4.10%
International developed	19.00%	4.20%
International developed small	5.00%	5.10%
Emerging markets	6.00%	4.50%
Private equity (direct)	7.00%	5.50%
High yield corporate credit	3.00%	4.30%
Emerging market debt	3.00%	4.55%
Bank loans	3.00%	4.80%
Private credit	5.00%	5.70%
Real estate	5.00%	4.40%
Infrastructure	3.00%	5.60%
Cash	1.00%	1.40%
Short-term government/credit	3.00%	1.80%
US Treasury	3.00%	1.60%
US TIPS	3.00%	1.60%
Core plus fixed income	3.00%	2.40%
	<u>100.00%</u>	

Method used to value investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Investments (Continued)

Significant Investments:

Information on significant investments is presented in Note 2 under "Concentration of Credit Risk."

Rate of return:

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.54 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2024, using the following methods and actuarial assumptions, applied to all periods included in the measurement and rolled forward to April 30, 2025:

Valuation date	May 1, 2024
Actuarial cost method	Entry Age Normal (Level Percentage)
Amortization method	Level Percentage of Payroll (Closed)
Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	5.24%
Projected Individual Salary Increases	4.00% - 10.50%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Urban)	2.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Rates	Active Mortality: follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates. 25% of active Member deaths are assumed to be in the Line of Duty. Retiree Mortality: follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Methods and Assumptions (Continued)

Disabled Mortality: follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates.

Spouse Mortality: follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (age 45 and younger), the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.

Retirement Rates

Tier I: 100% of the L&A Assumption Study for Tier I Police 2024 Cap Age 65

Tier II: 100% of the L&A Assumption Study for Tier II Police 2024 Cap Age 65

Disability Rates

100% of L&A Assumption Study for Police 2024

Termination Rates

150% of L&A Assumption Study for Police 2024

Percent Married

80%

The actuarial assumptions used in the April 30, 2025 valuation were based on the results the 2024 L&A Illinois Police Officers' experience study. The following assumption being changed from the prior year.

- Updates made to Inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2024 experience study.

Discount rate:

The discount rate used to measure the total pension liability is 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments.

To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 80 years. Therefore, the long-term expected rate of return on pension plan assets was applied to all years and the municipal bond rate was not used.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Changes in the Net Pension Liability:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at May 1, 2024	\$ 50,431,670	\$ 34,956,584	\$ 15,475,086
Changes for the year:			
Service Cost	994,360	-	994,360
Interest on the Total Pension Liability	3,510,307	-	3,510,307
Differences Between Expected and Actual Experience of Total Pension Liability	1,266,020	-	1,266,020
Changes of Assumptions	480,125	-	480,125
Contributions - Employer	-	1,744,871	(1,744,871)
Contributions - Employees	-	435,182	(435,182)
Contributions - Other	-	144,367	(144,367)
Net Investment Income	-	3,367,643	(3,367,643)
Benefit Payments, Including Refunds of Employee Contributions	(2,774,864)	(2,774,864)	-
Administrative expense	-	(53,856)	53,856
Net Changes	3,475,948	2,863,343	612,605
Balances at April 30, 2025	\$ 53,907,618	\$ 37,819,927	\$ 16,087,691

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village as of the valuation date of April 30, 2025, calculated using the discount rate of 7.00 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Village's net pension liability	\$ 23,784,605	\$ 16,087,691	\$ 9,803,246

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended April 30, 2025, the Village recognized pension expense of \$1,489,328. At April 30, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 1,435,598	\$ 2,071,846
Changes of assumptions	1,055,327	7,721
Net difference between projected and actual earnings on pension plan investments	<u>517,330</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 3,008,255</u>	<u>\$ 2,079,567</u>

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

	Net Deferred Inflows of Resources
Year ending April 30:	
2026	\$ 1,115,291
2027	102,243
2028	(379,742)
2029	(111,891)
2030	<u>202,787</u>
Total	<u>\$ 928,688</u>

The schedule of changes in total pension liability, net pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund

Summary of Significant Accounting Policies

Basis of accounting:

The financial statements for the Firefighters' Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings.

Plan Description

Plan administration:

Sworn firefighter personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of South Holland. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 4 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's most recent actuarial valuation was performed as of April 30, 2025, and, accordingly, the most recent available information has been presented.

Management of the Firefighters' Pension Plan is vested in the Fire Pension Board which consists of five members; two members are elected from and by the active firefighters, one is elected from and by the retiree beneficiaries and two are appointed by the Mayor with the approval of the Village Board of Trustees.

Plan membership:

At April 30, 2025, the Firefighters' Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	<u>27</u>
Total membership	<u><u>57</u></u>

Benefits provided:

The Illinois Pension Code (40 ILCS 5/Art. 4) is the authority under which pension benefit terms are established.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, and 1 percent of such salary for each additional year of service over 30 years, to a maximum of 75 percent of such salary.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Plan Description (Continued)

Covered employees hired on or after January 1, 2011 (Tier 2 employees), upon attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. A firefighter's salary for pension purposes is capped at \$141,408 and \$138,093 for 2025 and 2024, respectively. The cap is adjusted annually by the lesser of one half of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years of service may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or one half of the change in the Consumer Price Index for the preceding calendar year.

Contributions:

Covered firefighter employees are required to contribute 9.455 percent of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund or 7.5 percent of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) an annual amount sufficient to bring the total assets of the pension fund up to 90 percent of the total actuarial liabilities of the pension fund by April 30, 2041. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2025, the Village's contribution was \$677,946 or 24.53 percent of covered payroll.

Investments

Investment policy:

The pension plan's investments have been deposited into Illinois Firefighters' Pension Investment Fund (IFPIF), an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. See Note 2 for more details on the Firefighters' Pension Fund's investment policy.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Investments (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2025:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	25.00%	5.10%
Developed market equity (non-US)	13.00%	5.20%
Emerging market equity	7.00%	5.90%
Private equity	10.00%	9.00%
Public credit	3.00%	2.90%
Private credit	7.00%	7.10%
Core fixed income	9.00%	2.50%
Core plus fixed income	9.00%	3.00%
Short-term treasuries	3.00%	1.00%
Real estate	10.00%	3.90%
Infrastructure	4.00%	4.40%
	<u>100.00%</u>	

Method used to value investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Significant investments:

Information on significant investments is presented in Note 2 under "Concentration of Credit Risk."

Rate of return:

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2024, using the following methods and actuarial assumptions, applied to all periods included in the measurement and rolled forward to April 30, 2025:

Valuation date	May 1, 2024
Actuarial cost method	Entry Age Normal (Level Percentage)
Amortization method	Level Percentage of Payroll (Closed)
Discount Rate used for the Total Pension Liability	7.125%
Long-Term Expected Rate of Return on Plan Assets	7.125%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	5.24%
Projected Individual Salary Increases	3.75% - 10.43%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Urban)	2.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	Active Mortality: follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates. 25% of active Member deaths are assumed to be in the Line of Duty. Retiree Mortality: follows the L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates. Disabled Mortality: follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates. Spouse Mortality: follows the L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (age 45 and younger), the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Methods and Assumptions (Continued)

Retirement Rates	Tier I: 100% of the L&A Assumption Study for Tier I Firefighters 2024 Cap Age 65 Tier II: 100% of the L&A Assumption Study for Tier II Firefighters 2024 Cap Age 65
Disability Rates	100% of L&A Assumption Study for Firefighters 2024
Termination Rates	100% of L&A Assumption Study for Firefighters 2024
Percent Married	80%

The actuarial assumptions used in the April 30, 2025 valuation were based on the results the 2024 L&A Illinois Firefighters' experience study. The following assumption being changed from the prior year:

- Updates made to Inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2024 experience study.

Net Pension Liability of the Village

Discount rate:

The discount rate used to measure the total pension liability is 7.125 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments.

To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 80 years. Therefore, the long-term expected rate of return on pension plan assets was applied to all years and the municipal bond rate was not used.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Changes in the Net Pension Liability:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at May 1, 2024	\$ 24,151,568	\$ 19,240,103	\$ 4,911,465
Changes for the year:			
Service Cost	588,293	-	588,293
Interest on the Total Pension Liability	1,711,032	-	1,711,032
Differences Between Expected and Actual Experience of Total Pension Liability	499,816	-	499,816
Changes of Assumptions	610,800	-	610,800
Contributions - Employer	-	677,946	(677,946)
Contributions - Employees	-	244,966	(244,966)
Contributions - Other	-	4,416	(4,416)
Net Investment Income	-	1,990,788	(1,990,788)
Benefit Payments, Including Refunds of Employee Contributions	(1,295,854)	(1,295,854)	-
Administrative expense	-	(46,623)	46,623
Net Changes	2,114,087	1,575,639	538,448
Balances at April 30, 2025	\$ 26,265,655	\$ 20,815,742	\$ 5,449,913

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village as of the valuation date of April 30, 2025, calculated using the discount rate of 7.125 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease 6.125%	Current Discount Rate 7.125%	1% Increase 8.125%
Village's net pension liability	\$ 9,047,466	\$ 5,449,913	\$ 2,498,075

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

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

For the fiscal year ended April 30, 2025, the Village recognized pension expense of \$676,081. At April 30, 2025, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 681,247	\$ 563,126
Changes of assumptions	699,412	55,881
Net difference between projected and actual earnings on pension plan investments	136,708	-
Total Deferred Amounts Related to Pensions	<u>\$ 1,517,367</u>	<u>\$ 619,007</u>

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:

	Net Deferred Inflows of Resources
Year ending April 30:	
2026	\$ 600,489
2027	99,500
2028	(138,116)
2029	2,346
2030	152,919
Thereafter	181,222
Total	<u>\$ 898,360</u>

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as RSI following the notes to the financial statements.

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Net Position

Pension Trust Funds

April 30, 2025

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and investments	\$ 249,233	\$ 196,524	\$ 445,757
Investments, at fair value:			
External investment pool	37,568,921	20,617,900	58,186,821
	37,818,154	20,814,424	58,632,578
Other assets	3,438	2,768	6,206
	37,821,592	20,817,192	58,638,784
Total assets			
	37,821,592	20,817,192	58,638,784
Liabilities			
Other liabilities	1,665	1,450	3,115
	1,665	1,450	3,115
Net Position			
Restricted for pensions	\$ 37,819,927	\$ 20,815,742	\$ 58,635,669
	\$ 37,819,927	\$ 20,815,742	\$ 58,635,669

Village of South Holland, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Changes in Net Position

Pension Trust Funds

Year Ended April 30, 2025

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 1,744,871	\$ 677,946	\$ 2,422,817
Plan members	579,549	249,383	828,932
Total contributions	2,324,420	927,329	3,251,749
Investment income:			
Net change in fair value of investments	3,178,226	1,626,434	4,804,660
Interest and dividends	219,652	403,847	623,499
Total investment income	3,397,878	2,030,281	5,428,159
Less: Investment expense	30,234	39,496	69,730
Net investment income	3,367,644	1,990,785	5,358,429
Total additions	5,692,064	2,918,114	8,610,178
Deductions			
Benefits and refunds	2,774,865	1,295,853	4,070,718
Administrative expenses	53,856	46,622	100,478
Total deductions	2,828,721	1,342,475	4,171,196
Change in net position	2,863,343	1,575,639	4,438,982
Net position restricted for pensions:			
May 1, 2024	34,956,584	19,240,103	54,196,687
April 30, 2025	<u>\$ 37,819,927</u>	<u>\$ 20,815,742</u>	<u>\$ 58,635,669</u>

Village of South Holland, Illinois

Notes to Financial Statements

Note 7. Postemployment Healthcare Plan

Plan Description. The Village's single-employer defined benefit plan provides other post-employment benefits (OPEB) to employees of the Village. Minimum benefits are set by state law. This retiree health plan is administered by the Village and the Village Board of Trustees has the authority to add or enhance the benefit terms. The plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided. The Village provides employer paid retiree medical and dental insurance to current and future eligible retirees until the age of 65 or until their death (whichever is earlier). Dependents are provided access to coverage on a fully contributory basis. The Village provides employer paid insurance benefits to retirees above the age of 65 and their dependents if the retirement occurred before October 1, 1993. In addition, the Village provides employer-paid retiree life insurance to eligible retirees. The life insurance benefit is \$40,000 up to the age of 70 and \$20,000 for ages 70 and above. This is a single-employer plan and the Village allocates 100 percent of its health insurance premium to the General Fund. The Postemployment Healthcare Plan does not issue a publicly available financial report.

Employees Covered by Benefit Terms. At April 30, 2025, membership in the plan consisted of the following:

	Membership
Retirees currently receiving benefits	36
Active Plan members	163
Total membership	199

Actuarial Assumptions. The following are the methods and assumptions used to determine the total OPEB liability at April 30, 2025:

- The **Actuarial Cost Method** used was the Entry Age Normal.
- The **discount rate** used to measure the OPEB liability was 5.24 percent, the 20-year municipal bond yield from the 20 Year Bond Buyer Index as of April 30, 2025.
- **Salary Increases** were assumed to be 3.00 percent.
- For **Healthcare Cost Trend Rates**, the initial PPO Plans rate was 7.90 percent to an ultimate rate of 5.00 percent in 2035; the initial HDHP Plans rate was 8.30 percent to an ultimate rate of 5.00 percent in 2035. The initial trend rates for the Dental Plan was 4.50 percent expected to be constant for all years.
- **Mortality** rates for IMRF employees were based on PubG-2010(B) Improved Generationally using MP-2021 Improvement rates, weighted per IMRF Experience Study dated January 4, 2024.
- **Active Mortality** rates for Police and Firefighters follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are improved generationally using MP-2021 Improvement rates.
- **Retiree Mortality** rates for Police and Firefighters follow the L&A Assumption Study for Police 2024 and L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates
- **Disabled Mortality** follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP- 2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Village of South Holland, Illinois

Notes to Financial Statements

Note 7. Postemployment Healthcare Plan (Continued)

- **Spouse Mortality** rates follow the L&A Assumption Study for Police and Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Scale. For all rates not provided there (ages 45 and younger), the PubG-2010 Study for general employees was used.
- **Retirement, termination and disability** rates for IMRF employees were based on the rates from the IMRF Experience Study Report dated January 4, 2024. For Police and Firefighters, the rates were based on the L&A Assumption Studies for Police and Firefighters 2024.
- 100 percent of future retirees are assumed to elect medical dental and life insurance coverage at retirement.

The actuarial assumptions used in the April 30, 2025 valuation were based on the combined results of the IMRF Experience Study dated January 4, 2024 and the 2024 L&A Illinois Police Officers and Firefighters' experience studies. The following assumption being changed from the prior year:

- Updates made to Inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2024 experience studies

The Village's total OPEB liability was measured as of April 30, 2025, and was determined by an actuarial valuation as of that date.

	Total Postemployment Benefit Liability
Balances at May 1, 2024	\$ 6,773,442
Changes for the year:	
Service cost	343,327
Interest on the total OPEB liability	268,614
Differences between expected and actual experience of the total OPEB liability	172,875
Changes of assumptions	630,618
Benefit payments	(347,159)
Net changes	<u>1,068,275</u>
Balances at April 30, 2025	<u>\$ 7,841,717</u>

Sensitivity of Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 4.24%	Current Discount Rate 5.24%	1% Increase 6.24%
Village's other post-employment benefit liability	\$ 8,435,222	\$ 7,841,717	\$ 7,295,685

Village of South Holland, Illinois

Notes to Financial Statements

Note 7. Postemployment Healthcare Plan (Continued)

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (a)	Current Healthcare Cost Trend Rate	1% Increase (b)
Village's other post-employment benefit liability	\$ 7,120,683	\$ 7,841,717	\$ 8,675,876

(a) PPO Plans initial trend rate of 6.90 percent trending to 4.00 percent in 2035; HDHP Plans initial trend rate of 7.30 percent trending to 4.00 percent in 2035; Dental Plans initial trend rate of 3.50 percent, expected to remain constant through all years

(b) PPO Plans initial trend rate of 8.90 percent trending to 6.00 percent in 2035; HDHP Plans initial trend rate of 9.30 percent trending to 6.00 percent in 2035; Dental Plans initial trend rate of 5.50 percent, expected to remain constant through all years

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended April 30, 2025, the Village recognized OPEB expense of \$323,137. At April 30, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods:		
Differences between expected and actual experience	\$ 158,854	\$ 2,240,486
Changes of assumptions	1,080,853	775,101
Total Deferred Amounts Related to Other Postemployment Benefits	\$ 1,239,707	\$ 3,015,587

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Inflows of Resources
Year ending April 30:	
2026	\$ (276,419)
2027	(289,604)
2028	(289,604)
2029	(289,604)
2030	(289,604)
Thereafter	(341,045)
Total	\$ (1,775,880)

Village of South Holland, Illinois

Notes to Financial Statements

Note 8. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters.

The Village is self-insured up to \$300,000 of each worker's compensation claim incident with an overall retention of \$1,500,000 per claim year. Property and casualty is a standard insurance component with various deductible amounts starting at \$10,000 per incident.

All incurred and not reported claims have been estimated based on historical experience and have been accrued. There has been no significant reduction in insurance coverage from the prior year. The Village's settlements did not exceed its insurance coverage during the past three years.

Changes in the balances of claims liabilities are as follows:

Unpaid claims at April 30, 2023	\$ 635,701
Provision for claims	1,122,931
Claims paid	<u>(737,134)</u>
Unpaid claims at April 30, 2024	1,021,498
Provision for claims	(75,295)
Claims paid	<u>(398,069)</u>
Unpaid claims at April 30, 2025	<u><u>\$ 548,134</u></u>

Note 9. Tax Abatements and Commitments

The Village is committed to pay several developers within tax incremental financing (TIF) districts after the developers have completed certain project improvements and satisfied other conditions. These conditions vary from developer to developer; however, in all cases these amounts are only due to be paid from future revenues which will arise from the new development within the new districts.

The Village has two agreements with a local retail developer (the Developer) in the community to provide possible future economic assistance. The agreement executed on May 16, 2016 between the Village and the Developer will expire on the earlier of when the Village has paid sales tax refunds not to exceed \$277,476, respectively, or upon expiration of the agreements. As of April 30, 2025, a total of \$119,465 of sales tax refunds were provided by the Village to the Developer under these revised incentive agreements. There remains a potential balance due pursuant to both agreements of \$158,011.

Cook County Economic Incentives

The Cook County Assessor's Office, in conjunction with municipalities located within Cook County and within the Village's boundaries, encourages certain industrial and commercial development by offering real estate tax incentive programs (such as class 6a, 6b, 7 and 8) for the development of new industrial facilities, the rehabilitation of existing structures, and industrial utilization of abandoned buildings or areas experiencing severe stagnation. These programs offer qualified properties a reduced equalized assessed valuation for up to 12 years. The Village deems these real estate tax incentives as vital economic development tools to retain existing businesses as well as encourage new construction considering the proximity of the Village to Will County and the State of Indiana which offer lower property tax rates. The Village estimates its portion of annual abatement of property taxes to various local companies under these development incentives approximates \$2,350,000.

Village of South Holland, Illinois

Notes to Financial Statements

Note 9. Tax Abatements and Commitments (Continued)

On April 10, 2024, the Village received notice that their application for a Public Water Supply Loan, under the provisions of the Environmental Protection Act, was approved in the amount of \$2,755,000. The project is funded in whole or in part by the Infrastructure Investment and Jobs Act. In accordance with the procedures for issuing loans from the Public Water Supply Loan Program (35 ILL Adm. Code 662.250 (loan rules)), \$2,755,000 of the loan amount will be forgiven by the State of Illinois. On April 18, 2024, the Village entered into an agreement with the IEPA (Project L176218) to borrow an amount not to exceed \$2,755,000, of which the Village has outstanding draws of \$1,996,815. The loan bears interest at 0.00% and is due June 1, 2045.

The Village also has construction commitments of \$9,099,863 as of April 30, 2025.

Note 10. Other Financial Disclosures (FFS Level Only)

(a) Due To/From Other Funds

Individual interfund balances for the Village at April 30, 2025, are as follows:

Fund	Receivable Fund (Due from)	Payable Fund (Due to)
Major Governmental Fund:		
General Fund - Water Fund	\$ 790,982	\$ -
Nonmajor Governmental Fund:		
Nonmajor Special Revenue Fund - Nonmajor Capital Projects Fund	241,591	-
Nonmajor Governmental Fund:		
Nonmajor Capital Projects Fund - Nonmajor Special Revenue Fund	-	241,591
	<u>1,032,573</u>	<u>241,591</u>
Proprietary Fund:		
Water Fund - General Fund	-	790,982
Total	<u>\$ 1,032,573</u>	<u>\$ 1,032,573</u>

Interfund receivables and payables are short-term in nature based on expected payments and relate to expenditures paid by a fund that were intended to be paid by another fund. To eliminate negative cash balances for financial reporting purposes, the Village recorded interfund balances between the Water Fund and the General Fund and interfund balances between the Veteran's Park Construction Fund and the Park Fund.

Village of South Holland, Illinois

Notes to Financial Statements

Note 10. Other Financial Disclosures (FFS Level Only) (Continued)

(b) Transfer In/Out

The interfund transfers for the year ended April 30, 2025, are as follows:

Fund	Transfer In	Transfer Out
General Fund:		
Nonmajor Special Revenue Funds	\$ 750,000	\$ -
Nonmajor Capital Projects Funds	-	50,000
Nonmajor Debt Service Funds	-	80,000
	<u>750,000</u>	<u>130,000</u>
Route 6 TIF:		
Nonmajor Capital Projects Fund	5,350,000	-
Nonmajor Debt Service Fund	-	595,000
	<u>5,350,000</u>	<u>595,000</u>
Nonmajor Governmental Funds:		
Nonmajor Special Revenue Funds		
General Fund	-	750,000
Nonmajor Capital Projects Funds		
General Fund	50,000	-
Route 6 TIF	-	5,350,000
Nonmajor Capital Projects Funds	13,345,000	13,345,000
Nonmajor Debt Service Funds	-	820,000
Nonmajor Debt Service Funds		
General Fund	80,000	-
Route 6 TIF	595,000	-
Nonmajor Capital Projects Funds	820,000	-
	<u>14,890,000</u>	<u>20,265,000</u>
Total	<u>\$ 20,990,000</u>	<u>\$ 20,990,000</u>

Transfers are used to (a) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (b) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund; and (c) use unrestricted revenue collections in the General Fund to finance various programs accounted for in accordance with budgetary authorizations.

(c) Deficit Fund Balances

The following funds reported deficits in fund balance as of April 30, 2025:

	Deficit
Nonmajor Governmental:	
Capital Project:	
Veterans Park Construction Fund	\$ 241,591

These deficit fund balances are expected to be funded by future operating revenues and transfers from other funds.

Village of South Holland, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards

GASB Statement No. 101, *Compensated Absences*, was effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The unified recognition and measurement model in this statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The effect of this standard was not material to the Village. However, the liability was calculated in accordance with the requirements of the standard as of April 30, 2025, and was implemented on a going forward basis with the difference recorded on the Statement of Activities during fiscal year 2025.

At April 30, 2025, the GASB had issued several statements not yet implemented by the Village due to having effective date requirements in the future. The statements that may impact the Village are as follows:

GASB Statement No. 102, *Certain Risk Disclosures*, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The statement will be effective for the Village with its year ending April 30, 2026.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The statement will be effective for the Village with its year ending April 30, 2027.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will improve financial reporting by provided issuers of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The statement will be effective for the Village with its year ending April 30, 2027.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements.

Note 12. Leases

In fiscal year 2023, the Village adopted GASB Statement No. 87, *Leases*. The Village, as a lessor, leases building space under long-term agreements to third-parties. As of April 30, 2025, the leases have terms ranging from 9 to 19 years. The adoption of this standard resulted in the recognition of a lease receivable and corresponding deferred inflow of resources.

Village of South Holland, Illinois

Notes to Financial Statements

Note 12. Leases (Continued)

The Village's lease receivable is measured at the present value of future fixed lease payments expected to be received under the long-term lease agreements at a discount rate of 4.75 percent. At April 30, 2025, the Village has recorded a lease receivable of \$903,695. The Village considers \$45,914 of this receivable current as of April 30, 2025.

At the initiation of the leases, the deferred inflow of resources is recorded at an amount equal to the initial recording of the lease receivable and is amortized on a straight-line basis over the term of the leases. At April 30, 2025, the Village has recorded a deferred inflow of resources related to leases of \$807,823. In fiscal year 2025, the Village recognized \$68,280 of lease revenue and \$8,851 of interest income from these leases.

Note 13. Contingencies

The Village is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the Village's management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the Village's net position at April 30, 2025.

Note 14. Restatement

The Village identified a new major governmental fund as of April 30, 2025. This change resulted in the Village restating fund balance as of May 1, 2024, the impact of which is as follows:

	Route 6 TIF Fund	Nonmajor Governmental Funds
Fund balance, April 30, 2024, as previously reported	\$ -	\$ 9,244,179
Change within financial reporting entity (nonmajor to major fund)	32,949	(32,949)
Fund balance, April 30, 2024, as restated	<u>\$ 32,949</u>	<u>\$ 9,211,230</u>

Note 15. Subsequent Events

The Village has evaluated subsequent events for potential recognition and/or disclosure through the date of the Independent Auditor's Report, the date the financial statements were available to be issued and noted no subsequent events have been identified.

Required Supplementary Information
(Unaudited)

Village of South Holland, Illinois

Required Supplementary Information - Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability (Asset), Total Pension Liability and Related
Ratios and Investment Returns

Measurement Date Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fiscal Year Ended April 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 614,396	\$ 624,745	\$ 564,193	\$ 582,678	\$ 594,680	\$ 576,332	\$ 527,795	\$ 557,464	\$ 580,633	\$ 555,300
Interest on the total pension liability	3,294,435	3,189,221	3,075,516	3,010,439	2,913,411	2,836,872	2,704,359	2,725,328	2,595,482	2,475,003
Difference between expected and actual experience	477,701	594,600	557,862	(177,819)	527,306	(165,499)	788,531	(525,327)	349,722	282,798
Assumption changes	-	(55,357)	-	-	(336,718)	-	1,104,015	(1,079,894)	(89,789)	43,177
Benefit payments and refunds	(3,073,181)	(2,720,435)	(2,598,567)	(2,418,326)	(2,290,396)	(2,111,927)	(2,043,734)	(1,840,908)	(1,730,513)	(1,697,668)
Net change in total pension liability	1,313,351	1,632,774	1,599,004	996,972	1,408,283	1,135,778	3,080,966	(163,337)	1,705,535	1,658,610
Total pension liability—beginning	46,669,871	45,037,097	43,438,093	42,441,121	41,032,838	39,897,060	36,816,094	36,979,431	35,273,896	33,615,286
Total pension liability—ending (a)	\$ 47,983,222	\$ 46,669,871	\$ 45,037,097	\$ 43,438,093	\$ 42,441,121	\$ 41,032,838	\$ 39,897,060	\$ 36,816,094	\$ 36,979,431	\$ 35,273,896
Plan fiduciary net position										
Contributions - Employer	\$ 498,737	\$ 499,398	\$ 634,847	\$ 703,613	\$ 779,824	\$ 569,973	\$ 728,938	\$ 653,884	\$ 786,136	\$ 1,301,569
Contributions - Employees	337,728	335,079	300,889	273,765	282,784	262,311	253,998	237,129	242,441	233,298
Net Investment Income	4,393,654	4,529,730	(6,326,916)	7,283,462	5,516,434	6,408,576	(1,995,757)	5,651,488	2,096,849	147,286
Benefit payments and refunds	(3,073,181)	(2,720,435)	(2,598,567)	(2,418,326)	(2,290,396)	(2,111,927)	(2,043,734)	(1,840,908)	(1,730,513)	(1,697,668)
Other (net transfer)	(720,493)	977,354	231,856	(173,509)	(4,812)	(276,958)	792,064	(645,002)	215,620	705,577
Net change in plan fiduciary net position	1,436,445	3,621,126	(7,757,891)	5,669,005	4,283,834	4,851,975	(2,264,491)	4,056,591	1,610,533	690,062
Plan fiduciary net position—beginning	44,299,314	40,678,188	48,436,079	42,767,074	38,483,240	33,631,265	35,895,756	31,839,165	30,228,632	29,538,570
Plan fiduciary net position—ending (b)	\$ 45,735,759	\$ 44,299,314	\$ 40,678,188	\$ 48,436,079	\$ 42,767,074	\$ 38,483,240	\$ 33,631,265	\$ 35,895,756	\$ 31,839,165	\$ 30,228,632
Net pension liability (asset) - ending (a) - (b)	\$ 2,247,463	\$ 2,370,557	\$ 4,358,909	\$ (4,997,986)	\$ (325,953)	\$ 2,549,598	\$ 6,265,795	\$ 920,338	\$ 5,140,266	\$ 5,045,264
Plan fiduciary net position as a percentage of the total pension liability	95.32%	94.92%	90.32%	111.51%	100.77%	93.79%	84.30%	97.50%	86.10%	85.70%
Covered Payroll	\$ 7,533,795	\$ 7,442,594	\$ 6,599,251	\$ 5,993,295	\$ 6,268,680	\$ 5,798,303	\$ 5,640,192	\$ 5,264,762	\$ 5,322,514	\$ 5,142,505
Employer net pension liability (asset) as a percentage of covered payroll	29.83%	31.85%	66.05%	-83.39%	-5.20%	43.97%	111.09%	17.48%	96.58%	98.11%

Village of South Holland, Illinois

Required Supplementary Information - Police Pension Fund
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
Ratios and Investment Returns

Fiscal year ended April 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 994,360	\$ 952,082	\$ 903,085	\$ 849,463	\$ 842,458	\$ 865,061	\$ 893,103	\$ 886,751	\$ 826,807	\$ 762,040
Interest on the total pension liability	3,510,307	3,268,674	3,233,931	3,192,156	3,193,086	2,962,209	2,892,254	2,799,135	2,698,725	2,475,252
Change in benefit terms	-	695,899	(22,993)	-	-	191,439	-	-	-	-
Actuarial experience	1,266,020	(1,125,473)	(939,439)	(1,694,533)	1,550,888	(253,360)	(591,237)	146,383	115,453	509,792
Changes in assumptions	480,125	-	(14,783)	1,531,088	-	250,045	-	(397,135)	(380,141)	1,046,935
Benefit payments	(2,774,864)	(2,429,975)	(2,458,449)	(2,478,410)	(2,417,435)	(2,146,208)	(2,312,222)	(1,989,262)	(1,762,485)	(1,660,791)
Net change in total pension liability	3,475,948	1,361,207	701,352	1,399,764	3,168,997	1,869,186	881,898	1,445,872	1,498,359	3,133,228
Total pension liability—beginning	50,431,670	49,070,463	48,369,111	46,969,347	43,800,350	41,931,164	41,049,266	39,603,394	38,105,035	34,971,807
Total pension liability—ending (a)	\$ 53,907,618	\$ 50,431,670	\$ 49,070,463	\$ 48,369,111	\$ 46,969,347	\$ 43,800,350	\$ 41,931,164	\$ 41,049,266	\$ 39,603,394	\$ 38,105,035
Plan fiduciary net position										
Contributions - Employer	\$ 1,744,871	\$ 1,809,650	\$ 1,693,535	\$ 1,752,111	\$ 1,424,385	\$ 1,408,096	\$ 1,325,202	\$ 1,389,014	\$ 1,154,471	\$ 1,014,454
Contributions - Member	435,182	429,119	406,948	391,196	384,767	376,262	365,058	359,486	357,939	397,143
Contributions - Other	144,367	-	53,852	58,947	74,067	2,376	80,512	48,730	999	-
Pension plan net investment income (loss)	3,367,643	2,981,541	429,950	(2,416,834)	7,748,051	99,146	1,622,580	1,912,656	1,995,918	(399,409)
Benefit payments	(2,774,864)	(2,429,975)	(2,458,449)	(2,478,410)	(2,417,435)	(2,146,208)	(2,312,222)	(1,989,262)	(1,762,485)	(1,660,791)
Pension plan administrative expense	(53,856)	(38,115)	(45,262)	(48,755)	(39,816)	(40,964)	(43,382)	(41,581)	(39,880)	(34,825)
Net change in plan fiduciary net position	2,863,343	2,752,220	80,574	(2,741,745)	7,174,019	(301,292)	1,037,748	1,679,043	1,706,962	(683,428)
Plan fiduciary net position—beginning	34,956,584	32,204,364	32,123,790	34,865,535	27,691,516	27,992,808	26,955,060	25,276,017	23,569,055	24,252,483
Plan fiduciary net position—ending (b)	\$ 37,819,927	\$ 34,956,584	\$ 32,204,364	\$ 32,123,790	\$ 34,865,535	\$ 27,691,516	\$ 27,992,808	\$ 26,955,060	\$ 25,276,017	\$ 23,569,055
Net pension liability - ending (a) - (b)	\$ 16,087,691	\$ 15,475,086	\$ 16,866,099	\$ 16,245,321	\$ 12,103,812	\$ 16,108,834	\$ 13,938,356	\$ 14,094,206	\$ 14,327,377	\$ 14,535,980
Plan fiduciary net position as a percentage of the total pension liability	70.16%	69.31%	65.63%	66.41%	74.23%	63.22%	66.76%	65.67%	63.82%	61.85%
Covered Payroll	\$ 4,571,112	\$ 4,286,973	\$ 4,152,032	\$ 3,952,997	\$ 3,792,651	\$ 3,918,704	\$ 3,697,086	\$ 3,572,064	\$ 3,929,704	\$ 3,681,049
Employer net pension liability as a percentage of covered payroll	351.94%	360.98%	406.21%	410.96%	319.14%	411.08%	377.01%	394.57%	364.59%	394.89%
Annual money-weighted rate of return, net of investment expense	9.54%	9.17%	1.20%	-7.10%	28.11%	4.54%	6.11%	7.60%	8.53%	-1.66%

Changes to assumptions:

2025: Changes of assumptions include updates made to the inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2024 L&A Illinois Police Officers Experience Study.

2023: Changes to the projected individual pay increases assumptions were made to better reflect future anticipated experience of the plan and to align with the Collective Bargaining Agreement between the Village and the Metropolitan Alliance of Police for the period of May 1, 2021 and April 30, 2025.

2022: Changes of assumptions and other inputs reflect the effects of changes in the discount rate. The discount rate for 2021 was 7.25% and decreased to 7.00% for 2022.

2020: Changes of benefit terms pertain to the passage of PA-101-0610 (SB 1300), which went into effect on January 1, 2020. These legislative changes reflect modifications to the Tier II Plan Provisions.

2018: Changes of assumptions include updates made to the inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2018 L&A Illinois Police Officers Experience Study.

2017: Changes of assumptions and other inputs reflect the effects of changes in the mortality rate assumption. In 2017, the assumption was updated based on the MP-2016 tables. The rates were being applied on a fully generational basis.

2016: Changes of assumptions include updates made to the inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2015 L&A Illinois Police Officers Experience Study.

Village of South Holland, Illinois

Required Supplementary Information - Firefighters' Pension Fund
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns

Fiscal year ended April 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 588,293	\$ 462,604	\$ 497,433	\$ 487,282	\$ 517,122	\$ 503,774	\$ 546,208	\$ 554,693	\$ 517,196	\$ 466,304
Interest on the total pension liability	1,711,032	1,619,484	1,534,898	1,511,058	1,466,153	1,425,128	1,345,043	1,265,480	1,221,737	1,141,182
Change in benefit terms	-	-	(34,539)	-	-	118,142	-	-	-	-
Actuarial experience	499,816	330,154	(461,132)	(370,165)	55,693	(379,062)	51,435	(6,027)	(438,208)	(637,943)
Changes in assumptions	610,800	-	-	346,909	(142,661)	46,642	-	-	(72,653)	724,343
Benefit payments	(1,295,854)	(1,216,682)	(1,181,150)	(1,068,362)	(1,127,866)	(892,453)	(783,674)	(649,787)	(599,635)	(565,958)
Net change in total pension liability	2,114,087	1,195,560	355,510	906,722	768,441	822,171	1,159,012	1,164,359	628,437	1,127,928
Total pension liability—beginning	24,151,568	22,956,008	22,600,498	21,693,776	20,925,335	20,103,164	18,944,152	17,779,793	17,151,356	16,023,427
Total pension liability—ending (a)	\$ 26,265,655	\$ 24,151,568	\$ 22,956,008	\$ 22,600,498	\$ 21,693,776	\$ 20,925,335	\$ 20,103,164	\$ 18,944,152	\$ 17,779,793	\$ 17,151,355
Plan fiduciary net position										
Contributions - Employer	\$ 677,946	\$ 712,485	\$ 697,381	\$ 724,377	\$ 597,069	\$ 586,911	\$ 555,889	\$ 606,032	\$ 485,846	\$ 489,984
Contributions - Member	244,966	218,522	176,805	196,405	192,993	191,050	197,561	189,678	184,909	191,032
Contributions - Other	4,416	-	1,985	38,666	-	19,523	-	313	-	-
Pension plan net investment income (loss)	1,990,788	1,807,230	82,935	(1,115,589)	4,227,033	255,463	893,621	929,889	992,727	(168,346)
Benefit payments	(1,295,854)	(1,216,682)	(1,181,150)	(1,068,362)	(1,127,866)	(892,453)	(783,674)	(649,787)	(599,635)	(565,958)
Pension plan administrative expense	(46,623)	(35,166)	(31,694)	(38,481)	(39,215)	(33,572)	(31,847)	(34,199)	(32,888)	(29,822)
Net change in plan fiduciary net position	1,575,639	1,486,389	(253,738)	(1,262,984)	3,850,014	126,922	831,550	1,041,926	1,030,959	(83,110)
Plan fiduciary net position—beginning	19,240,103	17,753,714	18,007,452	19,270,436	15,420,422	15,293,500	14,461,950	13,420,024	12,389,065	12,472,175
Plan fiduciary net position—ending (b)	\$ 20,815,742	\$ 19,240,103	\$ 17,753,714	\$ 18,007,452	\$ 19,270,436	\$ 15,420,422	\$ 15,293,500	\$ 14,461,950	\$ 13,420,024	\$ 12,389,065
Net pension liability - ending (a) - (b)	\$ 5,449,913	\$ 4,911,465	\$ 5,202,294	\$ 4,593,046	\$ 2,423,340	\$ 5,504,913	\$ 4,809,664	\$ 4,482,202	\$ 4,359,769	\$ 4,762,290
Plan fiduciary net position as a percentage of the total pension liability	79.25%	79.66%	77.34%	79.68%	88.83%	73.69%	76.08%	76.34%	75.48%	72.23%
Covered Payroll	\$ 2,763,919	\$ 1,943,315	\$ 1,886,714	\$ 2,043,284	\$ 2,167,623	\$ 2,121,204	\$ 1,973,871	\$ 1,907,122	\$ 2,434,778	\$ 1,911,739
Employer net pension liability as a percentage of covered payroll	197.18%	252.74%	275.73%	224.79%	111.80%	259.52%	243.67%	235.02%	179.06%	249.11%
Annual money-weighted rate of return, net of investment expense	10.20%	10.06%	0.29%	-6.01%	27.73%	1.68%	6.20%	6.91%	8.02%	-1.35%

Changes to assumptions:

2025: Changes of assumptions include updates made to the inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2024 L&A Illinois Firefighters Experience Study.

2022: Changes of assumptions reflect the effects of changes in the discount rate. The discount rate for 2021 was 7.25% and decreased to 7.125% for 2022.

2021: Changes of assumptions include updates made to the marital assumptions for retirees and disabled members to better reflect the future anticipated experience of the Plan.

2020: Changes of assumptions include updates made to the inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2019 L&A Illinois Firefighters Experience Study.

2017: Changes of assumptions reflect the effects of changes in the mortality rate assumption. In 2017, the assumption was updated based on the MP-2016 tables. The rates were being applied on a fully generational basis.

2016: Changes of assumptions include updates made to the inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates and duty death probability based on the 2015 L&A Illinois Firefighters Experience Study.

Village of South Holland, Illinois

Required Supplementary Information - Other Postemployment Benefit Plan (OPEB)
Schedule of Changes in Total Other Postemployment Benefit Liability and
Related Ratios

Fiscal year ended April 30,	2025	2024	2023	2022	2021	2020	2019
Service cost	\$ 343,327	\$ 360,329	\$ 390,810	\$ 432,418	\$ 516,210	\$ 487,998	\$ 451,403
Interest on the total OPEB liability	268,614	236,559	220,925	169,934	287,930	307,111	365,165
Differences between expected and actual experience of the total OPEB liability	172,875	-	(175,404)	-	(3,707,203)	-	(767,035)
Changes of assumptions	630,618	(293,849)	(123,102)	(673,127)	857,486	316,120	80,780
Benefit payments	(347,159)	(461,959)	(526,519)	(539,297)	(603,021)	(546,557)	(534,807)
Other changes	-	-	-	-	-	(955)	(81,948)
Net changes	1,068,275	(158,920)	(213,290)	(610,072)	(2,648,598)	563,717	(486,442)
Total OPEB liability, beginning	6,773,442	6,932,362	7,145,652	7,755,724	10,404,322	9,840,605	10,327,047
Total OPEB liability, ending	<u>\$ 7,841,717</u>	<u>\$ 6,773,442</u>	<u>\$ 6,932,362</u>	<u>\$ 7,145,652</u>	<u>\$ 7,755,724</u>	<u>\$ 10,404,322</u>	<u>\$ 9,840,605</u>
Covered Payroll	\$ 13,871,041	\$ 12,730,494	\$ 13,234,627	\$ 10,910,742	\$ 10,034,871	\$ 9,815,395	\$ 9,815,395
Village total OPEB liability as a percentage of covered payroll	56.53%	53.21%	52.38%	65.49%	77.29%	106.00%	100.26%

Note to Schedule:

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

Changes to assumptions:

2025: Changes of assumptions and other inputs reflect the effects of changes in the discount rate.
The discount rate for 2024 was 4.07% and increased to 5.24% for 2025.

2024: Changes of assumptions and other inputs reflect the effects of changes in the discount rate.
The discount rate for 2023 was 3.53% and increased to 4.07% for 2024.

2023: Changes of assumptions and other inputs reflect the effects of changes in the discount rate.
The discount rate for 2022 was 3.21% and increased to 3.53% for 2023.

2022: Changes of assumptions and other inputs reflect the effects of changes in the discount rate.
The discount rate for 2021 was 2.27% and increased to 3.21% for 2022.

2021: Changes of assumptions and other inputs reflect the effects of changes in the discount rate.
The discount rate for 2020 was 2.85% and decreased to 2.27% for 2021.

2020: Changes of assumptions and other inputs reflect the effects of changes in the discount rate.
The discount rate for 2019 was 3.21% and decreased to 2.85% for 2020.

2019: Changes of assumptions and other inputs reflect the effects of changes in the discount rate.
The discount rate for 2018 was 3.63% and decreased to 3.21% for 2019.

Village of South Holland

**Illinois Municipal Retirement Fund
Required Supplementary Information
Schedule of Contributions
Last 10 Calendar Years**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2024	\$ 498,737	\$ 498,737	\$ -	\$ 7,533,795	6.62%
2023	499,398	499,398	-	7,442,594	6.71%
2022	634,848	634,847	1	6,599,251	9.62%
2021	703,613	703,613	-	5,993,295	11.74%
2020	779,824	779,824	-	6,268,680	12.44%
2019	569,973	569,973	-	5,798,303	9.83%
2018	728,713	728,938	(225)	5,640,192	12.92%
2017	653,883	653,884	(1)	5,264,762	12.42%
2016	737,168	786,136	(48,968)	5,322,514	14.77%
2015	1,301,568	1,301,569	(1)	5,142,505	25.31%

Village of South Holland, Illinois

**Required Supplementary Information
Schedule of Contributions**

Police Pension Plan

Fiscal year ended	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 1,641,180	\$ 1,587,282	\$ 1,636,100	\$ 1,624,105	\$ 1,352,692	\$ 1,348,079	\$ 1,392,359	\$ 1,313,975	\$ 1,089,522	\$ 1,089,522
Contributions in Relation to the Actuarial Determined Contribution	1,744,871	1,809,650	1,693,535	1,752,111	1,424,385	1,408,096	1,325,202	1,389,014	1,154,471	1,014,454
Contribution Deficiency (excess)	\$ (103,691)	\$ (222,368)	\$ (57,435)	\$ (128,006)	\$ (71,693)	\$ (60,017)	\$ 67,157	\$ (75,039)	\$ (64,949)	\$ 75,068
Covered Payroll	\$ 4,571,112	\$ 4,286,973	\$ 4,152,032	\$ 3,952,997	\$ 3,792,651	\$ 3,918,704	\$ 3,697,086	\$ 3,572,064	\$ 3,929,704	\$ 3,681,049
Contributions as a Percentage of Covered Payroll	38.17%	42.21%	40.79%	44.32%	37.56%	35.93%	35.84%	38.89%	29.38%	27.56%

Firefighters' Pension Plan

Fiscal year ended	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 624,051	\$ 574,643	\$ 681,246	\$ 658,164	\$ 576,518	\$ 611,521	\$ 604,194	\$ 570,603	\$ 497,595	\$ 497,595
Contributions in Relation to the Actuarial Determined Contribution	677,946	712,485	697,381	724,377	597,069	586,911	555,889	606,032	485,846	489,984
Contribution Deficiency (excess)	\$ (53,895)	\$ (137,842)	\$ (16,135)	\$ (66,213)	\$ (20,551)	\$ 24,610	\$ 48,305	\$ (35,429)	\$ 11,749	\$ 7,611
Covered Payroll	\$ 2,763,919	\$ 1,943,315	\$ 1,886,714	\$ 2,043,284	\$ 2,167,623	\$ 2,121,204	\$ 1,973,871	\$ 1,907,122	\$ 2,434,778	\$ 1,911,740
Contributions as a Percentage of Covered Payroll	24.53%	36.66%	36.96%	35.45%	27.54%	27.67%	28.16%	31.78%	19.95%	25.63%

Village of South Holland, Illinois

**Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended April 30, 2025**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 13,102,650	\$ 12,709,986	\$ (392,664)
Intergovernmental taxes	10,888,300	10,482,197	(406,103)
Licenses	969,500	923,285	(46,215)
Permits and fees	2,530,000	2,323,697	(206,303)
Fines and forfeitures	1,024,000	676,241	(347,759)
Charges for services	2,889,300	2,909,524	20,224
Grants	7,203,950	491,827	(6,712,123)
Interest	500,000	1,078,543	578,543
Reimbursed expenses	374,000	394,424	20,424
Rental income	75,000	84,915	9,915
Miscellaneous	725,000	974,643	249,643
Total revenues	40,281,700	33,049,282	(7,232,418)
Expenditures:			
Current:			
General government	8,114,850	7,488,588	(626,262)
Fire department	6,079,600	4,996,918	(1,082,682)
Police department	10,056,900	9,052,724	(1,004,176)
Building department	1,718,350	1,538,990	(179,360)
Public works	5,763,750	5,370,826	(392,924)
Garbage department	2,520,000	2,455,489	(64,511)
Public relations	611,925	537,286	(74,639)
Capital outlay	9,634,400	2,931,559	(6,702,841)
Debt service:			
Principal	-	78,147	78,147
Interest expense	-	987	987
Total expenditures	44,499,775	34,451,514	(10,048,261)
Excess (deficiency) of revenues (under) expenditures	(4,218,075)	(1,402,232)	2,815,843
Other financing sources (uses):			
Initiation of new SBITAs	-	13,590	13,590
Transfers in	750,000	750,000	-
Transfers (out)	(130,000)	(130,000)	-
Total other financing other financing sources (uses)	620,000	633,590	13,590
Net change in fund balance	\$ (3,598,075)	(768,642)	\$ 2,829,433
Fund balance:			
May 1, 2024		14,258,013	
April 30, 2025		\$ 13,489,371	

See notes to required supplementary information.

Village of South Holland, Illinois

Notes to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Note 2. Stewardship, Compliance and Accountability

(a) Budgetary Information

The Village follows these procedures in establishing the appropriation data reflected in the financial statements:

1. The Village Treasurer submits to the Village Board of Trustees a proposed operating appropriation ordinance (budget) for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Village to obtain taxpayer comments.
3. Subsequently, the appropriation ordinance is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for the general, debt service and certain special revenue funds. While formal budgetary integration is not required to be employed for the debt service funds because effective budgetary control can alternatively be achieved through general obligation bond indenture provisions, the Village has budgeted its debt service funds. Budgets for TIF Capital Project Funds (included within both major and aggregate nonmajor funds), Veterans Park Construction Fund (included within aggregate nonmajor funds), and police seizure expenditures in the General Fund are not formally adopted as part of the Village's annual appropriation.
5. Appropriations for the general, debt service and certain special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgetary authority lapses at year-end.
7. State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.
8. Appropriated amounts are as originally adopted.

Village of South Holland, Illinois

Notes to Required Supplementary Information

Note 3. Pension Contributions

The Schedule of Contributions shows the difference between the actual contributions and the actuarially determined contributions (ADC). The actuarial valuation and assumptions utilized to measure the ADC differ from those disclosed in Note 6 of the financial statements.

The following methods and assumptions were utilized to measure the ADC for each applicable pension plan.

IMRF

Methods and Assumptions

Valuation date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the calendar year in which contributions are reported.
Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19-year closed period
Asset valuation method	5-year smooth market; 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	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 from the years 2017 to 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes	There were no benefit changes during the year.
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Village of South Holland, Illinois

Notes to Required Supplementary Information

Note 3. Pension Contributions (Continued)

Police Pension Plan

Methods and Assumptions

Valuation date	May 1, 2024
Actuarial cost method	Entry Age Normal
Actuarial value of assets	5-Year Smooth Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	17 years
Investment rate of return	7.00%
Projected individual salary increases	3.75% - 10.25%
Projected increase in total payroll	3.25%
Inflation rate included	2.25%
Mortality table	Pub-2010 adjusted for Plan status, demographics and Illinois Public Pension Data, as described
Retirement rates	100% of L&A 2020 Illinois Police Retirement Rates, Capped at age 65
Termination rates	100% of L&A 2020 Illinois Police Termination Rates
Disability rates	100% of L&A 2020 Illinois Police Disability Rates

Firefighters' Pension Plan

Methods and Assumptions

Valuation date	May 1, 2024
Actuarial cost method	Entry Age Normal
Actuarial value of assets	5-Year Smooth Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	17 years
Investment rate of return	7.125%
Projected individual salary increases	3.50% - 10.18%
Projected increase in total payroll	3.00%
Inflation rate included	2.25%
Mortality table	Pub-2010 adjusted for Plan status, demographics and Illinois Public Pension Data, as described
Retirement rates	100% of L&A 2020 Illinois Firefighters Retirement Rates, Capped at age 65
Termination rates	100% of L&A 2020 Illinois Firefighters Termination Rates
Disability rates	100% of L&A 2020 Illinois Firefighters Disability Rates

Supplementary Information

Village of South Holland, Illinois

**General Fund
Schedule of Revenues - Budget and Actual
Year Ended April 30, 2025**

	Original and Final Budget	Actual
Property taxes:		
General	\$ 13,102,650	\$ 12,709,986
Intergovernmental:		
Sales tax, net of rebates	4,850,000	4,404,862
State income tax	3,650,000	3,827,985
Utility tax	1,720,000	1,586,760
Replacement tax	363,300	235,849
Motel tax	305,000	369,399
Other taxes	-	57,342
Total intergovernmental	10,888,300	10,482,197
Licenses:		
Business licenses	235,000	269,521
Vehicle licenses	390,000	366,693
Other licenses	344,500	287,071
Total licenses	969,500	923,285
Permits and fees:		
Building permits	375,000	539,841
Ambulance fees	2,150,000	1,773,843
Other permits	5,000	10,013
Total permits and fees	2,530,000	2,323,697
Fines and forfeitures:		
Court fines	25,000	7,840
Parking fines	524,000	320,124
Local debt recoveries	50,000	105,391
Other fines	425,000	242,886
Total fines and forfeitures	1,024,000	676,241
Charges for services	2,889,300	2,909,524
Grants	7,203,950	491,827
Interest	500,000	1,078,543
Miscellaneous revenues:		
Reimbursed expenses	374,000	394,424
Rental income	75,000	84,915
Property owner payment	15,000	6,926
Special events	10,000	18,562
Other miscellaneous revenues	700,000	949,155
Total miscellaneous revenues	1,174,000	1,453,982
Total revenues	\$ 40,281,700	\$ 33,049,282

Village of South Holland, Illinois

**Schedule of Debt Service Requirements
April 30, 2025**

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION BOND				
Dated February 5, 2019	2026	\$ 575,000	\$ 72,300	\$ 647,300
Interest payable June 15 and	2027	595,000	55,050	650,050
December 15	2028	610,000	37,200	647,200
Paying Agent: BNY Mellon	2029	630,000	18,900	648,900
Intended to be financed from				
the extended tax levy		<u>\$ 2,410,000</u>	<u>\$ 183,450</u>	<u>\$ 2,593,450</u>
 DIRECT PLACEMENT: GENERAL OBLIGATION BOND (NON-TIF PORTION)				
Dated January 14, 2022	2026	\$ 575,000	\$ 6,239	\$ 581,239
Interest payable June 15 and				
December 15		<u>\$ 575,000</u>	<u>\$ 6,239</u>	<u>\$ 581,239</u>
Paying Agent: Webster Bank				
Intended to be financed from				
incremental taxes and not				
from the extended tax levy				
 Total general obligation bonds		 <u>\$ 2,985,000</u>	 <u>\$ 189,689</u>	 <u>\$ 3,174,689</u>
 GENERAL OBLIGATION TIF BOND				
Series 2015A	2026	\$ 340,000	\$ 22,565	\$ 362,565
Dated April 6, 2015	2027	370,000	12,025	382,025
Interest payable June 15 and				
December 15		<u>\$ 710,000</u>	<u>\$ 34,590</u>	<u>\$ 744,590</u>
Paying Agent: BNY Mellon				
Intended to be financed from				
incremental taxes and not				
from the extended tax levy				

(Continued)

Village of South Holland, Illinois

Schedule of Debt Service Requirements (Continued)
April 30, 2025

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION TIF BOND				
Series 2015B	2026	\$ 445,000	\$ 47,000	\$ 492,000
Dated April 6, 2015	2027	495,000	24,750	519,750
Interest payable June 15 and December 15		<u>\$ 940,000</u>	<u>\$ 71,750</u>	<u>\$ 1,011,750</u>
Paying Agent: BNY Mellon				
Intended to be financed from incremental taxes and not from the extended tax levy				
DIRECT PLACEMENT: GENERAL OBLIGATION BOND (TIF PORTION)				
Dated January 14, 2022	2026	\$ 575,000	\$ 6,239	\$ 581,239
Interest payable June 15 and December 15		<u>\$ 575,000</u>	<u>\$ 6,239</u>	<u>\$ 581,239</u>
Paying Agent: Webster Bank				
Intended to be financed from incremental taxes and not from the extended tax levy				
Total general obligation TIF bonds		<u>\$ 2,225,000</u>	<u>\$ 112,579</u>	<u>\$ 2,337,579</u>
ILLINOIS ENVIRONMENTAL PROTECTION				
Dated September 16, 2010	2026	\$ 196,056	\$ 18,536	\$ 214,592
Interest payable February 2 and August 2	2027	198,514	16,078	214,592
	2028	201,003	13,588	214,591
Paying Agent: IEPA	2029	203,524	11,068	214,592
Intended to be financed from water operations and not from the extended tax levy	2030	206,076	8,516	214,592
	2031	208,660	5,932	214,592
	2032	211,276	3,316	214,592
	2033	106,628	666	107,294
		<u>\$ 1,531,737</u>	<u>\$ 77,700</u>	<u>\$ 1,609,437</u>

Other Information

Village of South Holland, Illinois

**Schedule of Equalized Assessed Valuations, Tax Rates,
Tax Extensions and Tax Collections***

Tax Levy Years*	2023	2022	2021	2020
Equalized Assessed Valuations	<u>\$ 552,042,373</u>	<u>\$ 379,148,214</u>	<u>\$ 394,981,826</u>	<u>\$ 433,453,211</u>
Tax rates (per \$100 of equalized assessed valuation):				
General	2.0500	2.7875	2.5366	2.1884
Park maintenance	0.3598	0.5238	0.4858	0.4218
Debt service	0.2323	0.3389	0.3240	0.2966
Police pension	0.3545	0.5026	0.4564	0.3999
Firefighters' pension	0.1427	0.2078	0.1956	0.1711
Special Service Area #1	0.0574	0.0930	0.0930	0.0859
Library	0.4798	0.6749	0.6199	0.5458
Total	<u>3.6765</u>	<u>5.1285</u>	<u>4.7113</u>	<u>4.1095</u>
Tax extensions:				
General	\$ 11,316,610	\$ 10,568,830	\$ 10,018,978	\$ 9,485,785
Park maintenance	1,986,051	1,986,051	1,918,699	1,828,250
Debt service	1,282,485	1,284,876	1,279,581	1,285,657
Police pension	1,957,000	1,905,500	1,802,699	1,733,490
Firefighters' pension	787,950	787,950	772,585	741,600
Special Service Area #1	3,834	3,831	4,927	4,065
Library	2,648,542	2,558,860	2,448,536	2,365,864
Total	<u>\$ 19,982,472</u>	<u>\$ 19,095,898</u>	<u>\$ 18,246,005</u>	<u>\$ 17,444,711</u>
Collections	<u>\$ 18,506,245</u>	<u>\$ 18,397,595</u>	<u>\$ 17,643,102</u>	<u>\$ 16,754,872</u>
Percent collected	<u>92.61%</u>	<u>96.34%</u>	<u>96.70%</u>	<u>96.05%</u>

* This schedule has not been updated with the 2024 tax levy year due to the fact that the County's billing process has experienced delays and the information needed is not yet publicly available.