

Honorable President and
Members of the Board of Trustees
Village of Glendale Heights, Illinois

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the Village of Glendale Heights (Village) for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE VILLAGE

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to the Village under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have the following relationships with the Village that do not impair our independence but which, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

Relationship	Safeguards
<p>Non-Audit Services: We were engaged to perform the following non-audit services during your last fiscal year:</p> <ul style="list-style-type: none"> • Assistance with preparation of your financial statements including footnote disclosures • Assistance with the preparation of the auditee sections of the Data Collection Form based on the information contained in the Single Audit Report • Assistance with the preparation of the State of Illinois Annual Financial Report 	<p>We believe your management is capable of evaluating and taking responsibility for their management decisions regarding our services, and we did not assume the role of an employee or of management of the Village in performing and reporting on our services.</p>

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The Village’s objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the Village and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. To assist Those Charged with Governance in its oversight role, we also provide the following.

Accounting Standard	Impact of Adoption
<p>GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”</p> <p>Provides guidance for public-private and public-public partnership arrangements (PPPs), including those that are outside of the scope of the GASB’s existing guidance for those transactions – namely Statement 60, “Accounting and Financial Reporting for Service Concession Arrangements,” and Statement 87, “Leases.” The statement also makes certain improvements to the guidance previously included in Statement 60 and provides accounting and financial reporting guidance for availability payment arrangements (APAs).</p>	<p>Adoption of this Statement did not have a material impact on the Village’s financial position or results of operations.</p>

Accounting Standard	Impact of Adoption
<p>GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”</p> <p>Provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. Defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.</p>	<p style="text-align: right;">Crowe LLP Independent Member Crowe Global</p> <p>Adoption of this Statement did not have a material impact on the Village’s financial position or results of operations.</p>
<p>GASB Statement No. 99, “Omnibus 2022”</p> <p>Addresses a variety of topics including the classification and reporting of derivative instruments; clarification of provisions in Statements 34, 87, 94, and 96; extension of the LIBOR cessation date; and various technical updates related to SNAP, nonmonetary transactions, pledges of future revenues, and terminology.</p>	<p>Adoption of this Statement did not have a material impact on the Village’s financial position or results of operations.</p>
<p>Significant Unusual Transactions.</p>	<p>No such matters noted.</p>
<p>Significant Accounting Policies in Controversial or Emerging Areas.</p>	<p>No such matters noted.</p>

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management’s current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management’s current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the Village’s year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
<p>Allowance for Doubtful Accounts</p>	<p>The allowance for doubtful accounts was determined by management by a process involving consideration of past experiences, current aging information, information from credit reports, contacts with the customers, and other available data including environmental factors such as industry, geographical, and economic factors.</p>	<p>We tested this accounting estimate by reviewing, on a test basis, the information listed and reviewing subsequent cash receipts.</p>
<p>Liability for Self-Insured Claims</p>	<p>Accruals for claims are based on management’s estimate of claims incurred prior to the fiscal year-end.</p>	<p>We tested the propriety of information underlying management’s estimates.</p>

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investment Securities	The disclosure of fair values of securities requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets.	We completed separate valuation testing to verify that investments were properly valued.
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the Village.	We tested management's estimates of the economic useful lives based on past asset acquisitions and other factors that impact their economic value to the Village.
Pension and Postretirement Obligations	Amounts reported for pension and postretirement obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to provide you our comments about the following matters related to the Village's accounting policies and financial statement disclosures.

- The accounting policies to the particular circumstances of the Village, considering the need to balance the cost of providing information with the likely benefit to users of the Village's financial statements, are appropriate.
- Overall, the disclosures in the financial statements are neutral, consistent and clear.
- The effect of the timing of transactions in relation to the period in which they are recorded is appropriate.
- Any significant risks and exposures, and uncertainties are disclosed in the financial statements.
- There were no unusual transactions including nonrecurring amounts recognized during the period.
- There were no particularly sensitive financial statement disclosures.
- There were no factors affecting asset and liability carrying values, including the Village's basis for determining useful lives assigned to tangible and intangible assets.
- There was no selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

There were no such misstatements.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying the uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if it was concluded that the uncorrected misstatements are immaterial to the financial statements under audit. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There are differences between the Village's fiduciary net position per the actuarial valuation and per the Illinois Municipal Retirement Fund's ("IMRF") Schedule of Changes in Fiduciary Net Position by Employer. This is a likely misstatement.

<u>Governmental activities:</u>	<u>Debit</u>	<u>Credit</u>
Net pension liability	\$ 610,338	
General government expense		\$ 67,599
Beginning net position		542,739
 <u>Environmental services fund / Business-type activities:</u>		
Net pension liability	\$ 187,836	
Environmental expense		\$ 39,668
Beginning net position		148,168

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information Included in an Annual Report</p> <p>Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof.</p>

Communication Item	Results
<p>Significant Difficulties Encountered During the Audit</p> <p>We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Disagreements with Management</p> <p>We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Village's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Difficulties or Contentious Matters</p> <p>We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p>Circumstances that Affect the Form and Content of the Auditor's Report</p> <p>We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>
<p>Consultations with Other Accountants</p> <p>If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations the Auditor Is Requesting from Management</p> <p>We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p>Significant Issues Discussed, or Subject to Correspondence, With Management</p> <p>We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>Significant Related Party Findings or Issues</p> <p>We are to communicate to you significant findings or issues arising during the audit in connection with the Village's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

Communication Item	Results
<p>Other Findings or Issues We Find Relevant or Significant</p> <p>We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve the Village as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Honorable President and Members of the Board of Trustees and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

Crowe LLP
Crowe LLP

Oak Brook, Illinois
October 31, 2024