

LAKE IN THE HILLS
SANITARY DISTRICT, IL

Annual Financial Report
For the Year Ended April 30, 2026

LAKE IN THE HILLS SANITARY DISTRICT
Contents

For the Year Ended April 30, 2026

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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, 2026, 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, 2026, 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.

Emphasis of Matter

We draw attention to Note 12 to the financial statements, which describes the restatement of net position of governmental activities, business-type activities and the proprietary fund due to correction of the allocation of the net pension liability and related deferred inflows and outflows of resources in the prior year. Our opinion is not modified with respect to this matter.

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.

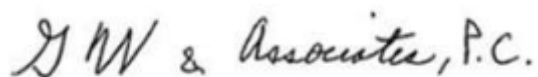
Other Matters

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 and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and 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.

Hillside, Illinois

September 14, 2026

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, 2026

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, 2026.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at April 30, 2026 by \$47,580,561 (net position).
- The District's total net position increased by \$37,236, comprised of \$(4,364) from activities and \$41,600 from contributed capital.
- At April 30, 2026, the District's governmental funds reported combined ending fund balances of \$978,423, a decrease of \$218,250 in comparison with the prior year.
- At April 30, 2026, the fund balance for the General Fund was \$807,262.

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

Presented on the Accrual Basis, this statement 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

Presented on the Accrual Basis, this statement presents information showing how the District's net position changed during the most recent fiscal year.

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, 2026

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 are presented on the modified accrual basis which focuses 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 and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances 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 Special Revenue Funds are used to account for funds received from taxes and fees that are restricted for expenditures made for specific governmental purposes.

Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. The Special Revenue Funds are combined in one column.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED APRIL 30, 2026

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 \$47,580,561 at April 30, 2026. 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.

The April 30, 2025 net position is shown as restated in the following tables due to the separation of governmental activities and business-type activities with IMRF pension liability and deferred inflows and outflows. Refer to Note 12 for additional information.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED APRIL 30, 2026

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Lake In The Hills Sanitary District - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2025 Restated	4/30/2026	4/30/2025 Restated	4/30/2026	4/30/2025 Restated	4/30/2026
Current and Other Assets	\$ 1,722,279	\$ 1,550,536	\$ 10,422,329	\$ 11,198,115	\$ 12,144,608	\$ 12,748,651
Capital Assets	-	-	39,183,052	38,338,368	39,183,052	38,338,368
Total Assets	1,722,279	1,550,536	49,605,381	49,536,483	51,327,660	51,087,019
Deferred Outflows	66,659	51,340	199,978	154,021	266,637	205,361
Current and Other Liabilities	40,473	62,712	408,681	329,568	449,154	392,280
Long-Term Liabilities	164,838	66,098	2,898,909	2,474,102	3,063,747	2,540,200
Total Liabilities	205,311	128,810	3,307,590	2,803,670	3,512,901	2,932,480
Deferred Inflows	498,368	576,886	39,703	202,454	538,071	779,340
Net Position						
Net Investment in						
Capital Assets	-	-	36,707,765	35,989,816	36,707,765	35,989,816
Restricted - Net Position	241,458	171,161	169,993	172,962	411,451	344,123
Unrestricted - Net Position	843,802	725,020	9,580,307	10,521,602	10,424,109	11,246,622
Total Net Position	\$ 1,085,260	\$ 896,181	\$ 46,458,065	\$ 46,684,380	\$ 47,543,325	\$ 47,580,561

Government-wide activities increased the District's net position by \$37,236. 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	
	4/30/2025	4/30/2026	4/30/2025	4/30/2026	4/30/2025	4/30/2026
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 4,189,501	\$ 4,223,545	\$ 4,189,501	\$ 4,223,545
Operating Grants	-	-	-	2,042	-	2,042
Capital Grants	-	-	-	273,354	-	273,354
General Revenues						
Property Taxes	557,257	490,384	-	-	557,257	490,384
Personal Property Replacement Taxes	2,705	2,591	-	-	2,705	2,591
Other Income	2,452	-	-	3,238	2,452	3,238
Interest	32,492	23,213	257,547	221,990	290,039	245,203
Total Revenues	594,906	516,188	4,447,048	4,724,169	5,041,954	5,240,357
Expenses						
General Government	444,123	705,267	-	-	444,123	705,267
Sewage services	-	-	4,800,183	4,454,692	4,800,183	4,454,692
Debt service	-	-	91,340	84,762	91,340	84,762
Total Expenses	444,123	705,267	4,891,523	4,539,454	5,335,646	5,244,721
Increase/(Decrease) in Net Position	150,783	(189,079)	(444,475)	184,715	(293,692)	(4,364)
Net Position - Beginning of Year (as restated)	934,477	1,085,260	46,857,474	46,458,065	47,791,951	47,543,325
Capital Contributions	-	-	45,066	41,600	45,066	41,600
Net Position - End of Year	\$ 1,085,260	\$ 896,181	\$ 46,458,065	\$ 46,684,380	\$ 47,543,325	\$ 47,580,561

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED APRIL 30, 2026

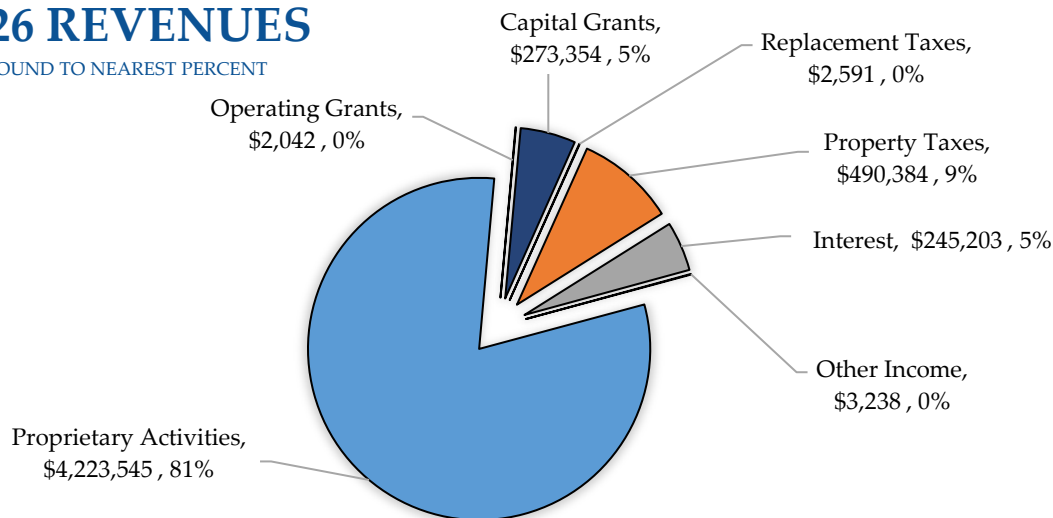
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Total assets are slightly lower than in prior year due to an increase in current assets and decrease in capital assets as a result of depreciation in asset activity. Liabilities are lower than in prior year due to a decrease in long-term liabilities from the principal payment on debt.

Revenues increased as a result of charges for services in the business-type activities and grant income which was mainly related to grant proceeds from the Crystal Creek Reach 7 Project. However, expenses decreased due to general government expenses and debt service for the current year.

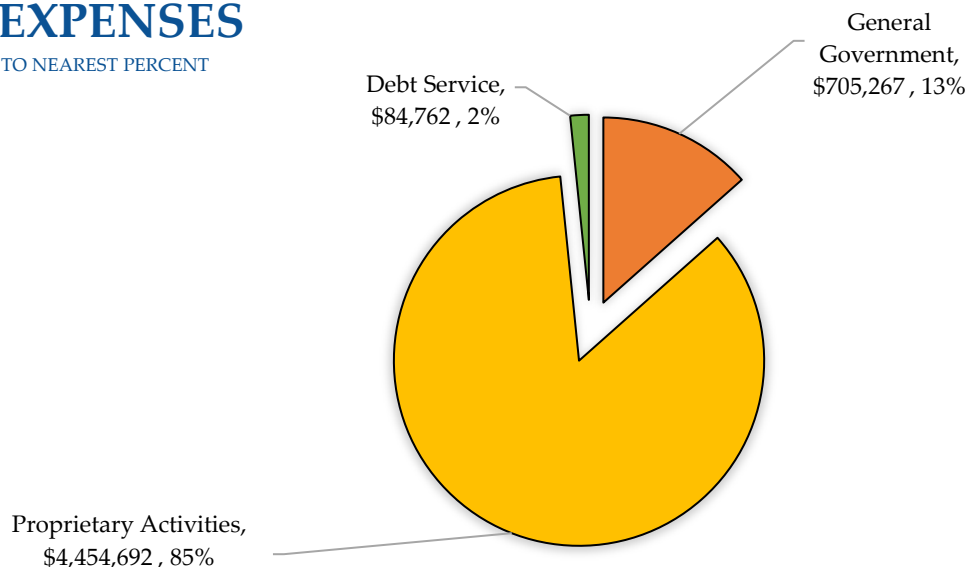
2026 REVENUES

ROUND TO NEAREST PERCENT



2026 EXPENSES

ROUND TO NEAREST PERCENT



LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED FOR THE YEAR ENDED APRIL 30, 2026

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, 2026, the District's governmental funds reported combined ending, fund balances of \$978,423, a decrease of \$218,250 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, 2026 was \$807,262, which was a decrease of \$147,953 during the year ended April 30, 2026.

Nonmajor Governmental Funds

The focus of the District's Nonmajor 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 Nonmajor Governmental Fund balances at April 30, 2026 were \$171,161, which was a decrease of \$70,297 during the year ended April 30, 2026.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED FOR THE YEAR ENDED APRIL 30, 2026

GENERAL FUND BUDGETARY HIGHLIGHTS

The District amended its original budget and appropriations ordinance for the fiscal year ended April 30, 2026, on April 16, 2026; therefore, the amounts shown as 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, 2026, the District's proprietary fund reported ending net position of \$46,684,380, an increase of \$138,801 in comparison with the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

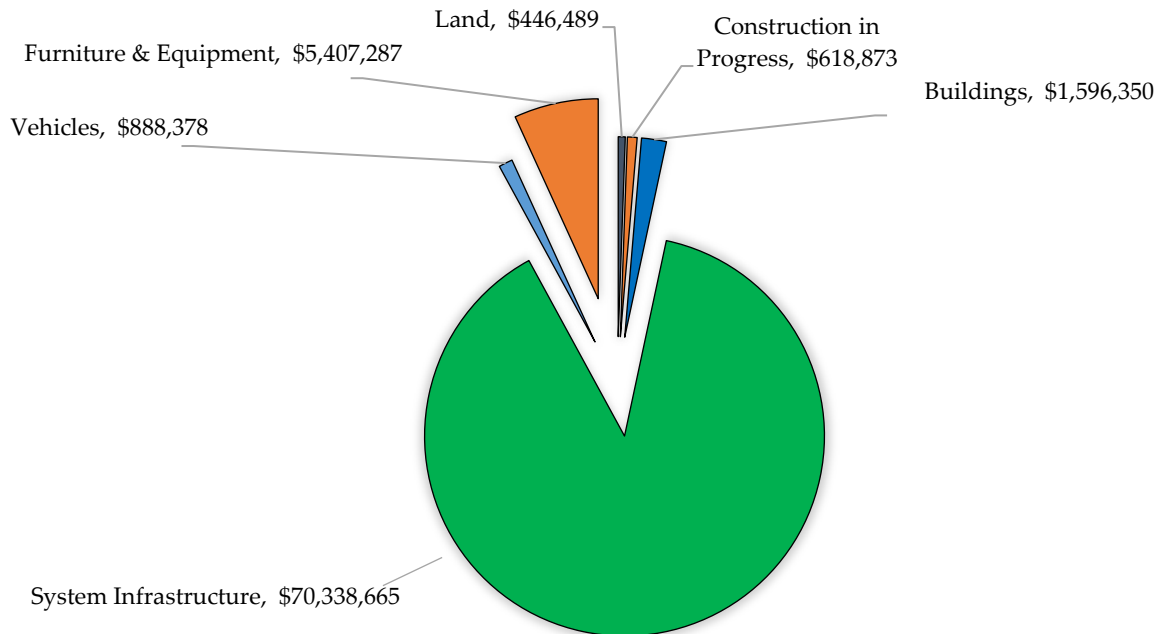
The District's investment in capital assets for its proprietary activities as of April 30, 2026 amounts to \$38,338,368 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, infrastructure, buildings, furniture and equipment, computer equipment, and vehicles. The total decrease in the District's investment in capital assets for the year ended April 30, 2026 was \$834,041 attributable to the purchase of various assets reduced by depreciation.

Proprietary Fund - Capital Assets

	Balance			Balance
Capital Assets	May 1, 2025	Increases	Decreases	April 30, 2026
Land - not depreciated	\$ 446,489	\$ -	\$ -	\$ 446,489
Construction in progress	193,358	436,158	10,643	618,873
Plant and lift stations	47,053,833	360,715	-	47,414,548
Sewer trunkline	22,601,812	322,305	-	22,924,117
Equipment	5,259,079	89,663	-	5,348,742
Administration building	1,519,007	77,343	-	1,596,350
Vehicles	873,384	14,994	-	888,378
Office furniture & equipment	58,545	-	-	58,545
Total Capital Assets	78,005,507	1,301,178	10,643	79,296,042
Less: Accumulated Depreciation	38,822,456	2,135,219	-	40,957,675
Capital Assets (Net)	\$ 39,183,052	\$ (834,041)	\$ 10,643	\$ 38,338,368

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED APRIL 30, 2026

CAPITAL ASSETS (AT COST)



Long-term debt

At April 30, 2026, the District had one bond outstanding consisting of current principal due of \$130,000 and long-term due of \$2,190,000. The bond proceeds were used to fund additional infrastructure and construction projects.

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, 2026

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 1,041,135	\$ 10,558,504	\$ 11,599,639
Accounts receivable	-	466,649	466,649
Property tax receivable	509,401	-	509,401
Deposit with paying agent	-	172,962	172,962
Capital assets not being depreciated	-	1,065,362	1,065,362
Capital assets being depreciated - net	-	37,273,006	37,273,006
Total Assets	1,550,536	49,536,483	51,087,019
Deferred Outflows - IMRF	51,340	154,021	205,361
Current Liabilities			
Accounts payable/accruals	62,712	134,667	197,379
Accrued payroll	-	5,456	5,456
Accrued interest	-	42,962	42,962
Compensated absences - due within 1 year	-	14,748	14,748
Revenue bond premium - due within 1 year	-	1,735	1,735
Revenue bonds- due within 1 year	-	130,000	130,000
Total Current Liabilities	62,712	329,568	392,280
Noncurrent Liabilities			
Compensated absences - due in more than 1 year	-	58,992	58,992
Revenue bonds payable - due in more than 1 year	-	2,190,000	2,190,000
Revenue bond premium - due in more than 1 year	-	26,817	26,817
Net pension liability - IMRF	66,098	198,293	264,391
Total Noncurrent Liabilities	66,098	2,474,102	2,540,200
Total Liabilities	128,810	2,803,670	2,932,480
Deferred Inflow - IMRF	67,485	202,454	269,938
Deferred Inflow - Property taxes	509,401	-	509,401
Total Deferred Inflows	576,886	202,454	779,339
Net Position			
Net investment in capital assets	-	35,989,816	35,989,816
Restricted	171,161	172,962	344,123
Unrestricted	725,020	10,521,602	11,246,622
Total Net Position	\$ 896,181	\$ 46,684,380	\$ 47,580,561

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

LAKE IN THE HILLS SANITARY DISTRICT

Government-wide - Statement of Activities

For the Year Ended April 30, 2026

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	\$ 705,267	\$ -	\$ -	\$ -	\$ 705,267	\$ -	\$ 705,267
Total Governmental Activities	705,267	-	-	-	705,267	-	705,267
Business-Type Activities							
Waste Water Treatment	4,454,692	4,223,545	2,042	273,354	-	44,249	44,249
Interest and fees on Long-term debt	84,762	-	-	-	-	(84,762)	(84,762)
Total Business-Type Activities	4,539,454	4,223,545	2,042	273,354	-	(40,513)	(40,513)
Total Primary Government	\$ 5,244,721	\$ 4,223,545	\$ 2,042	\$ 273,354	705,267	(40,513)	664,754
General Revenues:							
Property taxes					490,384	-	490,384
Replacement tax					2,591	-	2,591
Investment income					23,213	221,990	245,203
Miscellaneous					-	3,238	3,238
Total Revenues					516,188	225,228	741,416
Change in Net Position					(189,079)	184,715	(4,364)
Net Position, Beginning (as previously reported)					751,020	46,792,305	47,543,325
Restatement of beginning net position					334,240	(334,240)	-
Net Position, Beginning (as restated)					1,085,260	46,458,065	47,543,325
Capital Contributions					-	41,600	41,600
Total Net Position, Ending					\$ 896,181	\$ 46,684,380	\$ 47,580,561

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

LAKE IN THE HILLS SANITARY DISTRICT*Governmental Funds - Balance Sheet**April 30, 2026*

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash	\$ 861,467	\$ 179,668	\$ 1,041,135
Property tax receivable	187,616	321,785	509,401
Due from other funds	8,507	-	8,507
Total Assets	1,057,590	501,453	1,559,043
Liabilities			
Accounts payable/accruals	62,712	-	62,712
Due to other funds	-	8,507	8,507
Total Liabilities	62,712	8,507	71,219
Deferred Inflows - Property taxes	187,616	321,785	509,401
Total Liabilities and Deferred Inflows	250,328	330,292	580,620
Fund Balance			
Non-spendable	-	-	-
Restricted	-	171,161	171,161
Committed	-	-	-
Assigned - capital improvements	-	-	-
Unassigned	807,262	-	807,262
Total Fund Balance	807,262	171,161	978,423
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 1,057,590	\$ 501,453	\$ 1,559,043

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, 2026*

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 170,908	\$ 319,476	\$ 490,384
Replacement taxes	2,591	-	2,591
Interest	23,213	-	23,213
Total Revenues	196,712	319,476	516,188
Expenditures			
Personnel services	216,261	-	216,261
Contractual services	76,915	-	76,915
Commodities	46,337	-	46,337
Administrative	5,002	-	5,002
Other	150	389,773	389,923
Total Expenditures	344,665	389,773	734,438
Net Change in Fund Balance	(147,953)	(70,297)	(218,250)
Fund Balance			
Fund balance, Beginning	955,215	241,458	1,196,673
Total Fund Balance, Ending	\$ 807,262	\$ 171,161	\$ 978,423

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, 2026

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

Total Fund Balances - Total Governmental Funds	\$	978,423
Other employee benefit obligations accruals are not reported in funds.		
Deferred pension outflows/inflows and net pension liabilities are not reported in funds.		
Net pension liabilities		(66,098)
Deferred pension inflows		(67,485)
Deferred pension outflows		51,340
Total Net Position of Governmental Activities	\$	<u>896,181</u>

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

Excess (Deficiency) of Revenue Over Expenditures		
Governmental Funds	\$	(218,250)
Change in deferred pension outflows/inflows and net pension liabilities are not reported in funds.		
		29,171
Changes in Net Position Governmental Funds	\$	<u>(189,079)</u>

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, 2026*

	Sewerage Enterprise Fund
Assets	
Cash	\$ 10,558,504
Deposit with paying agent	172,962
Sewer billings receivable, net	466,649
Capital assets not being depreciated	1,065,362
Capital assets being depreciation - net	37,273,006
Total Assets	49,536,483
Deferred Outflows - IMRF	154,021
Liabilities	
Accounts payable/accruals	134,667
Accrued payroll	5,456
Accrued interest payable	42,962
Revenue bonds payable - current portion	130,000
Revenue bonds payable -noncurrent portion	2,190,000
Revenue bond premium -current portion	1,735
Revenue bond premium -noncurrent portion	26,817
Compensated absences - current portion	14,748
Compensated absences - noncurrent portion	58,992
Net pension liability - IMRF	198,293
Total Liabilities	2,803,670
Deferred Inflow - IMRF	202,454
Net Position	
Net investment in capital assets	35,989,816
Restricted for:	
Debt service	172,962
Unrestricted	10,521,602
Total Net Position	\$ 46,684,380

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, 2026*

	Sewerage Enterprise Fund
Revenues	
Sewer charges	\$ 4,223,545
Grants	275,396
Other income and rebates	3,238
Total Revenues	4,502,179
Expenses	
Personnel and benefits	684,192
Contractual service	446,780
Commodities	1,069,112
Capital improvements	119,389
Total Expenses	2,319,473
Operating Income Before Depreciation	2,182,706
Less: Depreciation	2,135,219
Operating Income (Loss)	47,487
Non-Operating Income (Expense)	
Net interest expense and fees	(86,497)
Amortized bond premium	1,735
Interest income	221,990
Total Non-operating Income/(Expense)	137,228
Net Income (Loss)	184,715
Net Position	
Balance, beginning of year (as restated)	46,458,065
Capitalized connection fees	41,600
Total Net Position	\$ 46,684,380

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, 2026*

	Sewerage Enterprise Fund
Cash Flows from Operating Activities	
Cash received from customers and users	\$ 4,218,575
Cash received from grants	275,396
Cash paid to suppliers	(1,719,956)
Cash and benefits paid for employees	(765,964)
Net Cash Provided by Operating Activities	2,008,051
Cash Flows from Investing Activities	
System additions	(1,290,535)
Net Cash Flows Provided by Investing Activities	(1,290,535)
Cash Flows from Capital and Financing Activities	
Interest income	221,990
Bond interest and fees	(86,497)
Bond/note payments, net	(130,000)
Net Cash Flows Provided by Capital and Financing Activities	5,493
Net Increase (Decrease) in Cash	723,009
Connection fees capitalized	41,600
Cash at Beginning of Year	9,793,895
Cash at End of Year	\$ 10,558,504
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income (loss) for the year	\$ 47,487
Depreciation and amortization	2,135,219
(Increase) decrease in accounts receivable	(8,208)
Increase (decrease) in accounts payable	(84,675)
Increase (decrease) in accrued payroll	5,742
Increase (decrease) in deferred inflows	162,750
(Increase) decrease in deferred outflows	45,957
Increase (decrease) in net pension liability	(296,221)
Net Cash Provided by Operating Activities	\$ 2,008,051

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, 2026

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 District is not a component unit of another entity and has no component units within the District.

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, 2026

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, 2026

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. 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 2024 property taxes was adopted August 15, 2024 and the tax levy for 2025 property taxes was adopted August 21, 2025. That portion of the property taxes which are intended to finance future year's operations are shown as deferred inflow of resources.

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, 2026

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 classifies any 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, 2026.

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, 2026

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 deposit with paying agent consists of the prepaid bond principal and interest in the proprietary fund.

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, 2026. 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	\$ 2,319,859	\$ 9,275,381	\$ -	\$ 11,595,240	\$ 11,599,639
Totals	<u>\$ 2,319,859</u>	<u>\$ 9,275,381</u>	<u>\$ -</u>	<u>\$ 11,595,240</u>	<u>\$ 11,599,639</u>

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

NOTE 3 – PROPRIETARY FUND TYPE – PROPERTY AND EQUIPMENT

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

The aggregate depreciation charged to operations is \$2,135,219.

Proprietary Fund - Capital Assets	Balance May 1, 2025	Increases	Decreases	Balance April 30, 2026
Capital Asset Not Being Depreciated				
Land	\$ 446,489	\$ -	\$ -	\$ 446,489
Construction in progress	193,358	436,158	10,643	618,873
Total Capital Asset Not Being Depreciated	639,847	436,158	10,643	1,065,362
Capital Asset Being Depreciated				
Plant and lift stations	47,053,833	360,715	-	47,414,548
Sewer trunkline	22,601,812	322,305	-	22,924,117
Equipment	5,259,079	89,663	-	5,348,742
Administration building	1,519,007	77,343	-	1,596,350
Vehicles	873,384	14,994	-	888,378
Office furniture & equipment	58,545	-	-	58,545
Total Capital Asset Being Depreciated	77,365,660	865,020	-	78,230,681
Total Capital Asset	78,005,507	1,301,178	10,643	79,296,042
Less: Accumulated Depreciation				
Plant and lift stations	22,621,332	1,435,490	-	24,056,822
Sewer trunkline	11,438,301	453,228	-	11,891,529
Equipment	3,368,649	159,439	-	3,528,088
Administration building	627,859	53,712	-	681,570
Vehicles	707,770	33,351	-	741,121
Office furniture & equipment	58,545	-	-	58,545
Total Accumulated Depreciation	38,822,456	2,135,219	-	40,957,675
Total Capital Assets, Net	\$ 39,183,052	\$ (834,041)	\$ 10,643	\$ 38,338,368

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

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 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.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

BENEFITS PROVIDED -

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, 2025, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	9
Inactive Plan Members entitled to but not yet receiving benefits	3
Active Plan Members	12
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 2025 was 11.79%. For the same year ended December 31, 2025, the District's required plan contribution was \$112,482. The District contributed \$160,856 for the year ended April 30, 2026. 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, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2025:

- 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 2023 valuation according to an experience study from years 2020 to 2022.
- For non-disabled retirees the Pub-2010 Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2021.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2025:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	32.50%	7.35%
International Equity	18.00%	7.45%
Fixed Income	24.00%	4.75%
Real Estate	10.50%	6.25%
Alternative Investments	14.00%	3.90%-8.50%
Cash Equivalents	1.00%	3.00%
Total	100%	

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

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 4.83%, 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	\$ 6,308,704	\$ 5,574,408	\$ 4,992,964
Plan Fiduciary Net Position	5,310,017	5,310,017	5,310,017
Net Pension Liability/(Asset)	<u>\$ 998,687</u>	<u>\$ 264,391</u>	<u>\$ (317,053)</u>

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Changes in Net Pension Liability:

IMRF

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(A)	(B)	(A) - (B)
Balances at December 31, 2024	\$ 5,238,084	\$ 4,578,732	\$ 659,352
Changes for the year:			
Service Cost	84,274	-	84,274
Interest on the Total Pension Liability	374,926	-	374,926
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	94,784	-	94,784
Changes of Assumptions	-	-	-
Contributions - Employer	-	146,482	(146,482)
Contributions - Employees	-	42,932	(42,932)
Net Investment Income	-	696,782	(696,782)
Benefit Payments, including Refunds			
of Employee Contributions	(217,660)	(217,660)	-
Other (Net Transfer)	-	62,749	(62,749)
Net Changes	336,324	731,285	(394,961)
Balances at December 31, 2025	<u>\$ 5,574,408</u>	<u>\$ 5,310,017</u>	<u>\$ 264,391</u>

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

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, 2026, the District recognized pension expense of \$29,797. At April 30, 2026, 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 experience	\$ 118,668	\$ 22,922
Changes of assumptions	3,201	-
Net differences between projected and actual earnings on pension plan investments	-	247,016
Total Deferred Amounts to be recognized in pension expense in future periods	121,869	269,938
Pension contributions made subsequent to the measurement date	83,492	-
Total Deferred Amounts Related to Pensions	\$ 205,361	\$ 269,938

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 April 30,	Net Deferred Outflows of Resources
2027	\$ 158,434
2028	(92,158)
2029	(80,856)
2030	(54,696)
2031	4,699
Thereafter	-
Total	\$ (64,577)

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2025 Contribution Rate *

Valuation Date:

December 31, 2025

Notes

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

Methods and Assumptions Used to Determine 2025 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): 18-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 14 years for most employers (five employers were financed over 14 years; one employer was financed over 15 years; two employers were financed over 16 years; one employer was financed over 19 years; three employers were financed over 22 years; four employers were financed over 23 years and one employer was financed over 24 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 2023 valuation pursuant to an experience study of the period 2020-2022.

Mortality

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

Other Information:

Notes

There were no benefit changes during the year

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

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

The IMRF fund had expenditures that exceeded the appropriations by \$5,856.

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

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 2.00% to 4.00% 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, 2026 was as follows:

	Balance			Balance	Amounts
	May 1, 2025	Additions	Retirements	April 30, 2026	Due Within
Business-Type Activities: Bonded Debt					One Year
Bond Dated November 13, 2014	\$ 2,445,000	\$ -	\$ 125,000	\$ 2,320,000	\$ 130,000
Bond Premium	30,287	-	1,735	28,552	1,735
Total Business-Type Bonded Debt	\$ 2,475,287	\$ -	\$ 126,735	\$ 2,348,552	\$ 131,735
Other Long-term Liabilities					
Compensated Absences	\$ 67,635	\$ 73,740	\$ 67,635	\$ 73,740	\$ 14,748
Net Pension Liability	659,352	-	394,961	264,391	-
Total Long-term Liabilities	\$ 726,987	\$ 73,740	\$ 462,596	\$ 338,131	\$ 14,748
Long-term liabilities at April 30, 2026	Maturity	Interest	Face	Carrying	
	Date	Rates	Amount	Amounts	
Business-Type Activities: Long-Term Debt					
Bond Dated November 13, 2014	5/1/2039	2.000% - 4.000%	\$ 3,430,000	\$ 2,320,000	

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

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

Debt service activity with principal and interest payments due are as follows:

Long Term Debt Maturity Schedule

Fiscal Year Ended Due	Bond Dated November 13, 2014	
	Outstanding April 30, 2026	
	Principal	Interest
4/30/2027	\$ 130,000	\$ 83,813
4/30/2028	135,000	79,506
4/30/2029	140,000	75,038
4/30/2030	145,000	70,406
4/30/2031	150,000	65,613
4/30/2032	155,000	60,269
4/30/2033	160,000	54,363
4/30/2034	165,000	48,269
4/30/2035	170,000	41,988
4/30/2036	180,000	35,200
4/30/2037	185,000	27,900
4/30/2038	195,000	20,300
4/30/2039	200,000	12,400
4/30/2040	210,000	4,200
Total Debt	\$ 2,320,000	\$ 679,263

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. There has been a claim form filed May 27, 2026 for unclaimed property in the amount of \$1,746 and pending as of August 3, 2026.

Identified on July 29, 2026, the District found checks stolen from the mail that were altered and cashed. It is speculated that this was done by a federal employee within the USPS as the checks had gone directly from the District Treasurer's hand to a locked USPS mail receptacle. The bank had been notified immediately along with District Manager and Board of Trustees. The bank

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

NOTE 9 – SUBSEQUENT EVENTS (CONTINUED)

fraud department is working on the dispute claim and reports had been filed with the Police as well as the US Postal Inspection Service.

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The District has adopted GASB Statement No. 65, which redefined how certain financial statement elements are presented in the statement of net position and balance sheet. The elements are classified as follows:

In addition to assets, the statement of net 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 reported in the government-wide statement of \$205,361 for deferred IMRF activity.

In addition to liabilities, the statement of net 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. Deferred inflows of resources (\$509,401) is reported in the government-wide and governmental funds for property taxes levied for use in subsequent periods, as well as \$269,938 for deferred IMRF activity reported on the government-wide statement of net position only.

NOTE 11 – TRANSFERS AND INTERFUNDS

There were no transfer of funds in the current fiscal year.

Interfund balances are balances due to and from funds and are expected to be repaid in the next fiscal year. The IMRF fund owes the General Fund \$8,507 in the current fiscal year for IMRF expenses paid from the General Fund.

LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended April 30, 2026

NOTE 12 – RESTATEMENT OF NET POSITION

The District restated beginning net position due to an error correction related to the allocation between governmental activities and business-type activities/proprietary fund of the IMRF net pension liability and deferred inflows and outflows for fiscal year ended April 30, 2025.

The items affected by the change are as follows:

	<u>April 30, 2025</u>	<u>As Restated</u>
Governmental Activities:		
Deferred Outflows - IMRF	266,637	66,659
Deferred Inflows - IMRF	(52,938)	(13,235)
Net Pension Liability - IMRF	(659,352)	(164,838)
Net Position, Ending	751,020	1,085,259
 Business-Type Activities and Proprietary Fund:		
Deferred Outflows - IMRF	-	199,978
Deferred Inflows - IMRF	-	(39,703)
Net Pension Liability - IMRF	-	(494,514)
Net Position, Ending	46,792,305	46,458,066

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, 2026

	Budget		Actual
	Original	Final	Amounts
Revenues			
Property taxes	\$ 171,000	\$ 171,000	\$ 170,908
Replacement tax	-	-	2,591
Interest	-	-	23,213
Total Revenues	171,000	171,000	196,712
Personnel Services			
Salaries and payroll taxes	240,000	240,000	216,261
Total Personnel Services	240,000	240,000	216,261
Contractual Services			
Professional engineering	65,000	65,000	71,182
Legal services	25,000	25,000	5,712
Other professional services	5,000	5,000	21
Total Contractual Services	95,000	95,000	76,915
Administrative Expenditures			
Printing, publications	4,500	4,500	504
Office supplies, equipment	2,500	2,500	592
Postage	1,000	1,000	-
Treasurer's bond	4,000	4,000	3,000
Community affairs	1,000	1,000	30
Membership and dues	4,000	4,000	876
Total Administrative Expenditures	17,000	17,000	5,002
Commodity Expenditures			
Building and grounds upkeep	15,000	15,000	4,977
Utilities	55,000	54,000	35,728
J.U.L.I.E.	3,000	4,000	3,193
Training and education	5,000	5,000	514
Travel expenses	2,000	2,000	50
Computer hardware, software & support	7,000	7,000	1,875
Total Commodity Expenditures	87,000	87,000	46,337
Other Expenditures			
Miscellaneous	1,000	1,000	150
Total Other Expenditures	1,000	1,000	150
Total General Fund	440,000	440,000	344,665
Net Change in Fund Balance	\$ (269,000)	\$ (269,000)	\$ (147,953)
Fund Balance			
Fund Balance, Beginning			955,215
Total Fund Balance, Ending			\$ 807,262
Reconciliation of Modified Accrual to Budget Basis Net Change in Fund Balance			
Excess (Deficiency) of Revenues Over/(Under) Expenditures - Modified Accrual Basis			
			\$ (147,953)
Total General Fund Expenditures - Modified Accrual Basis		\$ 344,665	
Expenditures incurred but not paid by year-end		(5,940)	
Prior year expenditures paid in current year but accrued in prior year		26,041	
Total Budget Basis Expenditures			364,766
Net Change in Fund Balance - Budget Basis			\$ (168,054)

LAKE IN THE HILLS SANITARY DISTRICT
Multi-year Schedule of Changes in Net IMRF Pension Liability and Related Ratios
Last 10 Calendar Years

Calendar Year Ending	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 84,274	\$ 81,449	\$ 74,779	\$ 70,526	\$ 67,995	\$ 65,863	\$ 71,608	\$ 63,209	\$ 67,952	\$ 69,512
Interest on the Total Pension Liability	374,926	359,677	336,495	317,262	309,058	282,729	252,027	237,766	235,467	222,115
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	94,784	(27,843)	84,243	57,621	(81,545)	274,046	263,377	35,279	(4,651)	45,934
Assumption Changes	-	-	7,905	-	-	(82,821)	-	118,788	(106,741)	(13,932)
Benefit Payments and Refunds	(217,660)	(191,063)	(182,963)	(181,543)	(185,690)	(169,747)	(151,572)	(154,878)	(163,139)	(150,295)
Net Change in Total Pension Liability	336,324	222,220	320,459	263,866	109,818	370,070	435,440	300,164	28,888	173,334
Total Pension Liability - Beginning	5,238,084	5,015,864	4,695,405	4,431,539	4,321,721	3,951,651	3,516,211	3,216,047	3,187,159	3,013,825
Total Pension Liability - Ending (a)	\$ 5,574,408	\$ 5,238,084	\$ 5,015,864	\$ 4,695,405	\$ 4,431,539	\$ 4,321,721	\$ 3,951,651	\$ 3,516,211	\$ 3,216,047	\$ 3,187,159
Plan Fiduciary Net Position										
Employer Contributions	\$ 146,482	\$ 110,300	\$ 144,990	\$ 161,250	\$ 206,375	\$ 242,905	\$ 151,642	\$ 132,995	\$ 121,610	\$ 111,249
Employee Contributions	42,932	41,021	38,251	36,153	30,077	31,809	29,452	28,230	26,514	40,264
Pension Plan Net Investment Income	696,782	414,813	412,622	(523,355)	603,284	433,736	456,472	(143,641)	391,039	142,802
Benefit Payments and Refunds	(217,660)	(191,063)	(182,963)	(181,543)	(185,690)	(169,747)	(151,572)	(154,878)	(163,139)	(150,295)
Other	62,749	(28,420)	103,035	17,777	(4,523)	16,108	36,635	55,314	(37,539)	(3,250)
Net Change in Plan Fiduciary Net Position	731,285	346,651	515,935	(489,718)	649,523	554,811	522,629	(81,980)	338,485	140,770
Plan Fiduciary Net Position - Beginning	4,578,732	4,232,081	3,716,146	4,205,864	3,556,341	3,001,530	2,478,901	2,560,881	2,222,396	2,081,626
Plan Fiduciary Net Position - Ending (b)	\$ 5,310,017	\$ 4,578,732	\$ 4,232,081	\$ 3,716,146	\$ 4,205,864	\$ 3,556,341	\$ 3,001,530	\$ 2,478,901	\$ 2,560,881	\$ 2,222,396
Net Pension Liability/(Asset) - Ending (a) - (b)	264,391	659,352	783,783	979,259	225,675	765,380	950,121	1,037,310	655,166	964,763
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.26%	87.41%	84.37%	79.14%	94.91%	82.29%	75.96%	70.50%	79.63%	69.73%
Covered Valuation Payroll	\$ 954,044	\$ 911,564	\$ 850,025	\$ 803,402	\$ 668,384	\$ 706,863	\$ 654,476	\$ 627,335	\$ 589,197	\$ 600,051
Net Pension Liability as a Percentage of Covered Valuation Payroll	27.71%	72.33%	92.21%	121.89%	33.76%	108.28%	145.17%	165.35%	111.20%	160.78%

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

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 111,249	\$ 111,249	\$ -	\$ 600,051	18.54%
2018	\$ 121,610	\$ 121,610	\$ -	\$ 589,197	20.64%
2019	\$ 132,995	\$ 132,995	\$ -	\$ 627,335	21.20%
2020	\$ 136,982	\$ 151,642	\$ (14,660)	\$ 654,476	23.17%
2021	\$ 155,227	\$ 242,905	\$ (87,678)	\$ 706,863	34.36%
2022	\$ 163,420	\$ 206,375	\$ (42,955)	\$ 668,384	30.88%
2023	\$ 175,865	\$ 161,250	\$ 14,615	\$ 803,402	20.07%
2024	\$ 127,504	\$ 144,990	\$ (17,486)	\$ 850,025	17.06%
2025	\$ 110,299	\$ 144,907	\$ (34,608)	\$ 911,564	12.00%
2026	\$ 110,856 *	\$ 160,856	\$ (50,000)	\$ 957,922	11.56%

* Estimated based on contribution rate of 11.56% and Covered Valuation Payroll of \$957,922.

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

LAKE IN THE HILLS SANITARY DISTRICT ILLINOIS

Notes to Required Supplemental Information

For the Year Ended April 30, 2026

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 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 15, 2025 and amended on April 16, 2026.
- 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, 2026

- 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

Combining Balance Sheet - Nonmajor Funds

April 30, 2026

	Audit	Chlorination Fund	IMRF Fund	Public Liability Insurance Fund	Social Security Fund	Total
Assets						
Cash and cash equivalents	\$ 13,275	12,552	\$ 38,632	\$ 75,222	\$ 39,987	\$ 179,668
Taxes receivable, net of 1% allowance of loss	14,858	9,910	153,457	74,254	69,306	321,785
Total Assets	28,133	22,462	192,089	149,476	109,293	501,453
Liabilities						
Due to other funds	-	-	8,507	-	-	8,507
Total Liabilities	-	-	8,507	-	-	8,507
Deferred Inflows						
Property taxes	14,858	9,910	153,457	74,254	69,306	321,785
Total Deferred Inflows	14,858	9,910	153,457	74,254	69,306	321,785
Fund Balance						
Fund Balance - Restricted	13,275	12,552	30,125	75,222	39,987	171,161
Total Liabilities and Fund Balance	\$ 28,133	\$ 22,462	\$ 192,089	\$ 149,476	\$ 109,293	\$ 501,453

LAKE IN THE HILLS SANITARY DISTRICT

Combining Nonmajor Funds - Schedule of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended April 30, 2026

	Audit	Chlorination Fund	IMRF Fund	Public Liability Insurance Fund	Social Security Fund	Total
Revenues						
Property taxes	\$ 14,980	\$ 9,991	\$ 154,737	\$ 74,879	\$ 64,889	\$ 319,476
Total Revenues	14,980	9,991	154,737	74,879	64,889	319,476
Expenditures						
Auditing expense and fee	16,000	-	-	-	-	16,000
Pension contributions	-	-	160,856	-	-	160,856
Public liability insurance	-	-	-	138,259	-	138,259
Social Security contributions	-	-	-	-	74,658	74,658
Total Expenditures	16,000	-	160,856	138,259	74,658	389,773
Net Change in Fund Balance	(1,020)	9,991	(6,119)	(63,380)	(9,769)	(70,297)
Fund Balance						
Fund Balance, Beginning	14,295	2,561	36,244	138,602	49,756	241,458
Total Fund Balance, Ending	\$ 13,275	\$ 12,552	\$ 30,125	\$ 75,222	\$ 39,987	\$ 171,161

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, 2026*

		Budget		Actual
		Original	Final	Amounts
Revenues				
Property taxes		\$ 15,000	\$ 15,000	\$ 14,980
Total Revenues		<u>15,000</u>	<u>15,000</u>	<u>14,980</u>
Expenditures				
Auditing expense and fee		17,000	17,000	16,000
Total Expenditures		<u>17,000</u>	<u>17,000</u>	<u>16,000</u>
Net Change in Fund Balance		<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	(1,020)
Fund Balance				
Fund Balance, Beginning				<u>14,295</u>
Total Fund Balance, Ending				<u>\$ 13,275</u>

Reconciliation of Modified Accrual to Budget Basis Net Change in Fund Balance

Excess (Deficiency) of Revenues Over/(Under) Expenditures - Modified Accrual Basis		\$ (1,020)
Total Audit Fund Expenditures - Modified Accrual Basis	\$ 16,000	
Expenditures incurred but not paid by year-end	-	
Prior year expenditures paid in current year but accrued in prior year	-	
Total Budget Basis Expenditures		<u>16,000</u>
Net Change in Fund Balance - Budget Basis		<u>\$ (1,020)</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, 2026**

		Budget		Actual
		Original	Final	Amounts
Revenues				
Property taxes		\$ 10,000	\$ 10,000	\$ 9,991
Total Revenues		<u>10,000</u>	<u>10,000</u>	<u>9,991</u>
Expenditures				
Chlorination, disinfection and treatment		50,000	50,000	-
Total Expenditures		<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balance		<u>\$ (40,000)</u>	<u>\$ (40,000)</u>	9,991
Fund Balance				
Fund Balance, Beginning				<u>2,561</u>
Total Fund Balance, Ending				<u>\$ 12,552</u>

Reconciliation of Modified Accrual to Budget Basis Net Change in Fund Balance

Excess (Deficiency) of Revenues Over/(Under) Expenditures - Modified Accrual Basis		\$ 9,991
Total Chlorination Fund Expenditures - Modified Accrual Basis	\$ -	
Expenditures incurred but not paid by year-end	-	
Prior year expenditures paid in current year but accrued in prior year	<u>-</u>	
Total Budget Basis Expenditures		<u>-</u>
Net Change in Fund Balance - Budget Basis		<u>\$ 9,991</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, 2026

		Budget		Actual
		Original	Final	Amounts
Revenues				
Property taxes		\$ 155,000	\$ 155,000	\$ 154,737
Total Revenues		<u>155,000</u>	<u>155,000</u>	<u>154,737</u>
Expenditures				
Pension contributions by employer		<u>155,000</u>	<u>155,000</u>	<u>160,856</u>
Total Expenditures		<u>155,000</u>	<u>155,000</u>	<u>160,856</u>
Net Change in Fund Balance		<u>\$ -</u>	<u>\$ -</u>	(6,119)
Fund Balance				
Fund Balance, Beginning				<u>36,244</u>
Total Fund Balance, Ending				<u>\$ 30,125</u>

Reconciliation of Modified Accrual to Budget Basis Net Change in Fund Balance

Excess (Deficiency) of Revenues Over/(Under) Expenditures - Modified Accrual Basis		\$ (6,119)
Total IMRF Fund Expenditures - Modified Accrual Basis	\$ 160,856	
Expenditures incurred but not paid by year-end	(8,507)	
Prior year expenditures paid in current year but accrued in prior year	<u>8,877</u>	
Total Budget Basis Expenditures		<u>161,226</u>
Net Change in Fund Balance - Budget Basis		<u>\$ (6,489)</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, 2026**

		Budget		Actual
		Original	Final	Amounts
Revenues				
Property taxes		\$ 75,000	\$ 75,000	\$ 74,879
Total Revenues		<u>75,000</u>	<u>75,000</u>	<u>74,879</u>
Expenditures				
Workers compensation		25,000	25,000	22,587
Property		50,000	50,000	49,770
Vehicles		15,000	15,000	8,899
General liability		74,000	74,000	56,327
Administration fee		1,000	1,000	676
Total Expenditures		<u>165,000</u>	<u>165,000</u>	<u>138,259</u>
Net Change in Fund Balance		<u>\$ (90,000)</u>	<u>\$ (90,000)</u>	(63,380)
Fund Balance				
Fund Balance, Beginning				<u>138,602</u>
Total Fund Balance, Ending				<u>\$ 75,222</u>
Reconciliation of Modified Accrual to Budget Basis Net Change in Fund Balance				
Excess (Deficiency) of Revenues Over/(Under) Expenditures - Modified Accrual Basis				\$ (63,380)
Total Public Liability Insurance Fund Expenditures - Modified Accrual Basis		\$ 138,259		
Expenditures incurred but not paid by year-end			-	
Prior year expenditures paid in current year but accrued in prior year			-	
Total Budget Basis Expenditures				<u>138,259</u>
Net Change in Fund Balance - Budget Basis				<u>\$ (63,380)</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, 2026

		Budget		Actual
		Original	Final	Amounts
Revenues				
Property taxes		\$ 65,000	\$ 65,000	\$ 64,889
Total Revenues		<u>65,000</u>	<u>65,000</u>	<u>64,889</u>
Expenditures				
Social security contributions		85,000	85,000	74,658
Total Expenditures		<u>85,000</u>	<u>85,000</u>	<u>74,658</u>
Net Change in Fund Balance		<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	(9,769)
Fund Balance				
Fund Balance, Beginning				<u>49,756</u>
Total Fund Balance, Ending				<u>\$ 39,987</u>

Reconciliation of Modified Accrual to Budget Basis Net Change in Fund Balance

Excess (Deficiency) of Revenues Over/(Under) Expenditures - Modified Accrual Basis		\$ (9,769)
Total Social Security Fund Expenditures - Modified Accrual Basis	\$ 74,658	
Expenditures incurred but not paid by year-end	-	
Prior year expenditures paid in current year but accrued in prior year	-	
Total Budget Basis Expenditures	<u>74,658</u>	
Net Change in Fund Balance - Budget Basis		<u>\$ (9,769)</u>

LAKE IN THE HILLS SANITARY DISTRICT

Proprietary Fund Types - Schedule of Expenses

- Budget and Actual

For the Year Ended April 30, 2026

	Budget		
	Original	Final	Actual Amounts
Personnel Services			
District personnel salaries and benefits	\$ 800,000	\$ 800,000	\$ 684,192
Total Personnel Services	800,000	800,000	684,192
Administrative Expenses			
Telephone	3,000	3,000	2,227
Postage	32,000	32,000	27,699
Printing, publishing	2,000	2,000	283
Office supplies	8,000	8,000	5,246
Billing and collection expense	85,000	85,000	53,794
Professional services	6,000	6,000	2,978
Training, travel, and education	7,000	7,000	7,026
Computer hardware, software, and support	30,000	30,000	20,757
Community affairs	2,000	2,000	-
Medical and life insurance	375,000	375,000	326,770
Total Administrative Expenses	550,000	550,000	446,780
Operation and Maintenance of Plant			
Operating supplies	60,000	60,000	41,878
Maintenance and repair (plant)	150,000	200,000	161,192
Maintenance and repair (collection system)	300,000	250,000	68,098
Utilities and energy	600,000	600,000	526,243
Grounds upkeep	30,000	30,000	16,340
Gasoline/oil	20,000	20,000	11,083
Computer and support services	2,000	2,000	-
Emergency communications	20,000	20,000	11,151
Sludge management	375,000	375,000	181,324
Professional services	45,000	45,000	34,303
Residential reimbursement	10,000	10,000	-
Compliance requirements/permits	30,000	30,000	17,500
GIS	10,000	10,000	-
Total Operation and Maintenance of Plant	1,652,000	1,652,000	1,069,112

continued

LAKE IN THE HILLS SANITARY DISTRICT

Proprietary Fund Types - Schedule of Expenses

- Budget and Actual

For the Year Ended April 30, 2026

	Budget		Actual Amounts
	Original	Final	
Capital Improvements			
New construction	\$ 1,500,000	\$ 1,500,000	\$ 117,389
Plant equipment	500,000	500,000	2,000
Collection system	1,500,000	1,500,000	-
Vehicles	75,000	75,000	-
Legal expense	5,000	5,000	-
Engineering expense	200,000	200,000	-
Bond, finance consulting expense	1,000	1,000	-
Total Capital Improvements	3,781,000	3,781,000	119,389
Bond and Interest Account			
2014 Debt Certificates, principal	130,000	130,000	-
2014 Debt Certificates, interest	86,000	86,000	85,925
Administration fee	2,000	2,000	400
Contingent & miscellaneous expenses	3,000	3,000	172
Total Bond and Interest Account	221,000	221,000	86,497
Other Expense			
Depreciation expense	-	-	2,135,219
Total Other Expense	-	-	2,135,219
Total Expenses	\$ 7,004,000	\$ 7,004,000	\$ 4,541,189

Reconciliation of Modified Accrual Expenditures to Budget Basis Expenditures

Total Expenses - Accrual Basis	\$ 4,541,189
Expenditures incurred but not paid by year-end	(15,930)
Prior year expenditures paid in current year but accrued in prior year	65,879
Total Expenses - Budget Basis	\$ 4,591,138
	<i>concluded</i>