

LAKE IN THE HILLS
SANITARY DISTRICT, IL
Annual Financial Report
For the Year Ended April 30, 2023

LAKE IN THE HILLS SANITARY DISTRICT
Contents

For the Year Ended April 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the President
and Members of the Board of Trustees
Lake In The Hills Sanitary District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake In The Hills Sanitary District, Illinois as of and for the year ended April 30, 2023, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake In The Hills Sanitary District, Illinois as of April 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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. 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 Lake in the Hills Sanitary District, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Lake in the

Hills Sanitary District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted 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 generally accepted 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 Lake in the Hills Sanitary District'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 Lake in the Hills Sanitary District'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have

applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements as a whole that collectively comprise Lake In The Hills Sanitary District, Illinois' financial statements as a whole. The combining individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

GW & Associates, P.C.

GW & Associates, P.C.
Hillside, Illinois
August 16, 2023

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED FOR THE YEAR ENDED APRIL 30, 2023

As management of the Lake In The Hills Sanitary District (District), we offer readers of the District's statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at April 30, 2023 by \$47,493,325 (net position).
- The District's total net position increased by \$511,173. Comprised of \$448,773 from activities and \$62,400 from contributed capital.
- At April 30, 2023, the District's governmental funds reported combined ending fund balances of \$1,211,843, an increase of \$4,949 in comparison with the prior year.
- At April 30, 2023, the fund balance for the General Fund was \$955,085.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position

Accrual Basis presents information on all of the District's assets, deferred outflows along with liabilities, and deferred inflows with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities

Accrual Basis presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported on the accrual basis.

The government-wide financial statements show functions of the District that are principally supported by taxes, fees, and other revenues (governmental activities). The District does conduct

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED FOR THE YEAR ENDED APRIL 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include providing general governmental administrative services. The District conducts business-type activities by providing wastewater treatment to residences within their planning area.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the 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 funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet — Modified Accrual Basis and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances — Modified Accrual Basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains individual governmental funds. The General Fund is used to account for funds received from general property taxes and other general revenue, and to account for expenditures made for general District purposes. The Other Special Revenue Funds are used to account for funds received from taxes and fees and to account for expenditures made for specific governmental purposes.

Information is presented separately in the governmental fund Balance Sheet - Modified Accrual Basis and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances — Modified Accrual Basis for the General Fund and the Special Revenue Fund.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED APRIL 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

Notes to the 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 District's progress in meeting its obligation to provide as fully adequate as possible services to all of its residents.

The District adopts an annual budget and appropriation ordinance that includes both the governmental and proprietary funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the adopted budget and appropriation ordinance.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$47,493,325 at April 30, 2023. The largest portion of the District's net position reflects its investment in capital assets (e.g., land, land improvements, buildings, furniture and equipment, computer equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED FOR THE YEAR ENDED APRIL 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	Lake In The Hills Sanitary District - Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023
Government-						
Current and Other Assets	\$ 2,070,543	\$ 1,899,028	\$ 8,656,381	\$ 8,690,999	\$ 10,726,924	\$ 10,590,027
Capital Assets	-	-	41,619,264	40,913,157	41,619,264	40,913,157
Total Assets	\$ 2,070,543	\$ 1,899,028	\$ 50,275,645	\$ 49,604,156	\$ 52,346,188	\$ 51,503,184
Deferred Outflows	\$ -	\$ 636,752	\$ -	\$ -	\$ -	\$ 636,752
Current and Other Liabilities	\$ 207,595	\$ 12,998	\$ 586,995	\$ 272,442	\$ 794,590	\$ 285,440
Long-Term Liabilities Outstanding	225,675	979,259	3,443,573	2,613,391	3,669,248	3,592,650
Total Liabilities	433,270	992,257	4,030,568	2,885,833	4,463,838	3,878,090
Deferred Inflows	900,193	768,521	-	-	900,193	768,521
Net Position						
Net Investment in Capital Assets	-	-	38,004,264	38,223,157	38,004,264	38,223,157
Restricted - Net Position	340,220	256,758	303,672	172,493	643,892	429,251
Unrestricted - Net Position	396,860	518,244	7,937,136	8,322,673	8,333,996	8,840,917
Total Net Position	\$ 737,080	\$ 775,002	\$ 46,245,072	\$ 46,718,323	\$ 46,982,152	\$ 47,493,325

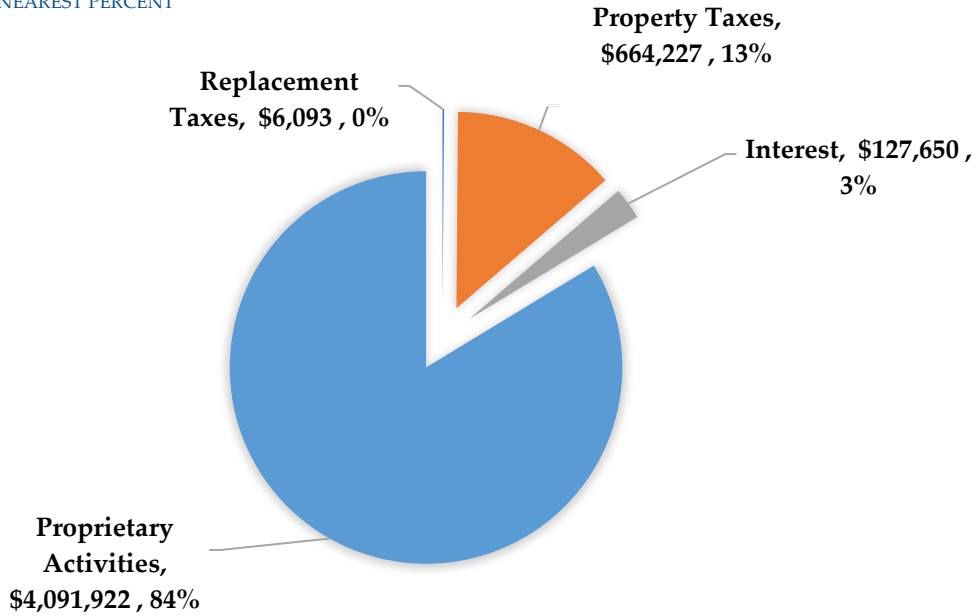
Government-wide activities increased the District's net position by \$511,173. The key elements of the increase are as follows:

	Lake in the Hills Sanitary District - Activities and Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 4,026,666	\$ 4,091,922	\$ 4,026,666	\$ 4,091,922
Operating Grants and Contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	653,296	664,227	-	-	653,296	664,227
Personal Property Taxes	4,648	6,093	-	-	4,648	6,093
Other Income	-	-	134,173	-	134,173	-
Interest	620	17,679	3,984	109,971	4,604	127,650
Total Revenues	658,564	687,999	4,164,823	4,201,893	4,823,387	4,889,892
Expenses						
General Government	461,354	650,077	-	-	461,354	650,077
Sewage services	-	-	3,747,844	3,684,949	3,747,844	3,684,949
Debt service	-	-	142,694	106,093	142,694	106,093
Total Expenses	461,354	650,077	3,890,538	3,791,042	4,351,892	4,441,119
Increase/(Decrease) in Net Position	197,210	37,922	274,285	410,851	471,495	448,773
Net Position - Beginning of Year	539,870	737,080	45,551,952	46,245,072	46,091,822	46,982,152
Capital Contributions	-	-	418,835	62,400	418,835	62,400
Net Position - End of Year	\$ 737,080	\$ 775,002	\$ 46,245,072	\$ 46,718,323	\$ 46,982,152	\$ 47,493,325

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED APRIL 30, 2023

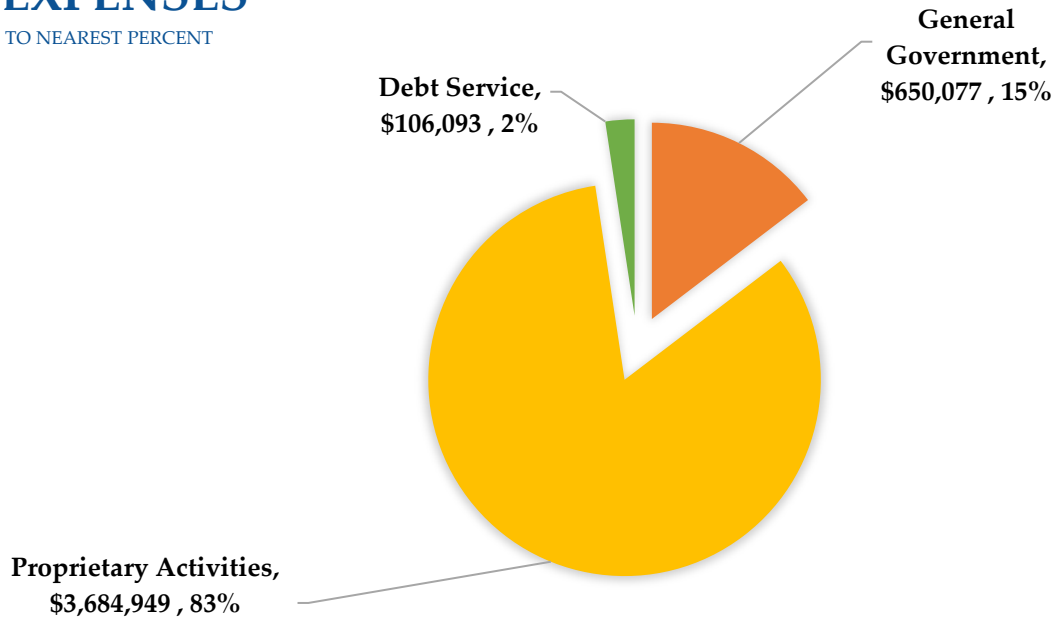
2023 REVENUES

ROUND TO NEAREST PERCENT



2023 EXPENSES

ROUND TO NEAREST PERCENT



LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED FOR THE YEAR ENDED APRIL 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At April 30, 2023, the District's governmental funds reported combined ending, fund balances of \$1,211,843, an increase of \$4,949 in comparison with the prior year.

General Fund (Corporate Fund)

The focus of the District's General Fund is to provide information on the revenues and expenditures of the funds that the District receives from its corporate property tax levy and from other unrestricted sources such as personal property replacement taxes, and interest on bank deposits, and associated expenditures.

The General Fund balance at April 30, 2023 was \$955,085, which was an increase of \$88,411 during the year ended April 30, 2023.

Other Governmental Funds

The focus of the District's Other Governmental Funds are to provide information on the revenues and expenditures of the funds that the District receives from its property tax levy, interest on bank deposits, and associated expenditures.

The Other Governmental Fund balances at April 30, 2023 were \$256,758, which was a decrease of \$83,462 during the year ended April 30, 2023.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED FOR THE YEAR ENDED APRIL 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The District amended its original budget and appropriations ordinance for the fiscal year ended April 30, 2023, on April 20, 2023; therefore, the amounts shown as original and final appropriations are adjusted for the amendment.

Proprietary funds

The focus of the District's proprietary fund is to provide the same type of information found in the government-wide financial statements, but in more detail.

At April 30, 2023, the District's proprietary fund reported ending net position of \$46,718,323, an increase of \$473,251 in comparison with the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

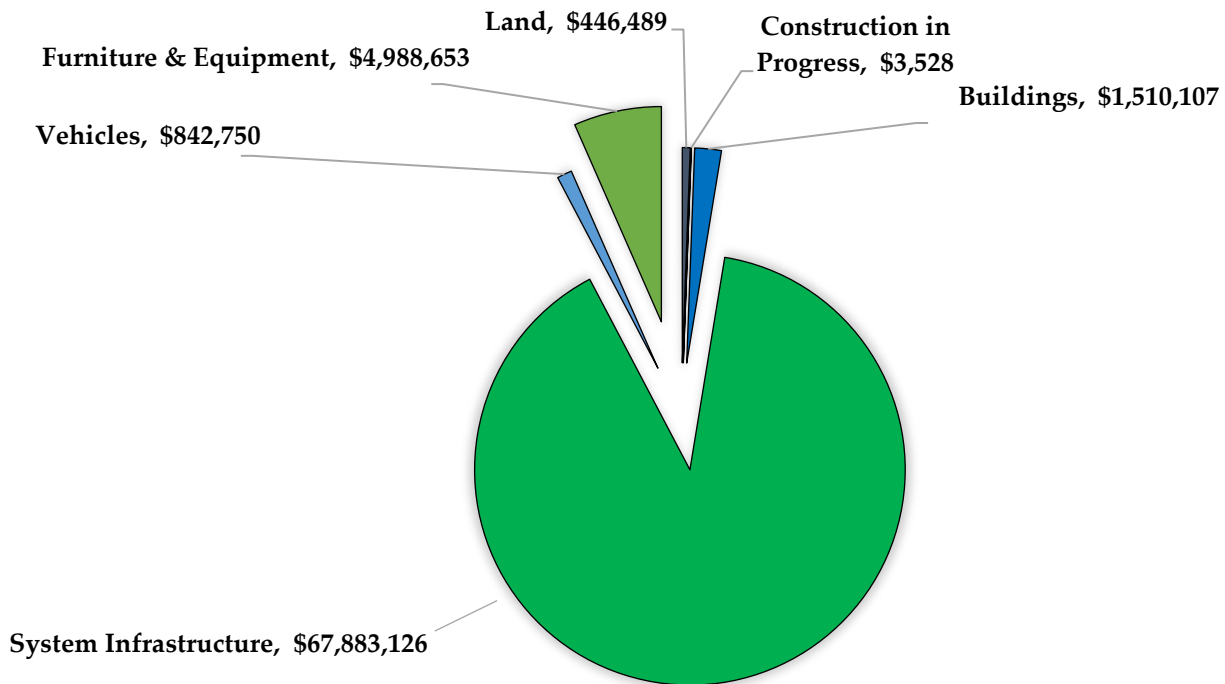
The District's investment in capital assets for its proprietary activities as of April 30, 2023 amounts to \$40,913,157 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, infrastructure, buildings, furniture and equipment, computer equipment, and vehicles. The total decrease in the District's investment in capital assets for the year ended April 30, 2023 was \$706,108 attributable to the purchase of various assets reduced by depreciation and disposal of assets.

Proprietary Fund - Capital Assets

	Balance			Balance
Fixed Assets	May 1, 2022	Increases	Decreases	April 30, 2023
Land - not depreciated	\$ 446,489	\$ -	\$ -	\$ 446,489
Construction in progress	-	3,528	-	3,528
Plant and lift stations	44,890,699	702,826		45,593,525
Sewer trunkline	22,289,601			22,289,601
Equipment	4,683,971	246,138	-	4,930,109
Administration building	1,298,177	211,930		1,510,107
Vehicles	791,446	51,304		842,750
Office furniture & equipment	58,545	-	-	58,545
Total Fixed Assets	74,458,928	1,215,726	-	75,674,654
Less: Accumulated Depreciation	32,839,663	1,921,834	-	34,761,497
Fixed Assets (Net)	\$ 41,619,265	\$ (706,108)	\$ -	\$ 40,913,157

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED APRIL 30, 2023

CAPITAL ASSETS (AT COST)



Long-term debt

At April 30, 2023, the District had one bond outstanding consisting of current principal due of \$125,000 and long-term due of \$2,565,000. The bond proceeds are being used to fund additional infrastructure and construction projects.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED FOR THE YEAR ENDED APRIL 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Trustees of the District considered the following factors in preparing the budget and appropriations ordinance for the District, which was adopted for the 2022-2023 fiscal year:

- The equalized assessed valuation (EAV) for the District for 2023 is \$935,167,029. This represents an increase in EAV of \$61,518,438 in comparison with the prior year.

ASSESSED VALUATIONS, EXTENDED TAX RATES PERCENTAGE ALLOCATIONS, EXTENDED TAX RATES

TAX LEVY YEAR	2022	2021	2020
ASSESSED VALUATION			
McHenry County	\$ 935,167,029	\$ 873,648,591	\$ 843,157,020

TAX RATES AND PERCENTAGE ALLOCATIONS BY FUND

Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.039566	54.00	0.040708	53.67	0.044476	57.69
Chlorination	0.000749	1.02	0.000002	-	0.000002	-
Liability Insurance	0.008020	10.96	0.008585	11.32	0.005931	7.69
Social Security	0.006951	9.50	0.007441	9.81	0.007710	10.00
IMRF	0.016575	22.66	0.017742	23.39	0.018384	23.85
Audit	0.001284	1.76	0.001374	1.81	0.000594	0.77
Totals	0.073145	100.00	0.075852	100.00	0.077097	100.00

Property Tax Extensions

Funds	2022	2021	2020
General Fund	\$ 370,897	\$ 355,645	\$ 375,003
Chlorination	7,004	17	17
Liability Insurance	75,000	75,003	50,008
Social Security	65,003	65,008	65,007
IMRF	155,004	155,003	155,006
Audit	12,008	12,004	5,008
Totals	\$ 684,916	\$ 662,680	\$ 650,049

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, Lake In The Hills Sanitary District, 515 Plum St., Lake In The Hills, Illinois 60156.

BASIC FINANCIAL STATEMENTS

LAKE IN THE HILLS SANITARY DISTRICT

Government-wide - Statement of Net Position

April 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 1,231,969	\$ 7,985,728	\$ 9,217,697
Accounts receivable	-	532,778	532,778
Property tax receivable	674,187	-	674,187
Deposit with paying agent	-	172,493	172,493
Capital Assets not being depreciated	-	446,489	446,489
Capital Assets being depreciated - net	-	40,466,668	40,466,668
Total Assets	\$ 1,906,156	\$ 49,604,156	\$ 51,510,312
Deferred Outflows - IMRF	\$ 636,752	\$ -	\$ 636,752
Current Liabilities			
Accounts payable/accruals	\$ 20,126	\$ 81,171	\$ 101,297
Accrued interest	-	66,271	66,271
Current portion - revenue bonds	-	120,000	120,000
Total Current Liabilities	20,126	267,442	287,568
Noncurrent Liabilities			
Deferred compensation	-	14,703	14,703
Revenue bonds payable	-	2,570,000	2,570,000
Revenue bond premium	-	33,688	33,688
Net Pension liability - IMRF	979,259	-	979,259
Total Noncurrent Liabilities	979,259	2,618,391	3,597,650
Total Liabilities	999,385	2,885,833	3,885,218
Deferred Inflow - IMRF	94,334	-	94,334
Deferred Inflow - Property taxes	674,187	-	674,187
Total Deferred Inflows	768,521	-	768,521
Net Position			
Net investment in capital assets	-	38,223,157	38,223,157
Restricted	256,758	172,493	429,251
Unrestricted	518,244	8,322,673	8,840,917
Total Net Position	\$ 775,002	\$ 46,718,323	\$ 47,493,325

The accompanying notes are an integral part of these financial statements.

LAKE IN THE HILLS SANITARY DISTRICT

Government-wide - Statement of Activities and Changes in Net Position

For the Year Ended April 30, 2023

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities							
General Government	\$ 650,077	\$ -	\$ -	\$ -	\$ 650,077	\$ -	\$ 650,077
Total Governmental Activities	650,077	-	-	-	650,077	-	650,077
Business-Type Activities							
Proprietary Activities	3,684,949	4,091,922	-	-	-	406,973	406,973
Interest and fees on Long-term debt	106,093	-	-	-	-	(106,093)	(106,093)
Total Business-Type Activities	3,791,042	4,091,922	-	-	-	300,880	300,880
Total Primary Government	\$ 4,441,119	\$ 4,091,922	\$ -	\$ -	\$ 650,077	\$ 300,880	\$ 950,957
General Revenues:							
Property taxes					664,227	-	664,227
Replacement tax					6,093	-	6,093
Investment income					17,679	109,971	127,650
Total Revenues					687,999	109,971	797,970
Change in Net Position					37,922	410,851	448,773
Net Position, Beginning					737,080	46,245,072	46,982,152
Capital Contributions					-	62,400	62,400
Total Net Position, Ending					\$ 775,002	\$ 46,718,323	\$ 47,493,325

The accompanying notes are an integral part of these financial statements.

LAKE IN THE HILLS SANITARY DISTRICT

Governmental Funds - Balance Sheet

April 30, 2023

	General Fund	Other Governmental Fund	Total Governmental Funds
Assets			
Cash	\$ 968,083	\$ 263,886	\$ 1,231,969
Property tax receivable	366,308	307,879	674,187
Total Assets	\$ 1,334,391	\$ 571,765	\$ 1,906,156
Liabilities			
Accounts payable/accruals	\$ 12,998	\$ -	\$ 12,998
Total Liabilities	12,998	7,128	20,126
Deferred Inflows - Property taxes	366,308	307,879	674,187
Total Liabilities and Deferred Inflows	379,306	315,007	694,313
Fund Balance			
Non spendable	-	-	-
Restricted	-	256,758	256,758
Committed	-	-	-
Assigned - capital improvements	-	-	-
Unassigned	955,085	-	955,085
Total Fund Balance	955,085	256,758	1,211,843
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 1,334,391	\$ 571,765	\$ 1,906,156

The accompanying notes are an integral part of these financial statements.

LAKE IN THE HILLS SANITARY DISTRICT*Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance**For the Year Ended April 30, 2023*

	General Funds	Other Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 355,181	\$ 309,046	\$ 664,227
Replacement taxes	6,093	-	6,093
Interest	17,679	-	17,679
Total Revenues	378,953	309,046	687,999
Expenditures			
Personal services	193,785	-	193,785
Contractual services	46,820	-	46,820
Commodities	49,694	-	49,694
Other	243	392,508	392,751
Total Expenditures	290,542	392,508	683,050
Net Change in Fund Balance	88,411	(83,462)	4,949
Fund Balance			
Fund balance, Beginning	866,674	340,220	1,206,894
Total Fund Balance, Ending	\$ 955,085	\$ 256,758	\$ 1,211,843

The accompanying notes are an integral part of these financial statements.

LAKE IN THE HILLS SANITARY DISTRICT

Governmental Funds -Reconciliations of the Governmental Fund

Balance to Net Position

For the Year Ended April 30, 2023

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Total Governmental Funds	\$	1,211,843
Deferred pension outflows/inflows and net pension liabilities are not reported in funds.		
Net pension liabilities		(979,259)
Deferred pension inflows		(94,334)
Deferred pension outflows		636,752
Total Net Position of Governmental Activities	\$	775,002

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**

Excess (Deficiency) of Revenue Over Expenditures		
Governmental Funds	\$	4,949
Change in deferred pension outflows/inflows and net pension liabilities are not reported in funds.		32,973
Changes in Net Position Governmental Funds	\$	37,922

The accompanying notes are an integral part of these financial statements.

LAKE IN THE HILLS SANITARY DISTRICT*Proprietary Fund - Statement of Net Position**April 30, 2023*

	Sewerage Enterprise Fund
Assets	
Cash	\$ 7,985,728
Sewer billings receivable, net	532,778
Deposit with paying agent	172,493
Capital assets (net of accumulated depreciation)	40,913,157
Total Assets	\$ 49,604,156
Liabilities	
Accounts payable/accruals	\$ 81,171
Accrued interest payable	66,271
Revenue bonds payable - current portion	120,000
Revenue bonds payable - long term	2,570,000
Revenue bonds - long term premium	33,688
Deferred compensation - long term	14,703
Total Liabilities	2,885,833
Net Position	
Net investment in capital assets	38,223,157
Restricted for:	
Debt service	172,493
Unrestricted	8,322,673
Total Net Position	46,718,323
Total Liabilities and Net Position	\$ 49,604,156

The accompanying notes are an integral part of these financial statements.

LAKE IN THE HILLS SANITARY DISTRICT*Proprietary Fund - Statement of Revenues, Expenses, and Changes in Net Position**For the Year Ended April 30, 2023*

	Revenues	Sewerage Enterprise Fund
Sewer charges		\$ 4,091,922
Total Revenues		4,091,922
	Expenses	
Personnel		632,808
Contractual service		355,173
Commodities		791,645
Total Expenses		1,779,626
Operating Income Before Depreciation/Amortization		2,312,296
Less: Depreciation/Amortization		1,905,323
Operating Income (Loss)		406,973
	Non-Operating Income (Expense)	
Interest expense and fees		(106,093)
Interest income		109,971
Total Non-operating Income/(Expense)		3,878
Net Income (Loss)		410,851
	Net Position	
Balance, beginning of year		46,245,072
Capitalized connection fees		62,400
Total Net Position		\$ 46,718,323

The accompanying notes are an integral part of these financial statements.

LAKE IN THE HILLS SANITARY DISTRICT*Proprietary Fund - Statement of Cash Flows**For the Year Ended April 30, 2023*

	Sewerage Enterprise Fund
Cash Flows from Operating Activities	
Cash received from customers and users	\$ 4,091,922
Cash paid to suppliers	(1,253,431)
Cash and benefits paid for employees	(632,808)
Net Cash Provided by Operating Activities	2,205,683
Cash Flows from Investing Activities	
System additions	(1,215,727)
Net Cash Flows Provided by Investing Activities	(1,215,727)
Cash Flows from Capital and Financing Activities	
Interest income	109,971
Bond interest and fees	(106,093)
Bond/note payments, net	(925,000)
Net Cash Flows Provided by Capital and Financing Activities	(921,122)
Net Increase (Decrease) in Cash	68,834
Connection fees capitalized	62,400
Cash at Beginning of Year	7,854,494
Cash at End of Year	\$ 7,985,728
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income (loss) for the year	\$ 406,973
Depreciation and amortization	1,905,323
(Increase) decrease in accounts receivable	(34,568)
(Increase) decrease in deposits with paying agent	131,179
Increase (decrease) in accounts payable	(202,152)
Increase (decrease) in accrued interest payable	(2,401)
Increase (decrease) in deferred compensation	1,329
Net Cash Provided by Operating Activities	\$ 2,205,683

Cash payments for interest made during the year were \$106,093.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC
FINANCIAL STATEMENTS

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Lake in the Hills Sanitary District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the District.

REPORTING ENTITY

The District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financial relationships.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely significantly on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, 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. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recognized only when payment is due.

Property taxes, state-shared revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available only when cash is received by the District.

The government reports the following major governmental funds:

The General Fund is the District'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 government reports the following major proprietary funds:

The Sewerage Fund is used to account for the treatment of sewerage of the District's citizens. User charges to customers account for substantially all of the revenue of this fund.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH

Many of the District's funds combine their cash in a common cash account included in the general fund where available cash is invested. Interest is earned from commingled checking in the general fund.

For purposes of cash and cash equivalent determination, Lake in the Hills Sanitary District considers all cash, investments, investments in Illinois Funds, and short-term Certificates to be cash equivalents.

INVESTMENTS

Investment balances consist of savings account balances, certificates of deposit, investments in government securities, and shares in the Illinois Funds. Investment cost or amortized cost of investments approximate market value. The funds included in the Pool participate in the earnings of the Pool in proportion to their average balance therein. Should any of these funds have an average deficit in the Pool, they are charged interest accordingly. Currently, the District has no balances classified as investments.

RECEIVABLES AND REVENUE RECOGNITION

Property taxes receivable are recognized at the time they are levied. Property taxes are levied and attached as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of levy. The tax levy for 2022 property taxes was adopted August 18, 2022. That portion of the property taxes which are not available for the current year's operations are shown as deferred revenue.

Income from investments, accounts, and unbilled usage receivables are recognized when earned. Licenses and permits, fines and forfeits, fees and refunds, charges for service (other than enterprise funds), miscellaneous and other revenues are recorded as revenue when received in cash, as they are generally not measurable until actually received.

FUND BALANCE CLASSIFICATIONS

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid items as being Nonspendable.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board. These amounts cannot be used for any other purpose unless the District Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of April 30, 2023.

Assigned - This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Board or through the District Board delegating this responsibility to the District manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned - This classification includes the residual fund balance for the General Fund and the amount established for Minimum Funding which represents the portion of the General Fund balance that has been established by the board to be used for debt service or in emergency situations.

The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

EQUITY CLASSIFICATIONS USED IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Investment in Capital Assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted Net Position - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – all other net position is reported in this category.

NOTE 2 - CASH AND INVESTMENTS

The District's investment policies are governed by state statutes whereby District money must be deposited in FDIC - insured banks located within the state. Permissible investments include demand accounts and certificates of deposits.

The District's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the District at April 30, 2023. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Uncollateralized.

	Category			Bank Balance	Carrying Value
	1	2	3		
Pooled deposits					
Checking/Savings	\$ 250,000	\$8,953,014	\$ -	\$9,203,014	\$9,210,569
Totals	<u>\$ 250,000</u>	<u>\$8,953,014</u>	<u>\$ -</u>	<u>\$9,203,014</u>	<u>\$9,210,569</u>

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 3 – PROPRIETARY FUND TYPE – PROPERTY AND EQUIPMENT

The property and equipment of the proprietary type fund consists of:

Proprietary Fund - Capital Assets	Balance			Balance
	May 1, 2022	Increases	Decreases	
Capital Assets Net Being Depreciated				April 30, 2023
Land - not depreciated	\$ 446,489	\$ -	\$ -	\$ 446,489
Construction in progress	-	3,528	-	3,528
Plant and lift stations	44,890,699	702,826	-	45,593,525
Sewer trunkline	22,289,601	-	-	22,289,601
Equipment	4,683,971	246,138	-	4,930,109
Administration building	1,298,177	211,930	-	1,510,107
Vehicles	791,446	51,304	-	842,750
Office furniture & equipment	58,545	-	-	58,545
Total Fixed Assets	74,458,928	1,215,726	-	75,674,654
Less: Accumulated Depreciation	32,839,663	1,921,834	-	34,761,497
Capital Assets (Net)	\$ 41,619,265	\$ (1,408,934)	-	\$ 40,913,157

The aggregate depreciation charged to operations is \$1,921,834.

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT

IMRF PLAN DESCRIPTION

The District'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 District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

BENEFITS PROVIDED -

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT – (CONTINUED)

selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate 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% of the original amount on January 1 every year after retirement.

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% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

As of December 31, 2022, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	8
Inactive Plan Members entitled to but not yet receiving benefits	5
Active Plan Members	11
Total	<u>24</u>

CONTRIBUTIONS -

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2022 was 14.99%. For the same year ended

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

December 31, 2022, the District's required plan contribution was \$120,430. The District 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 District's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- 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 adjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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 as of December 31, 2022:

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Asset Class	Portfolio Target Percentage	Expected Real Rate of Return
Domestic Equity	35.50%	6.50%
International Equity	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternative Investments	9.50%	6.25-9.90%
Cash Equivalents	1.00%	4.00%
Total	100%	

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

SINGLE DISCOUNT RATE -

A Single Discount Rate of 7.25% 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 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 based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

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%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 5,348,271	\$ 4,695,405	\$ 4,178,158
Plan Fiduciary Net Position	3,716,146	3,716,146	3,716,146
Net Pension Liability/(Asset)	\$ 1,632,125	\$ 979,259	\$ 462,012

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios - Current Period

Calendar Year Ended December 31, 2022

A. Total pension liability

1. Service Cost	\$	70,526
2. Interest on the Total Pension Liability		317,262
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the Total Pension Liability		57,621
5. Changes of assumptions		-
6. Benefit payments, including re funds of employee contributions		(181,543)
7. Net change in total pension liability		263,866
8. Total pension liability – beginning		4,431,539
9. Total pension liability – ending	\$	<u>4,695,405</u>

B. Plan fiduciary net position

1. Contributions – employer	\$	161,250
2. Contributions – employee		36,153
3. Net investment income		(523,355)
4. Benefit payments, including re funds of employee contributions		(181,543)
5. Other (Net Transfer)		17,777
6. Net change in plan fiduciary net position		(489,718)
7. Plan fiduciary net position – beginning		4,205,864
8. Plan fiduciary net position – ending	\$	<u>3,716,146</u>

C. Net pension liability/(asset)

\$ 979,259

D. Plan fiduciary net position as a percentage

of the total pension liability 79.14%

E. Covered Valuation payroll

\$ 803,402

F. Net pension liability as a percentage

of covered valuation payroll 121.89%

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

For the year ended April 30, 2023, the District recognized pension expense of \$186,390. At April 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pensions Expenses in Future Periods</i>		
Differences between expected and actual	\$ 248,614	\$ 51,730
Changes of assumptions	12,253	42,604
Net differences between projected and actual earnings on pension plan investments	<u>317,772</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	578,639	94,334
Pension contributions made subsequent to the measurement date	<u>58,113</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 636,752</u>	<u>\$ 94,334</u>

Pension contributions made subsequent to the measurement dates will be recognized as a reduction of the net pension liability in the following fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending 30-Apr	Net Deferred Outflows of Resources
2024	\$ 91,067
2025	110,120
2025	116,019
2027	167,099
2028	-
Thereafter	-
Total	<u>\$ 484,305</u>

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate *

Valuation Date:

December 31, 2022

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior contributions are reported.

Methods and Assumptions Used to Determine 2022 Contribution Rates:

Actuarial Cost Method

Aggregate Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization
Period

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 21-year closed period Early Retirement Incentive Plan liabilities:

a period up to 10 years selected by the employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).

Asset Valuation Method

5-Year smoothed market; 20% corridor

Wage growth

2.75%

Price Inflation

2.25%

Salary Increases

2.85% 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 of the period 2017-2019.

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

* Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
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 of the period 2017-2019.
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 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.

A detailed description of the actuarial assumptions and methods can be found in December 31, 2022 Illinois Municipal Retirement Fund annual actuarial valuation report.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 5 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 6 – EXPENDITURES OVER APPROPRIATIONS

No fund had expenditures that exceeded the appropriations.

NOTE 7 – SEWERAGE – GENERAL OBLIGATION (ALTERNATE REVENUE BONDS)

The Sewerage Debt Certificates, Series 2008 dated February 6, 2008 were issued during February 2008 for constructing improvements of the sanitary sewerage system. The debt certificates are collateralized by the net revenue of the Lake In The Hills Sanitary District and will be paid each year beginning May 1, 2008, until retired. The debt certificates carry interest rates ranging from 3.700% to 4.875% and mature May 1, 2017 through May 1, 2027. The certificates maturing on or after 2019 are subject to redemption prior to maturity. The Sewerage General Obligation Bonds, Series 2014A dated November 13, 2014 were issued during November 2014 for capital projects of the District. The bonds are collateralized by the net revenue of the Lake In The Hills Sanitary District and will be paid each year beginning May 1, 2015, until retired. The bonds carry interest rates ranging from 2.000% to 4.000% and mature May 1, 2017 through May 1, 2039. The certificates maturing on or after 2025 are subject to redemption prior to maturity.

Long-term liability activity for the year ended April 30, 2023 was as follows:

	Balance			Amounts	
	May 1, 2022	Additions	Retirements	Balance April 30, 2023	Due Within One Year
Business-Type Activities: Long-Term Debt					
Bond Dated February 6, 2008	\$ 690,000	\$ -	\$ 690,000	\$ -	\$ -
Bond Dated November 13, 2014	2,805,000	-	115,000	2,690,000	120,000
Bond Premium	35,215	-	35,215	-	-
Total Business-Type Long-Term Debt	\$ 3,530,215	\$ -	\$ 840,215	\$ 2,690,000	\$ 120,000
Other Long-term Liabilities					
Deferred Compensation	\$ 13,374	\$ 14,703	\$ 13,374	\$ 14,703	
Total Long-term Liabilities	\$ 13,374	\$ 14,703	\$ 13,374	\$ 14,703	

Long-term liabilities at April 30, 2023	Maturity Dates	Interest Rates	Face Amount	Carrying Amounts
Business-Type Activities: Long-Term Debt				
Bond Dated February 6, 2008	5/1/2027	3.700% - 4.875%	\$ 2,000,000	\$ -
Bond Dated November 13, 2014	5/1/2039	2.000% - 4.000%	\$ 3,430,000	\$ 2,690,000

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 7 – SEWERAGE – GENERAL OBLIGATION (ALTERNATE REVENUE BONDS) (CONCLUDED)

Debt service activity with principal and interest payments due in year ended April 30, 2023 are as follows:

Long Term Debt Maturity Schedule

Fiscal Year Ended Due	Bond Dated November 13, 2014		Totals	
	Outstanding April 30, 2023		Principal	Interest
	Principal	Interest		
4/30/2024	\$ 120,000	\$ 97,388	\$ 120,000	\$ 97,388
4/30/2025	125,000	92,488	125,000	92,488
4/30/2026	125,000	87,956	125,000	87,956
4/30/2027	130,000	83,813	130,000	83,813
4/30/2028	135,000	79,506	135,000	79,506
4/30/2029	140,000	75,038	140,000	75,038
4/30/2030	145,000	70,406	145,000	70,406
4/30/2031-4/30/2040	1,770,000	370,503	1,770,000	370,503
Total Debt	\$ 2,690,000	\$ 957,097	\$ 2,690,000	\$ 957,097

NOTE 8 – CONTINGENCIES

The District is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

NOTE 9 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date on which the financial statements were available to be issued.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2023

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

As of these financial statements, the District has adopted GASB Statement No. 65, which redefined how certain financial statement elements are presented in the statement of financial position. The elements are classified as follows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are not reported in the government-wide statement of \$636,752 for deferred IMRF activity.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources (\$768,521) reported in the government-wide and governmental funds for unavailable revenues as well as \$94,334 for deferred IMRF activity from property taxes and deferred inflows to be received in the following year.

REQUIRED SUPPLEMENTARY INFORMATION

LAKE IN THE HILLS SANITARY DISTRICT

General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2023

	Budget		Actual Amounts
	Original	Final	
Revenues			
Property taxes	\$ 355,000	\$ 355,000	\$ 355,181
Replacement tax		-	6,093
Interest	1,000	1,000	17,679
Total Revenues	356,000	356,000	378,953
Personnel Services			
Salaries and payroll taxes	210,000	210,000	193,785
Total Personnel Services	210,000	210,000	193,785
Contractual Services			
Professional engineering	65,000	65,000	34,220
Legal services	25,000	10,000	6,397
Other professional services	5,000	5,000	-
Total Contractual Services	95,000	80,000	40,617
Administrative Expenses			
Printing, publications	4,500	4,500	2,099
Office supplies, equipment	2,500	2,500	45
Postage	1,000	1,000	-
Treasurer's bond	4,000	4,000	3,000
Community affairs	1,000	1,000	293
Membership and dues	4,000	4,000	766
Total Administrative Expense	17,000	17,000	6,203
Operating Expenses			
Building and grounds upkeep	15,000	15,000	5,330
Utilites	40,000	40,000	39,717
J.U.L.I.E.	3,000	3,000	1,933
Training and education	3,000	3,000	200
Travel expenses	2,000	2,000	-
Computer hardware, software & support	7,000	7,000	2,514
Total Operating Expenses	70,000	70,000	49,694
Contingency and Miscellaneous Expenses			
Miscellaneous	1,000	1,000	243
Total Congency and Miscellaneous Expenses	1,000	1,000	243
Total General Fund	393,000	378,000	290,542
Net Change in Fund Balance	(37,000)	(22,000)	88,411
Fund Balance			
Fund balance, Beginning			866,674
Total Fund Balance, Ending			\$ 955,085

LAKE IN THE HILLS SANITARY DISTRICT
Multi-year Schedule of Changes in Net IMRF Pension Liability and Related Ratios

Last 10 Calendar Years
(schedule to be built prospectively from 2015)

Calendar Year Ending	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	\$ 70,526	\$ 67,995	\$ 65,863	\$ 71,608	\$ 63,209	\$ 67,952	\$ 69,512	\$ 61,533		
Interest on the Total Pension Liability	317,262	309,058	282,729	252,027	237,766	235,467	222,115	200,087		
Benefit Changes	-	-	-	-	-	-	-	-		
Difference between Expected and Actual Experience	57,621	(81,545)	274,046	263,377	35,279	(4,651)	45,934	169,681		
Assumption Changes	-	-	(82,821)	-	118,788	(106,741)	(13,932)	-		
Benefit Payments and Refunds	(181,543)	(185,690)	(169,747)	(151,572)	(154,878)	(163,139)	(150,295)	(130,507)		
Net Change in Total Pension Liability	263,866	109,818	370,070	435,440	300,164	28,888	173,334	300,794		
Total Pension Liability - Beginning	4,431,539	4,321,721	3,951,651	3,516,211	3,216,047	3,187,159	3,013,825	2,713,031		
Total Pension Liability - Ending (a)	\$ 4,695,405	\$ 4,431,539	\$ 4,321,721	\$ 3,951,651	\$ 3,516,211	\$ 3,216,047	\$ 3,187,159	\$ 3,013,825		
Plan Fiduciary Net Position										
Employer Contributions	\$ 161,250	\$ 206,375	\$ 242,905	\$ 151,642	\$ 132,995	\$ 121,610	\$ 111,249	\$ 63,778		
Employee Contributions	36,153	30,077	31,809	29,452	28,230	26,514	40,264	26,379		
Pension Plan Net Investment Income	(523,355)	603,284	433,736	456,472	(143,641)	391,039	142,802	10,043		
Benefit Payments and Refunds	(181,543)	(185,690)	(169,747)	(151,572)	(154,878)	(163,139)	(150,295)	(130,507)		
Other	17,777	(4,523)	16,108	36,635	55,314	(37,539)	(3,250)	83,137		
Net Change in Plan Fiduciary Net Position	(489,718)	649,523	554,811	522,629	(81,980)	338,485	140,770	52,830		
Plan Fiduciary Net Position - Beginning	4,205,864	3,556,341	3,001,530	2,478,901	2,560,881	2,222,396	2,081,626	2,028,796		
Plan Fiduciary Net Position - Ending (b)	\$ 3,716,146	\$ 4,205,864	\$ 3,556,341	\$ 3,001,530	\$ 2,478,901	\$ 2,560,881	\$ 2,222,396	\$ 2,081,626		
Net Pension Liability/(Asset) - Ending (a) - (b)	979,259	225,675	765,380	950,121	1,037,310	655,166	964,763	932,199		
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.14%	94.91%	82.29%	75.96%	70.50%	79.63%	69.73%	69.07%		
Covered Valuation Payroll	\$ 803,402	\$ 668,384	\$ 706,863	\$ 654,476	\$ 627,335	\$ 589,197	\$ 600,051	\$ 586,199		
Net Pension Liability as a Percentage of Covered Valuation Payroll	121.89%	33.76%	108.28%	145.17%	165.35%	111.20%	160.78%	159.02%		

Note: This schedule is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

LAKE IN THE HILLS SANITARY DISTRICT
Multi-year Schedule of IMRF Pension Contributions
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered		Actual Contribution as a % of Covered Valuation Payroll
				Valuation	Payroll	
2015	\$ 63,778	\$ 63,778	\$ -	\$ 586,199	\$ 586,199	10.88%
2016	\$ 111,249	\$ 111,249	\$ -	\$ 600,051	\$ 600,051	18.54%
2017	\$ 121,610	\$ 121,610	\$ -	\$ 589,197	\$ 589,197	20.64%
2018	\$ 132,995	\$ 132,995	\$ -	\$ 627,335	\$ 627,335	21.20%
2019	\$ 136,982	\$ 151,642	\$ (14,660)	\$ 654,476	\$ 654,476	23.17%
2020	\$ 155,227	\$ 242,905	\$ (87,678)	\$ 706,863	\$ 706,863	34.36%
2021	\$ 163,420	\$ 206,375	\$ (42,955)	\$ 668,384	\$ 668,384	30.88%
2022	\$ 175,865 *	\$ 161,250	\$ 14,615	\$ 803,402	\$ 803,402	20.07%

* Estimated based on a contribution rate of 20.07% and covered valuation payroll of \$803,402.

Note: This schedule is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

LAKE IN THE HILLS SANITARY DISTRICT ILLINOIS

Notes to Required Supplemental Information

For the Year Ended April 30, 2023

The accounting policies of the District include the preparation of financial statements on the modified accrual basis of accounting. The District prepares its budget on the modified cash basis of accounting.

Under the modified accrual basis of accounting, revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However; expenditures relating to compensated absences, debt service expenditures, and claims and judgments are recognized only when payment is due.

Appropriation ordinances are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The District procedures in establishing the appropriation data reflected in the General Fund Financial Statements are presented below:

- Prior to July 15th the District Board receives a proposed appropriation ordinance for the fiscal year commencing on May 1st. The appropriation ordinance includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The appropriation ordinance is legally enacted through passage of an ordinance prior to July 31st.
- The District Treasurer, in conjunction with the Board, is authorized to expend the un-expensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original appropriation ordinance was passed on May 19, 2022 and amended on April 20, 2023.
- Formal budgetary integration is not employed as a management control device during the year for any fund.

LAKE IN THE HILLS SANITARY DISTRICT ILLINOIS

Notes to Required Supplemental Information

For the Year Ended April 30, 2023

- Appropriation comparisons presented in the accompanying financial statements are prepared on the modified accrual and accrual basis of accounting. Governmental funds utilize the modified accrual basis of accounting, and the business type funds use the accrual basis of accounting for both appropriation purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.

OTHER SUPPLEMENTARY INFORMATION

LAKE IN THE HILLS SANITARY DISTRICT

Special Revenue Funds - Balance Sheet

April 30, 2023

	Total	Audit	Chlorination Fund	IMRF Fund	Public Liability Insurance Fund	Social Security Fund
Assets						
Cash and cash equivalents	\$ 263,886	\$ 14,351	\$ -	\$ 26,968	\$ 161,579	\$ 60,988
Taxes receivable, net of 1% allowance of loss	307,879	11,888	3,934	153,454	74,250	64,353
Total Assets	\$ 571,765	\$ 26,239	\$ 3,934	\$ 180,422	\$ 235,829	\$ 125,341
Liabilities						
Cash Overdraft	\$ 7,128	-	\$ 7,128	-	-	-
Total Liabilities	7,128	-	7,128	-	-	-
Deferred Inflows						
Property taxes	307,879	11,888	3,934	153,454	74,250	64,353
Fund Balance						
Fund balance - Restricted	256,758	14,351	(7,128)	26,968	161,579	60,988
Total Liabilities and Fund Balance	\$ 571,765	\$ 26,239	\$ 3,934	\$ 180,422	\$ 235,829	\$ 125,341

LAKE IN THE HILLS SANITARY DISTRICT

Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balance

April 30, 2023

	Total	Audit	Chlorination Fund	IMRF Fund	Public Liability Insurance Fund	Social Security Fund
Revenues						
Property taxes	\$ 309,046	\$ 11,988	\$ 17	\$ 154,800	\$ 77,318	\$ 64,923
Total Revenues	309,046	11,988	17	154,800	77,318	64,923
Expenditures						
Auditing expense and fee	12,750	12,750	-	-	-	-
Chlorination, disinfection, and treatment	48,596	-	48,596	-	-	-
Pension contributions	155,000	-	-	155,000	-	-
Public liability insurance	112,992	-	-	-	112,992	-
Social Security contributions	63,170	-	-	-	-	63,170
Total Expenditures	392,508	12,750	48,596	155,000	112,992	63,170
Net Change in Fund Balance	(83,462)	(762)	(48,579)	(200)	(35,674)	1,753
Fund Balance						
Fund Balance, Beginning	340,220	15,113	41,451	27,168	197,253	59,235
Total Fund Balance, Ending	\$ 256,758	\$ 14,351	\$ (7,128)	\$ 26,968	\$ 161,579	\$ 60,988

LAKE IN THE HILLS SANITARY DISTRICT*Audit Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance**- Budget and Actual**For the Year Ended April 30, 2023*

	Budget		Actual
	Original	Final	Amounts
Revenues			
Property taxes	\$ 12,000	\$ 12,000	\$ 11,988
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>11,988</u>
Expenditures			
Auditing expense and fee	<u>15,000</u>	<u>15,000</u>	<u>12,750</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>12,750</u>
Net Change in Fund Balance	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	(762)
Fund Balance			
Fund balance, Beginning			<u>15,113</u>
Total Fund Balance, Ending			<u>\$ 14,351</u>

LAKE IN THE HILLS SANITARY DISTRICT

Chlorination Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance

- Budget and Actual

For the Year Ended April 30, 2023

	Budget		Actual
	Original	Final	Amounts
Revenues			
Property taxes	\$ 10	\$ 10	\$ 17
Total Revenues	<u>10</u>	<u>10</u>	<u>17</u>
Expenditures			
Chlorination, disinfection and treatment	<u>35,000</u>	<u>50,000</u>	<u>48,596</u>
Total Expenditures	<u>35,000</u>	<u>50,000</u>	<u>48,596</u>
Net Change in Fund Balance	<u>\$ (34,990)</u>	<u>\$ (49,990)</u>	<u>(48,579)</u>
Fund Balance			
Fund balance, Beginning			<u>41,451</u>
Total Fund Balance, Ending			<u>\$ (7,128)</u>

LAKE IN THE HILLS SANITARY DISTRICT*IMRF Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance**- Budget and Actual**For the Year Ended April 30, 2023*

	Budget		Actual
	Original	Final	Amounts
Revenues			
Property taxes	\$ 155,000	\$ 155,000	\$ 154,800
Total Revenues	<u>155,000</u>	<u>155,000</u>	<u>154,800</u>
Expenditures			
Pension contributions by employer	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>
Total Expenditures	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(200)
Fund Balance			
Fund balance, Beginning			<u>27,168</u>
Total Fund Balance, Ending			<u>\$ 26,968</u>

LAKE IN THE HILLS SANITARY DISTRICT

Public Liability Insurance Fund - Schedule of Revenues, Expenditures Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2023

	Budget		Actual Amounts
	Original	Final	
Revenues			
Property taxes	\$ 75,000	\$ 75,000	\$ 77,318
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>77,318</u>
Expenditures			
Workers compensation	30,000	25,000	18,164
Property	45,000	45,000	34,794
Vehicles	15,000	15,000	9,321
General liability	74,000	74,000	50,168
Administration fee	1,000	1,000	545
Total Expenditures	<u>165,000</u>	<u>160,000</u>	<u>112,992</u>
Net Change in Fund Balance	<u>\$ (90,000)</u>	<u>\$ (85,000)</u>	(35,674)
Fund Balance			
Fund balance, Beginning			<u>197,253</u>
Total Fund Balance, Ending			<u>\$ 161,579</u>

LAKE IN THE HILLS SANITARY DISTRICT

Social Security Fund - Schedule of Revenues, Expenditures Changes in Fund Balance

- Budget and Actual

For the Year Ended April 30, 2023

	Budget		Actual Amounts
	Original	Final	
Revenues			
Property taxes	\$ 65,000	\$ 65,000	\$ 64,923
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>64,923</u>
Expenditures			
Social security contributions	<u>70,000</u>	<u>75,000</u>	<u>63,170</u>
Total Expenditures	<u>70,000</u>	<u>75,000</u>	<u>63,170</u>
Net Change in Fund Balance	<u>\$ (5,000)</u>	<u>\$ (10,000)</u>	1,753
Fund Balance			
Fund balance, Beginning			<u>59,235</u>
Total Fund Balance, Ending			<u>\$ 60,988</u>

LAKE IN THE HILLS SANITARY DISTRICT

Proprietary Fund Types - Schedule of Expenditures

- Budget and Actual

For the Year Ended April 30, 2023

	Budget		Actual Amounts
	Original	Final	
Personnel Services			
District personnel salaries	\$ 700,000	\$ 700,000	\$ 632,808
Total Personnel Services	700,000	700,000	632,808
Administrative Expenses			
Telephone	3,000	3,000	2,496
Postage	20,000	25,000	22,357
Printing, publishing	2,000	2,000	-
Office supplies	7,500	7,500	4,838
Billing and collection expense	75,000	75,000	49,724
Professional services	5,000	5,000	2,866
Training, travel, and education	7,000	2,000	1,430
Computer hardware, software, and support	25,000	25,000	17,535
Community affairs	2,000	2,000	60
Medical and life insurance	275,000	275,000	253,867
Total Administrative Expenses	421,500	421,500	355,173
Operation and Maintenance of Plant			
Operating supplies	60,000	60,000	37,775
Maintenance and repair (plant)	150,000	115,000	80,403
Maintenance and repair (collection system)	300,000	300,000	85,059
Utilities and energy	400,000	400,000	220,491
Grounds upkeep	30,000	30,000	14,646
Gasoline/oil	20,000	20,000	15,157
Computer and support services	2,000	2,000	-
Emergency communications	40,000	40,000	11,678
Sludge management	225,000	255,000	258,022
Professional services	35,000	40,000	36,865
Residential reimbursement	10,000	10,000	3,549
Compliance requirements/permits	30,000	30,000	28,000
GIS	10,000	10,000	-
Total Operation and Maintenance of Plant	1,312,000	1,312,000	791,645

continued

LAKE IN THE HILLS SANITARY DISTRICT

Proprietary Fund Types - Schedule of Expenditures

- Budget and Actual

For the Year Ended April 30, 2023

	Budget		Actual Amounts
	Original	Final	
Capital Improvements			
New construction	\$ 1,500,000	\$ 1,500,000	\$ -
Plant equipment	500,000	500,000	-
Collection system	500,000	500,000	-
Vehicles	175,000	175,000	-
Legal expense	5,000	5,000	-
Engineering expense	200,000	200,000	-
Bond, Finance consulting expense	1,000	1,000	-
Total Capital Improvements	2,881,000	2,881,000	-
Bond and Interest Account			
2008 Debt Certificates, Principal	690,000	690,000	-
2008 Debt Certificates, Interest	5,000	5,000	4,555
Administration fee	2,000	2,000	500
2014 Debt Certificates, Principal	120,000	120,000	-
2014 Debt Certificates, Interest	100,000	100,000	99,788
Administration fee	2,000	2,000	-
Contingent & Miscellaneous Expenses	3,000	3,000	1,250
Total Bond and Interest Account	922,000	922,000	106,093
Total Expenditures	\$ 6,236,500	\$ 6,236,500	\$ 1,885,719

concluded

LAKE IN THE HILLS SANITARY DISTRICT

Property Tax Extension Rates

For the Year Ended April 30, 2023

	2020	2021	2022	2023
Tax Levy Year				
Assessed Valuation	\$ 843,157,020	\$ 873,648,591	\$ 935,167,029	

	Rate	Percentage	Rate	Percentage
McHenry County				
General Fund	0.039566	54.09%	0.040635	53.62%
Chlorination	0.000749	1.02%	0.000002	0.00%
Liability Insurance	0.008020	10.96%	0.008585	11.33%
Social Security	0.006951	9.50%	0.007441	9.82%
IMRF	0.016575	22.66%	0.017742	23.41%
Audit	0.001284	1.76%	0.001374	1.81%
Totals	0.073145	100.00%	0.075779	100.00%

Tax Rates and Percentages - Allocated by Fund

	Rate	Percentage	Rate	Percentage
General Fund	0.044476	57.69%	0.044476	57.69%
Chlorination	0.000002	0.00%	0.000002	0.00%
Liability Insurance	0.005931	7.69%	0.005931	7.69%
Social Security	0.007710	10.00%	0.007710	10.00%
IMRF	0.018384	23.85%	0.018384	23.85%
Audit	0.000594	0.77%	0.000594	0.77%
Totals	0.077097	100.00%	0.077097	100.00%