

**LAKE IN THE HILLS SANITARY DISTRICT  
AGENDA  
REGULAR MEETING  
OF THE BOARD OF TRUSTEES  
August 9, 2018  
7:00 P.M.**

**REGULAR MEETING OF THE BOARD OF TRUSTEES**

**Roll Call**

**Approval of the Minutes**

**Public Comments**

**Consent Agenda**

- A. Approval of Ordinance No. 393 – “An Ordinance Levying Taxes for the Lake in the Hills Sanitary District for Fiscal Year 2018- 2019”.**
- B. Approval of Ordinance No. 394 – “An Ordinance Amending Chapter 4 of the Lake in the Hills Sanitary District’s Code of Rules and Regulations”.**
- C. Approval of Change Order #4 in the amount of \$14,720.00 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.**

**Specific Agenda**

**Accountant’s Report**

**Approval of Bills**

**Manager’s Report**

**Operations Update**

**Project Updates**

**Biosolids Handling**

**Draft Financial Statements for the Year Ended April 30, 2018 as provided by George Roach & Associates**

**Draft Change Order #5 AMS, Digester No. 4**

**Engineers Report**

**Attorney’s Report**

**LAKE IN THE HILLS SANITARY DISTRICT  
AGENDA REGULAR MEETING OF  
THE BOARD OF TRUSTEES  
August 9, 2018  
7:00 p.m.  
Page 2**

**Unfinished Business**

**New Business**

**Adjournment**

**Lake in the Hills Sanitary District  
Board of Trustees Regular Meeting Minutes  
July 12, 2018**

**Roll Call:**

The regular meeting was called to order by President Hansen at 7:00 pm at the Sanitary District offices located at 515 Plum Street. Roll call was answered by President Eric Hansen, Trustee Terry Easler and Trustee Cheryl Kehoe. Also present were District Manager Rick Forner, District Attorney Ann Williams and District Treasurer/Clerk Karen Thompson

**Approval of Minutes:**

Motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the Minutes of the Regular Board Meeting of June 14, 2018 as presented. On a roll call vote, President Hansen, Trustee Easler and Trustee Kehoe voted aye.

**Public Comments:**

Joseph Greenwood of Blackberry Court in Lake in the Hills was present. With regard to the backup that occurred last month on Clark, he is suggesting that there be a preventative maintenance program in place to check all equipment so that issues like this can be avoided in the future. District Manager explained our process of checking the lift station and equipment each week. He also commented that we have an outside source that will call us via an auto dialer if an issue is detected. He further indicated that he appreciates the thoughts and suggestions.

**Consent Agenda:**

- A. Approval of Application and Certificate for payment #2 in the amount of \$177,842.75 to Energenec, Inc. for the Reconfiguration of Existing Hoffman Air Blowers project.
- B. Approval of Final Plat of Resubdivision of Lot 2 in Restart Lake in the Hills, Dated 1/26/18
- C. Approval of Change Order #1 in the amount of \$7,950.00 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.
- D. Approval of Change Order #2 in the amount of \$9,496.13 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.
- E. Approval of Change Order #3 in the amount of \$17,697.74 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.
- F. Approval of Application and Certificate for payment #1 in the amount of \$152,132.40 to AMS Mechanical Systems, Inc. for Aerobic Digester #4 project.

Trustee Easler commented that all of these changes orders are approved by a professional Engineer. District Manager concurred and indicated that you can find their signature on the bottom of each change order.

Motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the Consent Agenda as presented (Items A – F). On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.

**Specific Agenda:**

A. Acceptance of Postl Yore's resignation as District Engineers effective July 5, 2018.

District Manager reminded the Board that there are five outstanding projects that Postl Yore is currently working on (Blowers, Digester #4, Barium, Phosphorus, and the Pipe Lining Project). He is suggesting that Postl Yore continue with at least the first four of these projects since they have all been started. He then provided details on the progress of each of these projects. He further indicated that the pipe-lining project could be handled by the new District Engineer if they are appointed before construction begins. President Hansen and the other Board members indicated that this would be fine.

District Manager further indicated that he has prepared an RFQ for a District Engineer. This RFQ contains an aggressive timeline, which would include having a recommendation to the Board by the August meeting. He forwarded a copy of this RFQ to the District Attorney for review. District Attorney would like to review further and will get back to him by Monday. Once the Attorney approves the RFQ it will be sent to several local firms, will be published in the newspaper and will be posted on the District's website.

The District Attorney asked about the interview and selection process. She further indicated that because we are three member Board, only one Trustee could be on the evaluation and selection committee. She offered her assistance as well. District Manager sought suggestions from President Hansen regarding who would serve on this committee.

Motion was made by Trustee Easler, seconded by Trustee Kehoe to approve Specific Agenda Item A and accept Postl Yore's resignation as District Engineers effective July 5, 2018.

Trustee Easler asked the District Attorney to confirm that we would be in compliance if we continue to use Postl Yore's services to complete these projects after his official resignation. The District Attorney indicated that she will review further, but does not think that it will be an issue because all of the construction contracts have been approved. Instead, it would just be a change to the capacity of the Engineer. The fees for his services will be submitted and presented to the Board for approval as they always have been.

On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.

**Accountant's Report:**

District Treasurer presented copies of the June 2018 Treasurer reports. She indicated that there was nothing notable to highlight for June, but would be happy to answer any questions.

Trustee Easler asked the Treasurer to point out any large or out of the ordinary bills that come in each month before they are approved by the Board. District Treasurer indicated that she will do that in her report under Approval of Bills. She further reminded him that the large payments to contractors will be on the Consent Agenda so they would be voted on there as opposed to her list of bills.

Motion was made by Trustee Kehoe seconded by Trustee Easler to approve the June 2018 Treasurer Reports. On a roll call vote President Hansen and Trustees Easler and Kehoe voted aye.



### **Approval of Bills:**

District Treasurer presented a list of bills for approval. Per Trustee Easler's request, she pointed out some of the larger bills that were on the list to be approved. She also stated that she has copies of the bills if anybody wanted to see any detail.

A motion was made by Trustee Easler and seconded by Trustee Kehoe to approve the List of Bills as presented for payment totaling \$ 280,774.13 with \$ 27,321.92 from the General Corporate Fund, \$ 220,637.21 from the Operations and Maintenance Fund, \$ 32,815.00 from the Construction Fund and \$ 0.00 from the Bond and Interest Fund.

The motion passed after a roll call vote; President Hansen and Trustees Easler and Kehoe voted aye. (A copy of the bills approved will be kept with the Board Meeting documents)

### **Manager's Report:**

District Manager presented a written copy of the June 2018 Managers Report and provided a verbal recap of some items.

With regard to the backup on Clark, we have been in contact with our insurance company and they have covered this customer's claim.

Precipitation for June was more than double the average. There were high flows throughout the system, but the plant was able to handle well and there were no backups.

District Manager presented a draft copy of the Tax Levy. It reflects a 2% reduction. Last year's levy reflected an 11% reduction. He plans to present the final copy to the Board for consideration at the August meeting.

He presented a memo to the Board regarding the Bio Solids handling. He is recommending that we take over the pressing operation and hire a new employee to handle this process. This would result in savings for the District. Trustee Easler wanted to confirm when the cost savings would be seen and what the term of the contract will be. District Manager explained the process and indicated that the contract with Synagro only for the hauling and land application would be for a 5 year term.

District Manager further asked the District Attorney to confirm that we are okay to do a change order to extend our contract with Synagro. This change order would narrow the scope by eliminating the pressing operation; but keeping the hauling and land application. District Attorney indicated that she would like to research further, but thinks that since we are narrowing the scope and not adding to the scope it should be okay. She will research, confirm and let District Manager know.

District Manager indicated that in August he will have an Ordinance prepared for the Board's consideration that lines up our bill due date to match the Village of Lake in the Hills bills. This was discussed several months ago, but we were waiting until we had used up our current bill stock.

He further indicated that at the August meeting draft copies of the Audit will be ready for review. We will seek approval of the final copy at the September meeting.

Motion was made by Trustee Easler, seconded by Trustee Kehoe to approve the Manager's report as presented. On a roll call vote President Hansen, Trustee Easler and Trustee Kehoe voted aye.

### **Engineer's Report:**

None (*District Manager provided an update on the ongoing construction projects during the Specific Agenda*).

### **Attorney's Report:**

District Attorney reported on the litigation to recoup the escrow funds. She reminded the Board that previously the McHenry County States Attorney did a quo warranto action to declare both the land annexation and contract invalid and to state that President Hansen and Trustee Kane were validly seated as Trustees. Then the order was voluntarily dismissed. Moving forward with the litigation to recoup this money, we need to revisit some of these issues because it could complicate our efforts in an adversarial litigation case. One option is to go back to that quo warranto action and ask the McHenry County States Attorney to refile it. We've moved on from the de facto issues, but refiling would legally solidify those positions so that things are not in limbo. She spoke to McHenry County Chairman Jack Franks about this. We only have one year to do this, which is around August 27<sup>th</sup>. If it is refiled, the court can rule on the undecided issues. Since it is now a non-adversarial case this should not be an extensive piece of litigation. Trustee Easler asked some questions regarding the contract. District Attorney explained and indicated that she would be available to answer any questions. District Manager questioned how these outstanding issues became in limbo. District Attorney explained and further commented that it would have been better if the Judge had ruled on the case instead of just dismissing it. District Attorney indicated that she will continue to keep the Board updated.

### **Unfinished Business:**

Trustee Easler asked for an update on the consolidation process. President Hansen indicated that the City of Crystal Lake and the Villages of Huntley & Lake in the Hills have asked for a more in depth study. An RFQ was issued by McHenry County. Trustee Easler wanted to know who will pay for this study. President Hansen indicated that the Sanitary District will pay for it. Trustee Easler doesn't understand why the Sanitary District would pay for it when we did not request this study. He also doesn't believe that there is anybody out there who can go through and study the entire system. Trustee Easler believes that this could be a very expensive study. He believes that each entity who requested this study should share the cost. President Hansen indicated that this study will need to be done and whether it is paid for by the County, the Villages, the City or the Sanitary District it is all coming from taxpayer money. He further stated that the other entities don't want to pay for it because they have to face elections. In order for consolidation to move forward, this is what they want done. He further commented that a few months ago he thought the Village had bowed out, however, they are back in it but need this study done before moving forward.

District Attorney commented that this RFQ is being put together by the County and will go through the County's purchasing department. She further stated that since consolidation is such a new process we are in uncharted territory. She also pointed out that the timeframe of the County's RFQ is overlapping with the timeline of the District's RFQ for a new Engineer. If this creates complications, the County would be okay with doing an extension.

Trustee Easler further commented that the potential for consolidation might create issues when entering into a contract with a new District Engineer. It also creates uncertainty for the District Staff regarding their employment. President Hansen further commented that there are many unknown factors that will need to be considered. District Attorney agreed that things should be thoroughly discussed and vetted. This will not be something that will happen overnight.

District Manager indicated that he has been contacted by a few people regarding the County's RFQ. They have asked to schedule site visits at the plant. He is concerned that this could create potential inequities in the RFQ process. He is uncertain about how he should proceed and is looking for direction from the Attorney and the Board. District Attorney agreed and said that to be fair you need to share information and give the same opportunities to all. District Manager suggested that the County's purchasing department send out a notice and an addendum to notify all interested parties that tours will be available on a certain date & time. The District Manager will cancel his upcoming tours and will direct those parties back to the County's purchasing department.

**New Business:**

None

**Adjournment:**

There being no further business to bring before the Board, President Hansen asked for a motion to adjourn the meeting. Motion was made by Trustee Easler and seconded by Trustee Kehoe. The motion passed after a verbal vote. All Board members who were present voted aye.

The meeting was adjourned at 7:52 pm.

Respectfully Submitted,



Karen Thompson,  
District Clerk

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2018 .

\_\_\_\_\_  
President Hansen

*An Ordinance Levying Taxes for the Lake in the Hills  
Sanitary District for Fiscal Year 2018-2019*

WHEREAS, the Board of Trustees of the Lake in the Hills Sanitary District, in the County of McHenry, State of Illinois, did on the 10th day of May, 2018, pass the Combined Budget and Appropriation Ordinance for said District for the fiscal year commencing on May 1, 2018, and ending on the 30th day of April, 2019, the amount of which is ascertained to be the aggregate sum of \$ 7,584,500.00, which Combined Annual Budget and Appropriation Ordinance was published on the 11<sup>th</sup> day of May, 2018.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Lake in the Hills Sanitary District in the County of McHenry, State of Illinois, as follows:

SECTION 1: There is hereby levied upon all of the taxable property within the corporate limits of the Lake in the Hills Sanitary District, for the year 2018, the total sum of \$662,500, and that the objects and purposes of which said Levy is made and amounts appropriated for the same are as follows:

	<u>Total Levied</u>
A. GENERAL FUND	\$ 283,700
B. CHLORINATION FUND Chlorination, Disinfection & Treatment	19,000
C. AUDIT FUND Auditing Expense and Fee	10,000
D. PUBLIC LIABILITY INSURANCE FUND Public Liability Insurance	149,800
E. SOCIAL SECURITY FUND Social Security Contribution	50,000
F. ILLINOIS MUNICIPAL RETIREMENT FUND Pension Contribution by Employer	150,000
G. SEWERAGE OPERATIONS & MAINTENANCE FUND	
1. Personnel Services	
2. Administrative Expenses	
3. Operation and Maintenance of Plant	
4. Capital Improvements	
5. Bond and Interest Account	
6. Contingent Expenses	
GRAND TOTAL SEWERAGE OPERATIONS & MAINTENANCE FUND	-0-

## SUMMARY OF TAXES LEVIED

General Corporate Fund:	\$ 283,700
Chlorination Fund:	\$ 19,000
Audit Fund:	\$ 10,000
Public Liability Insurance Fund:	\$ 149,800
Social Security Fund:	\$ 50,000
Illinois Municipal Retirement Fund:	<u>\$ 150,000</u>

**TOTAL**      \$ 662,500

SECTION 2: The tax so levied and assessed as aforesaid shall be collected and enforced in the same manner and by the same officers as in general taxes of the Lake in the Hills Sanitary District, County of McHenry, State of Illinois, and shall be paid over by the officers collecting the same to the Finance Director of the Board of Trustees of the Lake in the Hills Sanitary District.

SECTION 3: The Clerk of the Board of Trustees of the Lake in the Hills Sanitary District shall make and file with the County Clerk of McHenry County, Illinois, a certified copy of this Ordinance, and that the rate percent be ascertained and the tax extended, as provided by law, against the property included in the Lake in the Hills Sanitary District, County of McHenry, State of Illinois.

SECTION 4: The provisions of 35 ILCS 200/18-55 *et seq.*, the Truth in Taxation Law, were complied with by the Lake in the Hills Sanitary District.

SECTION 5: This Ordinance shall take effect from and after its passage, approval and publication in pamphlet for (which publication is hereby authorized) as provided by law.

Ayes:  
Nays:  
Absent:  
Abstain:

APPROVED:

\_\_\_\_\_  
President Eric Hansen

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk Karen Thompson

Passed: \_\_\_\_\_

Approved: \_\_\_\_\_

Published: \_\_\_\_\_

### CERTIFICATION

I, KAREN THOMPSON, do hereby certify that I am the duly appointed and qualified Clerk of the Lake in the Hills Sanitary District, McHenry County, Illinois, and that as such Clerk, I am the keeper of the ordinances, records, corporate seal and proceedings of the President and Board of Trustees of said Lake in the Hills Sanitary District.

I do hereby further certify that at a meeting of the President and Board of Trustees of the Lake in the Hills Sanitary District, held on 9th day of August, 2018, the foregoing Ordinance entitled *An Ordinance Levying Taxes for the Lake in the Hills Sanitary District for Fiscal Year 2018-2019* was duly passed and approved by the President and Board of Trustees of the Lake in the Hills Sanitary District.

The pamphlet form of Ordinance No. 393, including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the Lake in the Hills Sanitary District office, 515 Plum Street, commencing on the 10th day of August, 2018, and continuing for at least 10 days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Sanitary District Clerk.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Clerk of said District for safekeeping, and that I am the lawful custodian and keeper of the same.

In witness whereof, I have affixed my name as Clerk and caused the seal of said District to be affixed hereto this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Karen Thompson, Clerk  
Lake in the Hills Sanitary District,  
McHenry County, Illinois

(SEAL)

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**Ordinance No. 394**

*An Ordinance Amending Chapter 4 of the Lake in the Hills Sanitary  
District's Code of Rules and Regulations*

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ORDINANCE PASSED BY THE  
PRESIDENT AND BOARD OF TRUSTEES  
OF THE LAKE IN THE HILLS SANITARY DISTRICT  
AT THEIR MEETING ON AUGUST 9, 2018,  
PUBLISHED IN PAMPHLET FORM BY AUTHORITY OF THE  
PRESIDENT AND BOARD OF TRUSTEES  
OF THE  
LAKE IN THE HILLS SANITARY DISTRICT

President:

Eric Hansen

Board of Trustees:

Cheryl Kehoe

Terry Easler

Clerk:

Karen Thompson

## ORDINANCE NO. 394

### *An Ordinance Amending Chapter 4 of the Lake in the Hills Sanitary District's Code of Rules and Regulations*

BE IT ORDAINED by the President and Board of Trustees of the LAKE IN THE HILLS  
SANITARY DISTRICT, McHenry County, Illinois as follows:

SECTION 1: Chapter 4, Section 4.06, Billing for Sewerage Service, Item A, of the Lake  
in the Hills Sanitary District Code of Rules and Regulations shall be amended to read as follows:

Any and all users of the premises shall be jointly and severally liable  
to pay the sewer user service charge for service to the premises, and service is  
furnished to the premises by the District only upon the condition that the users  
are jointly and severally liable therefore to the District. All bills shall be  
mailed to the owner of record. The District shall not be responsible for  
forwarding bills to tenants or other persons. All bills shall be payable not later  
than the close of business on the 21<sup>st</sup> day after the date the bills are mailed. If  
the 21<sup>st</sup> day falls on the weekend, the due date will extend to the following  
Wednesday. If payment of the full amount of the bill is not made within said  
period, a penalty of 10percent of the amount due shall be added.

SECTION 2: If any section, paragraph, subdivision, clause, sentence or provision of this  
Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment  
shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain  
and continue in full force and effect.

SECTION 3: All Ordinances or parts of Ordinances in conflict herewith are hereby  
repealed to the extent of such conflict.

SECTION 4: This Ordinance shall be in full force and effect on August 10, 2018.  
Publication in pamphlet form is hereby authorized as provided by law.

Ayes:

Nays:

Absent:

Abstain:



APPROVED:

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President Eric Hansen

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Karen Thompson, Clerk

Passed:

Approved:

Published:

## CERTIFICATION

I, KAREN THOMPSON, do hereby certify by my signature affixed below that I am the duly appointed and qualified Clerk of the LAKE IN THE HILLS SANITARY DISTRICT, County of McHenry, Illinois, and that as such Clerk, I am the keeper of the ordinances, records, corporate seal and proceedings of the President and Board of Trustees of said Lake in the Hills Sanitary District.

I do hereby further certify that at a regular meeting of the President and Board of Trustees of the LAKE IN THE HILLS SANITARY DISTRICT, Illinois, held on the 9<sup>th</sup> day of August, 2018, the foregoing Ordinance titled *An Ordinance Amending Chapter 4 of the Lake in the Hills Sanitary District's Code of Rules and Regulations*, was duly passed and approved by the President and Board of Trustees of the LAKE IN THE HILLS SANITARY DISTRICT.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Clerk of said District for safekeeping, and I am the lawful custodian and keeper of the same.

IN WITNESS WHEREOF, I have affixed my name as Clerk and caused the seal of said District to be affixed hereto this 9<sup>h</sup> day of August, 2018.

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Clerk Karen Thompson

Lake in the Hills Sanitary District

## SECTION 01 26 63

## CHANGE ORDERS

ORDER NUMBER: 4DATE: 08/03/2018AGREEMENT DATE: 02/08/2018

The directed to make the following changes to this CONTRACT:

1. Changes to the contract specifications – See Attachment A
2. Changes to the contract price – See Attachment B

No other work is changed by this Change Order. All materials shall be as specified and approved.

Not valid until signed by the OWNER. Signature of the Contractor indicates his agreement herewith, including any adjustment in the CONTRACT PRICE or CONTRACT TIME.

Original CONTRACT PRICE	\$ <u>1,820,000.00</u>
Current CONTRACT PRICE adjusted by previously CHANGE ORDER(S)	\$ <u>35,143.89</u>
The CONTRACT PRICE prior to this CHANGE ORDER was	\$ <u>1,855,143.80</u>
The CONTRACT PRICE will be (increased) (decreased) by this Change Order	\$ <u>14,720.00</u>
The new CONTRACT PRICE including this CHANGE ORDER will be	\$ <u>1,869,863.80</u>
The CONTRACT TIME will be (increased) (decreased) by _____ ( )	
calendar days.	

The date for completion of all work will be PENDING (Date).

Approved this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_

Approved this 8th day of AUG, 2018

\_\_\_\_\_  
OWNER

Kenneth Scharlow / smw

\_\_\_\_\_  
CONTRACTOR

Approved this 8 day of Aug 2018  
[Signature]  
ENGINEER

# Change Request Proposal



Project: 25046 / LITH DIGESTER #4 PROJ  
(name and address) LAKE IN THE HILLS SANITARY DIS  
515 PLUM STREET  
LAKE IN THE HILLS, IL 60156

Change request number: 1010  
Description: Earth Retention work.

Customer: LAKE IN THE HILLS SANITARY

## Notice to Proceed

Submitted date:  
Received date:  
Rough order of magnitude: 0.00

Status: PROPOSED  
Origination date: 08/03/18

## Quotation

Submitted date: 08/03/18  
Due date:  
Submitted amount: 14,720.00  
Requested days delay: 0

## Revenue Detail

Billing Item	Description	Revenue
		14,720.00
Total Revenue For CR 1010		14,720.00

## Approvals

Customer: LAKE IN THE HILLS SANITARY  
Authorized Representative: \_\_\_\_\_

Contractor: AMS MECHANICAL SYSTEMS, INC.

By: \_\_\_\_\_

By: Kenneth Scharlow / AMS

Date: \_\_\_\_\_

Date: 08/03/2018



11013 122<sup>nd</sup> Street – Pleasant Prairie, WI 53158  
262-857-7414 262-857-2927 fax

To: AMS Mechanical	Attention: Ken Scharlow
Fax:	Phone: (630) 320-7714
Email: <a href="mailto:kscharlow@AMS-PMT.COM">kscharlow@AMS-PMT.COM</a>	Date: 7/25/18
From: Kevin Garrison	Number of Pages: 1
Bid#	Job# 218020 phase #: 300
DKC change order request# 3-R1	GC reference#

RE: RESPONSE TO PLAN CHANGES:

Below, please find our quote for the Changes requested on the above project.

On 6/29/18 thru 7/5/18 we purchased and installed concrete blocks for earth retention. This was work that was verbally agreed upon by LITHSD, Postl-Yore and AMS and we were directed to proceed and track costs.

We had a total of 11 labor hours @ \$105.00 = \$1,155.00, 9.5 Hours of skidsteer/operator @ \$190.00 = \$1,805.00, 11.5 Hours of excavator/operator @ \$185.00 = \$2,127.50, 18 Hours of dump truck/teamster @ \$140.00 = \$2,520.00, 48 blocks @ \$40.00 = \$1,920.00, and 225 Ton of 3" rock @ \$20.00 = \$4,500.00

When we met, we agreed to a price of \$8,000.00 for 30 blocks. That would be a unit price of \$266.67 per block.

In the field, an additional 18 block were added. Using the same price per block, that adds \$4,800.00

Please issue a change order in the amount of \$12,800.00

We are also requesting a 1-week time extension.

Thank You,

Kevin Garrison

**LAKE IN THE HILLS SANITARY DISTRICT**  
**MONTHLY TREASURER REPORT - GOVERNMENTAL FUNDS**  
 Month of July, 2018

	MONTH	YTD	BUDGET
<b>Beginning Cash and Investments</b>			
First National Bank	1,532,569.78	1,292,012.41	
Credit Cards	(81.61)	(406.93)	
<b>TOTAL BEGINNING CASH AND INVESTMENTS</b>	<u>1,532,488.17</u>	<u>1,291,605.48</u>	
<b>Revenues and Receipts</b>			
Real Estate Taxes			
General Fund			
Audit Fund	2,506.82	153,400.69	289,000.00
Chlorination Fund	168.11	10,287.67	19,400.00
Liability Insurance Fund	174.33	10,668.65	20,100.00
Social Security Fund	1,187.40	72,661.16	137,000.00
Retirement Fund	404.72	24,766.46	46,700.00
Replacement Taxes	921.53	56,391.49	106,300.00
Safety Grant Recvd from IL Public Risk Fund	268.53	613.15	-
Interest Income	-	-	-
	323.68	914.04	1,000.00
<b>TOTAL REVENUES AND RECEIPTS</b>	<u>5,955.12</u>	<u>329,703.31</u>	<u>619,500.00</u>
<b>Expenditures</b>			
<b>GENERAL FUND</b>			
<b>PERSONNEL SERVICES</b>			
Salaries of Trustees, Manager, Treasurer & Clerk	14,180.84	42,075.02	170,000.00
<b>CONTRACTUAL SERVICES</b>			
Professional Engineering	7,310.00	12,410.00	40,000.00
Legal Services	1,443.75	3,694.75	36,000.00
Other Professional Services	-	-	5,000.00
	8,753.75	16,104.75	81,000.00
<b>ADMINISTRATIVE EXPENSES</b>			
Printing, Publications	43.64	1,121.48	5,000.00
Office Supplies, Equipment	-	541.42	3,000.00
Postage	132.35	132.35	1,500.00
Treasurer's Bond	-	-	4,000.00
Community Affairs	-	-	2,000.00
Memberships and Dues	-	100.00	4,500.00
	175.99	1,895.25	20,000.00
<b>OPERATING EXPENSES</b>			
Building and Grounds Upkeep	2,160.75	4,348.06	12,000.00
Utilities	398.30	5,683.11	26,000.00
J.U.L.I.E.	-	-	3,000.00
Training and Education	-	-	2,000.00
Travel Expenses	-	40.00	2,000.00
Computer Hardware, Software & Support	99.95	637.35	8,000.00
	2,659.00	10,708.52	53,000.00
<b>CONTINGENT AND MISCELLANEOUS EXPENSES</b>			
Not Otherwise Appropriated	-	-	1,000.00
	-	-	1,000.00
<b>TOTAL GENERAL FUND</b>	<u>25,769.58</u>	<u>70,783.54</u>	<u>325,000.00</u>

**Expenditures (continued)**  
**CHLORINATION FUND**

-	2,183.90	24,000.00
-	2,183.90	24,000.00

**AUDIT FUND**

-	-	25,000.00
-	-	25,000.00

**PUBLIC LIABILITY INSURANCE FUND**

**Workers' Compensation**

**Property**

**Vehicles**

**General Liability**

**Administrative Fee**

-	4,076.00	24,000.00
-	-	45,000.00
-	-	18,000.00
-	-	80,000.00
-	123.00	800.00
-	4,199.00	167,800.00

**SOCIAL SECURITY FUND**

4,637.12	13,500.95	55,000.00
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**IMRF FUND**

11,882.82	34,487.63	150,000.00
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**OTHER EXPENDITURES (RECEIPTS)**

-	-	-
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**TOTAL EXPENDITURES**

42,289.52	125,155.02	746,800.00
-----------	------------	------------

**EXCESS OF REVENUES OVER (UNDER) EXPENDITURES**

(36,334.40)	204,548.29	(127,300.00)
-------------	------------	--------------

**Ending Cash and Investments**

**First National Bank**

**Credit Cards**

1,496,153.77	1,284,239.04
-	(531.20)

**TOTAL ENDING CASH AND INVESTMENTS**

**GENERAL CORPORATE FUND**

1,496,153.77	1,283,707.84
--------------	--------------

**LAKE IN THE HILLS SANITARY DISTRICT**  
**MONTHLY TREASURER REPORT - O&M/SEWERAGE FUNDS**  
 Month of July, 2018

		MONTH	YTD	BUDGET
<b>Beginning Cash and Investments</b>				
First National Bank - O & M Account	O&M	333,836.87	559,902.23	
First National Bank - Certificate Fund	Bond & Int	55,439.54	29,423.42	
First National Bank - Depreciation Account	Construction	1,941,941.35	1,900,909.65	
First National Bank - Surplus Funds	Construction	17,478.64	14,532.59	
First National Bank - Bond & Interest Fund	Bond & Int	599,908.56	527,845.89	
First National Bank - Sinking Funds	Bond & Int	562,853.27	533,136.32	
Algonquin Bank & Trust - Cash Mgr	O&M	2,709,824.68	3,007,896.46	
Algonquin Bank & Trust - Operating	O&M	-	2,164.00	
Home State Bank	O&M	46,931.86	46,412.23	
Illinois State Bank	O&M	28,904.64	28,820.69	
Credit Cards		(1,106.32)	(918.59)	
<b>TOTAL BEGINNING CASH AND INVESTMENTS</b>		<b>6,296,013.09</b>	<b>6,650,124.89</b>	
<b>SEWERAGE FUNDS</b>				
<b>Revenues and Receipts</b>				
Sewer Bill Income/User Charges		784,258.39	916,932.68	3,600,000.00
Septage Income		36,630.64	53,370.94	200,000.00
Wastewater Discharge Income		3,828.47	10,584.31	45,000.00
Refunds		(3,287.06)	(4,567.31)	-
Connection/Tap-On Fees		10,400.00	41,600.00	125,000.00
Annexation Fees (inc. GIS)		-	-	5,000.00
Downstream & Misc Charges		-	-	500.00
Liftstation Recapture		-	-	-
Gain/Loss - Sale of Equipment		-	-	-
Interest Income		5,473.22	16,171.50	10,000.00
<b>TOTAL REVENUES AND RECEIPTS</b>		<b>837,303.66</b>	<b>1,034,092.12</b>	<b>3,985,500.00</b>
<b>Expenditures</b>				
<b>PERSONNEL SERVICES</b>				
District Personnel Salaries		46,435.22	134,407.82	580,000.00
<b>ADMINISTRATIVE EXPENSES</b>				
Telephone		235.21	705.63	3,500.00
Postage		-	4,585.93	21,000.00
Printing and Publications		60.19	60.19	2,200.00
Office Supplies		319.37	809.00	8,500.00
Collection and Billing Expenses		5,289.78	16,873.50	80,000.00
Professional Services		80.04	245.93	20,000.00
Training, Travel and Education		210.00	210.00	5,000.00
Computer Hardware, Software, and Support		4,134.90	5,568.45	24,000.00
Community Affairs		42.18	62.18	2,000.00
Medical and Life Insurance		17,895.01	51,117.09	210,000.00
		28,266.68	80,237.90	376,200.00
<b>OPERATIONS AND MAINTENANCE</b>				
Operating Supplies		2,745.21	18,259.83	60,000.00
Maintenance and Repair (Plant)		16,105.23	41,653.01	150,000.00
Maintenance and Repair (Collection Systems)		56,968.66	83,911.00	310,000.00
Utilities and Energy		32,406.27	97,109.58	390,000.00
Grounds Upkeep		2,664.00	5,091.87	30,000.00
Gasoline/Oil		2,308.05	4,031.65	15,000.00
Computer and Support Services		-	-	2,000.00
Emergency Communications		4,566.35	14,053.87	54,000.00



Sludge Management	42,199.89	140,027.77	500,000.00
Professional Services	3,779.40	6,608.05	24,000.00
Residential Reimbursement	-	3,200.00	10,000.00
Compliance Requirements/Permits	17,500.00	17,500.00	28,500.00
GIS	2,495.00	2,495.00	10,000.00
	<u>183,738.06</u>	<u>433,941.63</u>	<u>1,583,500.00</u>

#### Expenditures (continued)

##### CAPITAL IMPROVEMENTS

New Construction	362,790.15	510,173.15	3,000,000.00
Plant Equipment	-	-	30,000.00
Collection System	-	-	370,000.00
Vehicles	-	-	130,000.00
Legal Expense	-	-	5,000.00
Engineering Expense	6,340.00	18,677.00	375,000.00
Bond, Finance Consulting Expense	-	-	1,000.00
	<u>369,130.15</u>	<u>528,850.15</u>	<u>3,911,000.00</u>

##### BOND TRANSFERS

2008 Debt Certificates, Principal	-	-	105,000.00
2008 Debt Certificates, Interest	-	-	53,000.00
Administration Fees - 2008 Debt Certs	-	-	3,500.00
	<u>-</u>	<u>-</u>	<u>161,500.00</u>

Series 2014 Bond, Principal	-	-	105,000.00
Series 2014 Bond, Interest	-	-	114,000.00
Administration Fees - 2014 Series Bond	-	-	3,500.00
	<u>-</u>	<u>-</u>	<u>222,500.00</u>

##### CONTINGENT AND MISCELLANEOUS EXPENSES

Not Otherwise Appropriated	-	-	3,000.00
	<u>-</u>	<u>-</u>	<u>3,000.00</u>

#### TOTAL EXPENDITURES

<u>627,570.11</u>	<u>1,177,437.50</u>	<u>6,837,700.00</u>
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#### EXCESS OF REVENUES OVER (UNDER) EXPENDITURES

<u>209,733.55</u>	<u>(143,345.38)</u>	<u>\$ (2,852,200.00)</u>
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#### Ending Cash and Investments

First National Bank - O & M Account	O&M	547,208.94	336,857.40
First National Bank - Certificate Fund	Bond & Int	68,452.50	42,430.29
First National Bank - Depreciation Account	Construction	1,953,263.57	1,930,087.43
First National Bank - Surplus Funds	Construction	54,715.04	23,567.65
First National Bank - Bond & Interest Fund	Bond & Int	602,745.33	593,893.57
First National Bank - Sinking Fund	Bond & Int	577,718.51	547,995.04
Algonquin Bank & Trust - Cash Mgr.	O&M	2,617,875.55	2,995,032.03
Algonquin Bank & Trust - Operating	O&M	1,753.00	14.00
Home State Bank - Now Account	O&M	50,122.39	46,651.01
Illinois State Bank	O&M	30,182.23	28,902.34
Credit Cards	O&M	(396.15)	(650.92)

#### TOTAL ENDING CASH AND INVESTMENTS

<u>6,503,640.91</u>	<u>6,544,779.84</u>
---------------------	---------------------

#### SEWERAGE FUNDS

**LITH SANITARY DISTRICT  
Bills Paid Before Meeting  
August 9, 2018 Meeting Date**

Name	Memo	Amount
<b>General Fund</b>		
<hr/>		
TOTAL GEN FUND BILLS PAID BEFORE MEETING		<hr/> <b>\$ -</b> <hr/>
<b>O &amp; M Fund</b>		
Ansercall 24	Emerg Comm	\$ 100.00
AT&T	Emerg Comm	\$ 372.01
Deluxe Business Sys	Printing & Publications - Dep Tix @ HSB	\$ 60.19
Flood Brothers Disposal	Building & Grounds - July 2018	\$ 318.00
TOTAL O & M BILLS PAID BEFORE MEETING		<hr/> <b>\$ 850.20</b> <hr/>

**LITH SANITARY DISTRICT  
Recurring Bills  
August 9, 2018 Meeting Date**

Name	Memo	Amount
<b>General Fund</b>		
Illinois Municipal Retirement Fund	Employer Portion of IMRF - July 2018	\$ 11,882.82
United States Treasury	District Pd Payroll Taxes (SS & Med)	\$ 4,637.12
TOTAL GENERAL FUND RECURRING BILLS		<hr/> <b>\$ 16,519.94</b> <hr/>
<b>O &amp; M Fund</b>		
Humana	Health Insurance Premiums	\$ 16,711.01
Payment Services Network	Collections Expenses June 2018	\$ 419.36
TOTAL O & M RECURRING BILLS		<hr/> <b>\$ 17,130.37</b> <hr/>

Approved \_\_\_\_\_

\_\_\_\_\_  
President Hansen

**LITH SANITARY DISTRICT - Governmental Fund  
Bills Presented to Board for Approval  
August 9, 2018**

Name	Memo	Amount
<b>GENERAL CORP FUND BILLS</b>		
First National Bank of Omaha - Visa	Computer Support	\$ 99.95
Interstate Gas Supply, Inc.	Utilities - Nat Gas June 2018	\$ 7.89
Illinois Municipal League	Membership/Dues - Subscription to IL Municipal Review	\$ 30.00
Nicor Gas	Utilities - Nat Gas	\$ 217.68
Shaw Suburban Media Group	Printing & Publications - RFQ Engineering Svs	\$ 90.54
Storino Ramello & Durkin	Legal Svs - June 2018	\$ 1,760.50
<b>TOTAL GENERAL CORP FUND BILLS</b>		<b>\$ 2,206.56</b>

**LITH SANITARY DISTRICT - O&M/Sewerage Fund  
Bills Presented to Board for Approval  
August 9, 2018**

Name	Memo	Amount
<b>O &amp; M BILLS</b>		
AT&T-Alarms	Emerg comm	\$ 3,619.18
AT&T-Alarms	Emerg comm - Decatur LS	\$ 218.54
Automatic Control Services	Maint/Repair - Plant, Industrial Line	\$ 1,973.40
AutoZone, Inc.	Maint/Repair - Vehicles	\$ 89.94
AutoZone, Inc.	Maint/Repair - Vehicles	\$ 4.99
Cintas Corporation #355	Supplies - Personnel	\$ 1,076.90
Comcast Cable	Comp Support & Telephone	\$ 360.14
ComEd, Inc.	Utilities - Coll Sys, Dam LS	\$ 756.38
ComEd, Inc.	Utilities - Coll Sys, Beach LS	\$ 115.79
Consolidated Electrical Distributors, Inc	Maint/Repair - Plant, GBT Air Comp Fuse	\$ 89.00
Controls Consulting, Inc.	Engineering - Decatur LS	\$ 1,960.00
Controls Consulting, Inc.	Engineering - SCADA	\$ 2,940.00
Controls Consulting, Inc.	Plant Equipment - AB SLC 5/04 Processor & Pwr Supply	\$ 3,655.00
Dynegy Energy Services	Utilities - Plant, Concord, Decatur & Pyott Rd LS	\$ 30,001.60

Element Materials Tech Daleville LLC  
 First National Bank of Omaha - Visa  
 First Security Systems, Inc.  
 Hawkins, Inc  
 John E Caccamo - Reimbursement  
 Knight E/A Inc  
 Logsdon Office Supply  
 Logsdon Office Supply  
 Lou's Gloves Inc  
 McHenry County Recorder  
 McMaster - Carr Supply Company, Inc.  
 Metropolitan Industries, Inc.  
 PetroChoice LLC  
 PetroChoice LLC  
 Pomp's Tire Service, Inc.  
 Postl-Yore and Associates Inc  
 Postl-Yore and Associates Inc  
 R.N.O.W., Inc.  
 Ryco Landscaping  
 Sartorius Corporation  
 Storino Ramello & Durkin  
 Storino Ramello & Durkin  
 Suburban Laboratories, Inc.  
 Technology Masters Inc  
 United Laboratories  
 Verizon Wireless  
 Warehouse Direct  
 Water One, Inc.  
 Water One, Inc.  
 Ziegler's Ace Hardware

Pro Svs - Lab	\$	70.55
Pro Svs, Comm Affairs, Maint/Repair Plant	\$	396.15
Maint/Repair - Plant, Fire Alarm System	\$	635.46
Supplies - Operations	\$	3,913.45
Insurance Reimbursement	\$	862.89
Pro Svs	\$	8,000.00
Office Supplies	\$	38.84
Office Supplies	\$	47.39
Supplies - Lab	\$	145.50
Collections	\$	27.50
Maint/Repair - Plant	\$	107.57
Maint/Repair - Plant	\$	643.51
Gas/Fuel	\$	760.74
Gas/Fuel	\$	1,266.27
Maint/Repair - Vehicles, John Deere Gator	\$	92.11
Engineering - Phosphorus	\$	370.00
Engineering - Collection System, CIP Pipe Lining	\$	740.00
Maint/Repair - Vehicles, Vactor	\$	102.84
Grounds Upkeep	\$	1,480.00
Operating Supplies - Lab	\$	166.15
Collections	\$	535.15
Cap Imprvmt Legal - Earnest Money Recovery	\$	1,233.75
Pro Svs - Lab	\$	132.00
Computer Support - Monthly Maintenance	\$	607.50
Supplies - Maint	\$	498.87
Emerg Comm	\$	307.30
Pro Svs	\$	19.91
Supplies - Personnel	\$	70.00
Supplies - Personnel	\$	70.00
Supplies - Maint	\$	312.49

## TOTAL O&M FUND BILLS

**\$ 70,514.75**

## CONSTRUCTION FUND BILLS

Controls Consulting	Engineering - Air Supply
Controls Consulting	Engineering - Air Supply
JCM Engineering & Associates Inc	Engineering - Air Supply
Postl-Yore and Associates	Engineering - Air Supply
Postl-Yore and Associates	Engineering - Digester #4

\$	560.00
\$	4,480.00
\$	3,140.00
\$	22,155.00
\$	17,065.00

## TOTAL CONSTRUCTION FUND BILLS

**\$ 47,400.00**

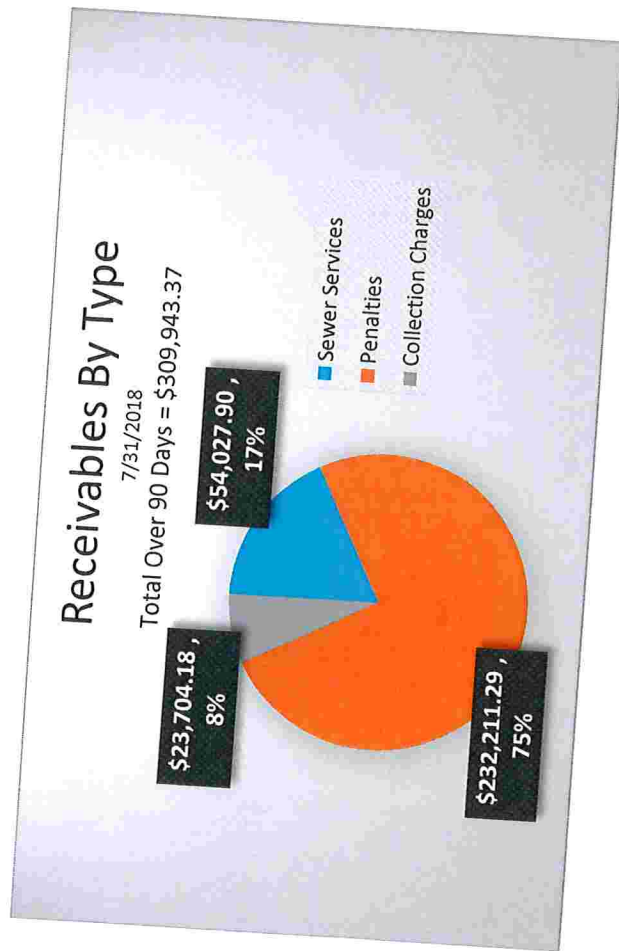
GRAND TOTAL OF ALL BILLS PRESENTED FOR APPROVAL IS \$ 154,621.82 OF WHICH \$ 18,726.50 IS FROM THE GENERAL CORPORATE FUND, \$ 88,495.32 IS FROM THE OPERATIONS AND MAINTENANCE FUND, \$ 47,400.00 IS FROM THE CONSTRUCTION FUND, AND \$ 0.00 IS FROM THE BOND AND INTEREST FUND.

Approved \_\_\_\_\_

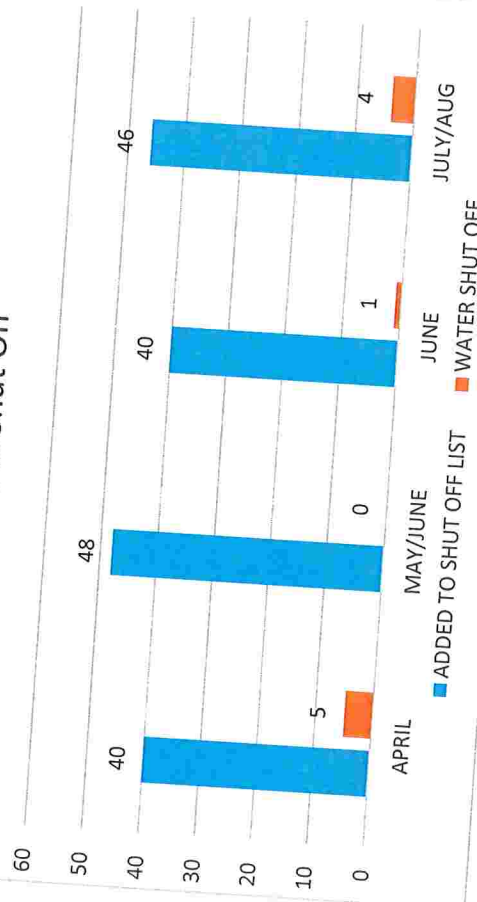
\_\_\_\_\_  
President Hansen

# Accounts Receivable Analysis

July 2018



## List vs Shut Off



## Monthly Shut Off Summary

### Lake in the Hills

- 3 shut off – 2 were pd in full post shut off and 1 remains unpaid.

### Huntley

- 1 shut off – pd in full post shut off

### Crystal Lake

- NONE

**LAKE IN THE HILLS SANITARY DISTRICT**  
**ANNUAL TREASURER'S REPORT**  
Year Ended April 30, 2018

**DRAFT**

**REVENUE SUMMARY**

Sewer Services Collections – 3,977,867 ; Property Taxes – 603,603; Connection Fees – 419,406; Interest Income – 36,080; Proceeds from Sale of Equipment – 2,605; Safety Grant Proceeds – 2,144; Replacement Taxes – 1,561.

**TOTAL REVENUES: \$5,043,266.**

**COMPENSATION SUMMARY**

Range Under \$25,000: Cheryl A. Kehoe, Eric J. Hansen, Jacob R. Lowenheim, John P. Sullivan, Joshua T. Dyra, Kyle Caccamo, Kyle D. Kane, Nancy A. Delaney, Renee J. Velasquez, Shelby Key, Terry L. Easler, Trevor A. Martenson; Range \$25,000 - \$49,999: Jennifer L. Olson, Jessica L. Maioni, Karen L. Thompson; Range \$50,000- \$74,999: James F. Olvera, Jerilyn Stahlberg, Michael G. Nelson, Ross K. Nelson, Tamara C. Mueller; Range \$75,000 to \$99,999: John E. Caccamo Jr; Range \$100,000 to \$124,999: Rick Forner; Range Over \$125,000: None.

**TOTAL COMPENSATION: \$640,707.**

**EXPENDITURE SUMMARY**

AB Links LLC – 3,650; Advantage Mechanical – 8,015; Algonquin Bank & Trust – 16,713; AMS Mechanical Systems – 17,863; Ancel Glink (et al.) – 42,913; AT&T – 44,371; Bank of New York Mellon – 162,338; Bearing Distributors Inc – 3,319; Benchmark Sales & Service Inc – 49,130; Bond Trust Services Corporation 215,338; Cintas Corporation – 11,291; Civic Systems LLC – 6,614; Comcast Cable – 4,259; ComEd – 11,252; Conrad De Latour & Associates Inc. – 6,431 Constellation NewEnergy Inc – 60,262; Controls Consulting Inc – 102,131; DN Tanks Inc – 32,140; Dynegy Energy Services – 312,889; EJ Equipment – 8,210; Flood Brothers Disposal & Recycling – 3,439; Fox River Study Group – 8,250; Hadronex Inc – 3,558; Hawkins Inc – 23,832; Humana – 180,836; Illini Power Products Corp – 15,658; Illinois EPA – 17,500; Illinois Municipal Retirement Fund – 123,281; Illinois Public Risk Fund – 18,576; Illinois State Treasurer's Office – 2,525 Interstate Gas Supply Inc – 10,181; James Gioia & Company PC – 16,700; Jones Insurance Services – 76,706; Lakeside Equipment Corporation – 20,098; Logsdon Office Supply – 6,876; Mac Painting – 2,700; Marc Kresmery Construction LLC – 69,934; Michael Kruse – 16,492; Nicor Gas – 5,500; Northern Tool & Equipment – 3,769; O'Reilly Auto Parts – 4,622; Parkson Corporation – 9,022; Payment Service Network – 21,721; Peerless Enterprises Inc – 23,895; PetroChoice LLC – 14,457; Pivotal Payments – 3,582; Postl Yore and Associates Inc – 485,799; Ray Chevrolet – 29,790; RP Coatings Inc – 311,000; Ryco Landscaping – 12,200; Shaw Suburban Media – 2,793; Storino Ramello & Durkin – 26,501; Suburban Laboratories Inc – 3,930; Synagro WWT Inc – 461,865; Technology Masters Inc – 13,395; Third Millennium Associates Inc – 13,277; TruGreen – 4,768; United Laboratories – 4,955; United States Postal Service – 17,703; United States Treasury – 49,014; USA Blue Book – 8,207; Verizon Wireless – 3,691; Village of Lake in the Hills – 5,624; Wilkens Anderson – 3,912; Ziegler's Ace Hardware – 4,194; Zukowski Rogers Flood & McArdle – 5,369. All other disbursements in amounts less than \$2,500 – 76,079.

**TOTAL VENDORS: \$3,366,905.**

# MANAGER'S REPORT

## Month of July, 2018

### Customers:

	CURRENT	TOTAL for YEAR	DATA for July 2017
Total accounts thru July 2018:	11,696		11,681
New Customers:	1	8	0
Connections:	3	17	1
Permits Issued:	0	14	5
Permits Issued Past 13 Months:	28		12
Total Permits Issued to Date:			
<i>Residential:</i>	10,163		
<i>Commercial:</i>	121		
<i>Industrial:</i>	1		

### ILLINOIS E.P.A. SANITARY SEWER EXTENSION PERMITS ISSUED PAST 12 MONTHS

NAME	PE	DWELLINGS
Melody Living of Lake in the Hills	388	Assisted Living (September 2017)

### COLLECTION SYSTEM EMERGENCY RESPONSES:

DATE	LOCATION	PROBLEM	DISTRICT PROBLEM
7/5/18	636A Village Road	Service Line	No
7/28/18	14 Hunters Path	Service Line	No

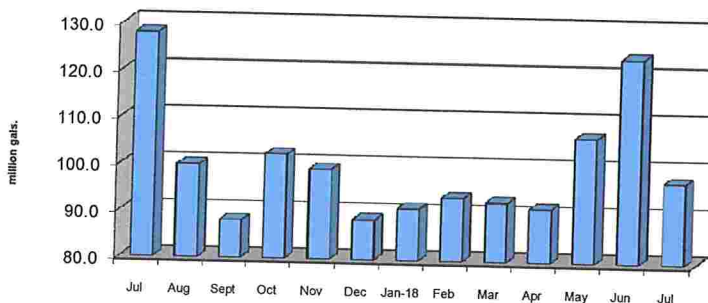
### COLLECTION SYSTEM ACTIVITIES:

District personnel televised 110 line segments of sanitary sewer totaling 19,705 lf.  
 District personnel cleaned and root cut 10 line segments of sanitary sewers totaling 3,200 lf.

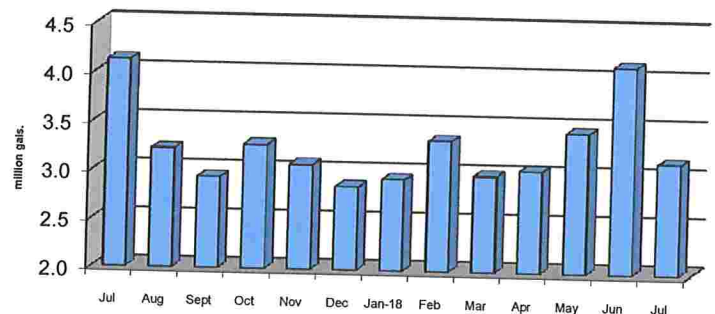
### FLOWS:

Total Flow for Month:	97.360	million gallons
Average Daily Flow:	3.141	mgd
Maximum Daily Flow:	3.991	mgd (7/1)
Precipitation Total:	1.59	inches
Historical Monthly Precipitation Avg.:	3.80	inches
Septage Accepted:	356,743	gallons

**Total Monthly Flows**



**Monthly Average Daily Flows**



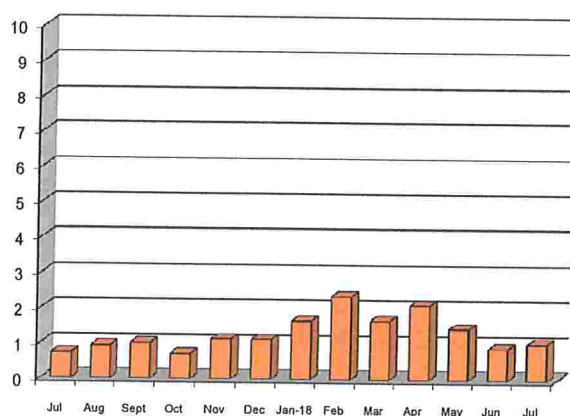


**TREATMENT PLANT OPERATIONS:**

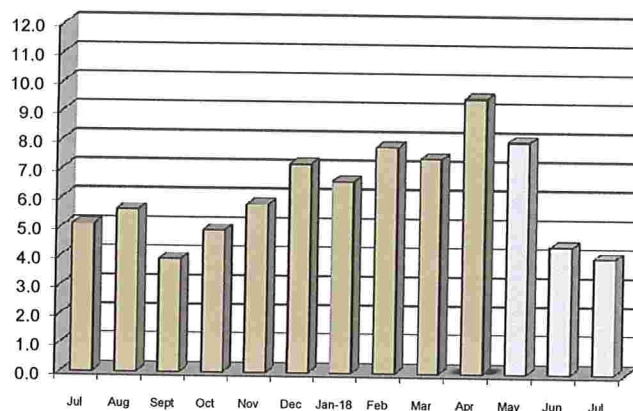
	<u>Average in</u>	<u>Average out</u>	<u>Average % reduction</u>
C.B.O.D:	154 mg/L	1.0 mg/L	99.3%
Total Suspended Solids:	250 mg/L	4.0 mg/L	98.4%
Ammonia Nitrogen:	18.8 mg/L	0.43 mg/L	97.7%
Phosphorus:		0.43 mg/L	
Fecal Coliform:		37 colonies (daily max.)	

This data represents the monthly averages taken from District records and not yet submitted to the Illinois E.P.A.

**Effluent Monthly Average -  
CBOD**



**Effluent Monthly Average -  
Total Suspended Solids**



*Shaded = Filters By-Passed Either Fully or Partially.*

**PLANT OPERATIONS SUMMARY:**

Wasted:	3.805 million gallons
Decanted:	0.138 million gallons
Thickened	3.525 million gallons
To Digester	0.640 million gallons
Pressed	0.517 million gallons

**PERSONNEL ACTIVITIES:**

None

Respectfully submitted,

Rick Forner, Manager



44 N. Walkup Ave.  
Crystal Lake, IL 60014  
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# LAKE IN THE HILLS SANITARY DISTRICT, IL

Annual Financial Report  
For the Year Ended April 30, 2018

**LAKE IN THE HILLS SANITARY DISTRICT**  
**Contents**

*Year Ended April 30, 2018*

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# LAKE IN THE HILLS SANITARY DISTRICT

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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, 2018, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents.

### 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## 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, 2018, 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.

## 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 that collectively comprise Lake In The Hills Sanitary District, Illinois' financial statements as a whole. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents 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.

*George Roach & Associates, P.C.*

George Roach & Associates, P.C.  
Crystal Lake, Illinois  
July 27, 2018

REQUIRED SUPPLEMENTARY INFORMATION –  
MANAGEMENT DISCUSSION AND ANALYSIS -  
UNAUDITED

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

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, 2018.

#### FINANCIAL HIGHLIGHTS

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- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at April 30, 2018 by \$46,068,525 (net position).
- The District's total net position increased by \$415,799. Comprised of \$11,999 from activities and \$403,800 from contributed capital.
- At April 30, 2018, the District's governmental funds reported combined ending fund balances of \$1,277,959, an increase of \$70,071 in comparison with the prior year.
- At April 30, 2018, the fund balance for the General Fund was \$888,889.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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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 functions intended to recover all or a significant portion of their costs through user fees



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

#### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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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.

#### 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.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

#### OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

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##### 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 General Fund and the Audit Fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the adopted budget and appropriation ordinance.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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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 \$46,068,525 at April 30, 2018. 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 YEAR ENDED APRIL 30, 2018

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Lake In The Hills Sanitary District - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2018	4/30/2017	4/30/2018	4/30/2017	4/30/2018	4/30/2017
Current and Other Assets	\$ 1,904,814	\$ 1,897,645	\$ 7,638,311	\$ 7,236,164	\$ 9,543,125	\$ 9,133,809
Capital Assets	-	-	42,517,890	42,855,325	42,517,890	42,855,325
Total Assets	\$ 1,904,814	\$ 1,897,645	\$ 50,156,201	\$ 50,091,489	\$ 52,061,015	\$ 51,989,134
Deferred Outflows	\$ 92,797	\$ 293,872	\$ -	\$ -	\$ 92,797	\$ 293,872
Current and Other Liabilities	\$ 669,220	\$ 986,405	\$ 474,791	\$ 485,952	\$ 1,144,011	\$ 1,472,357
Long-Term Liabilities Outstanding	-	-	4,328,475	4,542,115	4,328,475	4,542,115
Total Liabilities	669,220	986,405	4,803,266	5,028,067	5,472,486	6,014,472
Deferred Inflows	612,801	615,808	-	-	612,801	615,808
Net Position						
Net Investment in Capital Assets	-	-	38,047,890	39,180,652	38,047,890	39,180,652
Restricted - Net Position	389,070	256,165	-	-	389,070	256,165
Unrestricted - Net Position	326,520	333,139	7,305,045	5,882,770	7,631,565	6,215,909
Total Net Position	\$ 715,590	\$ 589,304	\$ 45,352,935	\$ 45,063,422	\$ 46,068,525	\$ 45,652,726

Government-wide activities increased the District's net position by \$11,999. 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	
	4/30/2018	4/30/2017	4/30/2018	4/30/2017	4/30/2018	4/30/2017
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 3,875,606	\$ 4,131,308	\$ 3,875,606	\$ 4,131,308
General Revenues						
Property Taxes	603,603	596,543	-	-	603,603	596,543
Personal Property Taxes	1,561	1,915	-	-	1,561	1,915
Safety grant	-	1,899	-	-	-	1,899
Gain from sale of equipment	-	-	2,605	4,700	2,605	4,700
Interest	2,619	2,049	33,462	10,924	36,081	12,973
Total Revenues	607,783	602,406	3,911,673	4,146,932	4,519,456	4,749,338
Expenses						
General Government	481,497	596,963	-	-	481,497	596,963
Sewerage services	-	-	3,857,535	3,519,855	3,857,535	3,519,855
Debt service	-	-	168,425	174,643	168,425	174,643
Total Expenses	481,497	596,963	4,025,960	3,694,498	4,507,457	4,291,461
Increase/(Decrease) in Net Position	126,286	5,443	(114,287)	452,434	11,999	457,877
Net Position - Beginning of Year	589,304	583,861	45,063,422	44,610,988	45,652,726	45,194,849
Capital Contributions	-	-	403,800	-	403,800	-
Net Position - End of Year	\$ 715,590	\$ 589,304	\$ 45,352,935	\$ 45,063,422	\$ 46,068,525	\$ 45,652,726

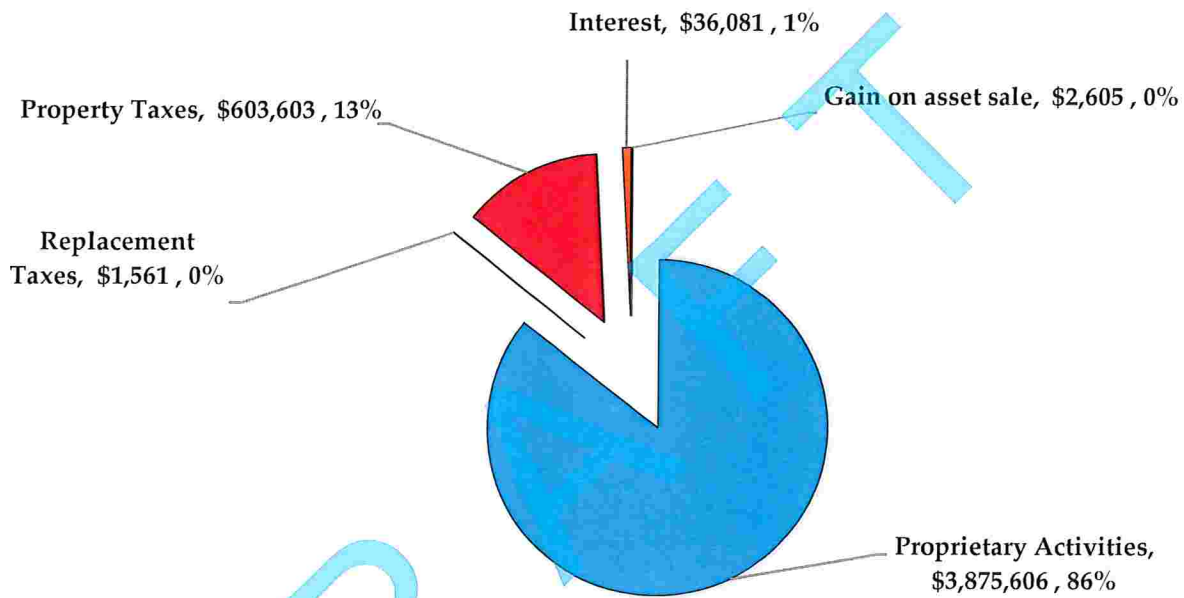


## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
YEAR ENDED APRIL 30, 2018

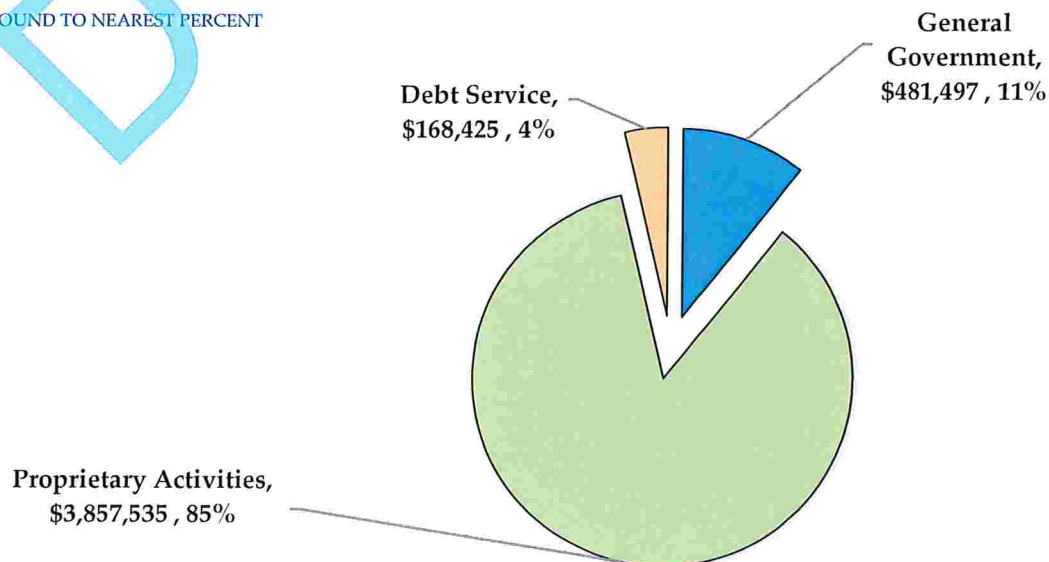
### 2018 REVENUES

ROUND TO NEAREST PERCENT



### 2018 EXPENSES

ROUND TO NEAREST PERCENT



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED APRIL 30, 2018

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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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, 2018, the District's governmental funds reported combined ending, fund balances of \$1,277,959, an increase of \$70,071 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, 2018 was \$888,889, which was an increase of \$23,426 during the year ended April 30, 2018.

##### 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, 2018 were \$389,070, which was an increase of \$46,645 during the year ended April 30, 2018.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

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The District amended its original budget and appropriations ordinance for the fiscal year ended April 30, 2018, on April 18, 2018; therefore, the amounts shown as original and final appropriations are adjusted for the amendment.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

YEAR ENDED APRIL 30, 2018

#### 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, 2018, the District's proprietary fund reported ending net position of \$45,352,935, a decrease of \$114,287 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, 2018 amounts to \$42,517,889 net of accumulated depreciation). This investment in capital assets includes land, land improvements, infrastructure, buildings, furniture and equipment, computer equipment, and vehicles. The total increase in the District's investment in capital assets for the year ended April 30, 2018 was \$748,397 attributable to the purchase of various assets offset by disposals.

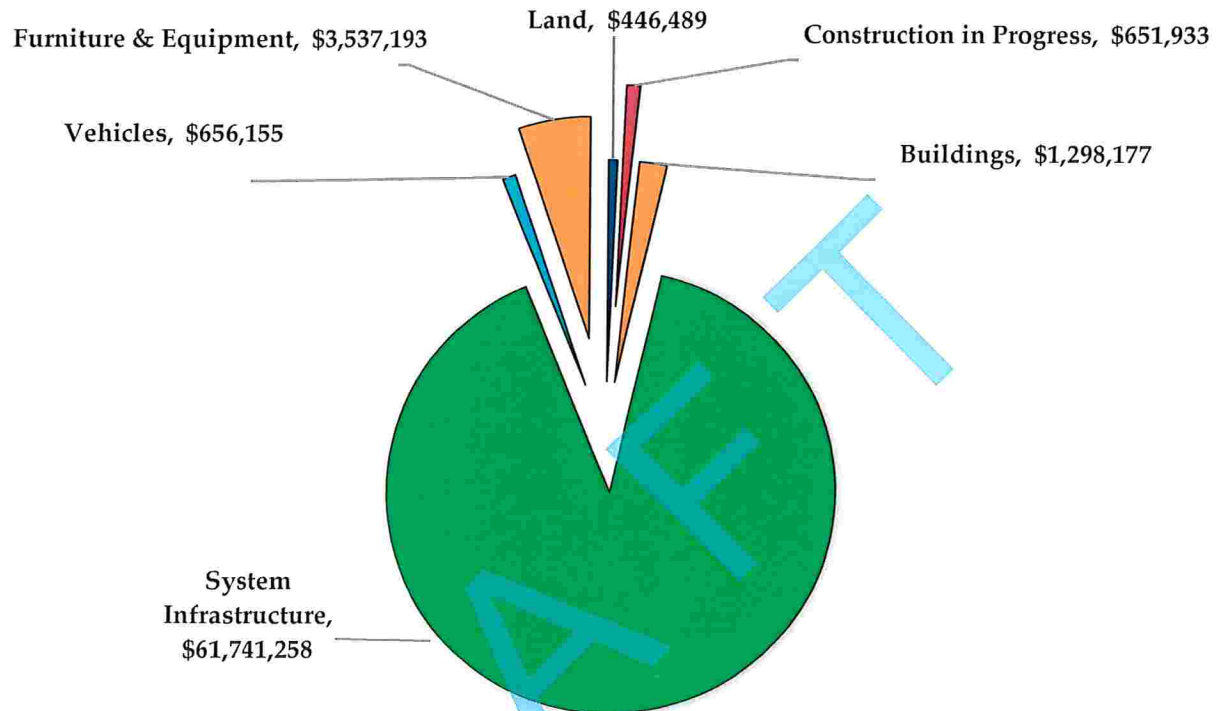
##### Proprietary Fund - Capital Assets

	Balance May 1, 2017	Increases	Decreases	Balance April 30, 2018
<b>Fixed Assets</b>				
Land	\$ 446,489	\$ -	\$ -	\$ 446,489
Construction in progress	65,590	586,343	-	651,933
Plant and lift stations	39,527,809	146,457	-	39,674,266
Sewer trunkline	22,066,992	-	-	22,066,992
Equipment	3,448,896	37,047	7,295	3,478,648
Administration building	1,298,177	-	-	1,298,177
Vehicles	670,310	29,790	43,945	656,155
Equipment & furniture	58,545	-	-	58,545
<b>Total Fixed Assets</b>	<b>67,582,808</b>	<b>799,637</b>	<b>51,240</b>	<b>68,331,205</b>
Less: Accumulated Depreciation	24,215,404	1,597,912	-	25,813,316
<b>Fixed Assets (Net)</b>	<b>\$ 43,367,404</b>	<b>\$ (798,275)</b>	<b>\$ 51,240</b>	<b>42,517,889</b>

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
YEAR ENDED APRIL 30, 2018

### CAPITAL ASSETS (AT COST)



#### Long-term debt

At April 30, 2018, the District had two bond issues outstanding consisting of combined current principal due of \$205,000 and long-term due of \$4,328,475. The bond proceeds are being used to fund additional infrastructure and construction projects.

### 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 2017-2018 fiscal year:

- The equalized assessed valuation (EAV) for the District for 2016 is \$718,670,206. This represents an increase in EAV of \$40,421,678 in comparison with the prior year.



# LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

YEAR ENDED APRIL 30, 2018

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

TAX LEVY YEAR	2017	2016	2015
ASSESSED VALUATION			
McHenry County	\$ 718,670,206	\$ 678,248,528	\$ 636,448,576

### TAX RATES AND PERCENTAGE ALLOCATIONS BY FUND

Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.040260	46.75	0.040260	45.21	0.040452	43.08
Chlorination	0.002800	3.25	0.002800	3.14	0.002000	2.13
Liability Insurance	0.019070	22.14	0.022000	24.70	0.024500	26.09
Social Security	0.006500	7.55	0.006500	7.30	0.007816	8.32
IMRF	0.014800	17.18	0.014800	16.62	0.016000	17.04
Audit	0.002700	3.13	0.002700	3.03	0.003122	3.33
<b>Totals</b>	<b>0.086130</b>	<b>100.00</b>	<b>0.089060</b>	<b>100.00</b>	<b>0.093890</b>	<b>100.00</b>

### Property Tax Extensions

Funds	2017	2016	2015
General Fund	\$ 289,337	\$ 273,063	\$ 257,456
Chlorination	20,123	18,991	12,729
Liability Insurance	137,050	149,214	155,930
Social Security	46,714	44,086	49,745
IMRF	106,363	100,381	101,832
Audit	19,404	18,313	19,870
<b>Totals</b>	<b>\$ 618,991</b>	<b>\$ 604,048</b>	<b>\$ 597,562</b>



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
YEAR ENDED APRIL 30, 2018

### REQUESTS FOR INFORMATION

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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.

DRAFT

# BASIC FINANCIAL STATEMENTS

**LAKE IN THE HILLS SANITARY DISTRICT***Government-wide - Statement of Net Position**April 30, 2018*

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 1,292,013	\$ 6,656,652	\$ 7,948,665
Accounts receivable	-	590,871	590,871
Property tax receivable	612,801	-	612,801
Other deposits	-	100,000	100,000
Deposit with paying agent	-	290,788	290,788
Fixed Assets	-	42,517,890	42,517,890
<b>Total Assets</b>	<b>\$ 1,904,814</b>	<b>\$ 50,156,201</b>	<b>\$ 52,061,015</b>
<b>Deferred Outflows - IMRF</b>			
	\$ 92,797	\$ -	\$ 92,797
<b>Current Liabilities</b>			
Accounts payable	\$ 14,054	\$ 167,910	\$ 181,964
Accrued payroll	-	13,927	13,927
Accrued interest	-	85,788	85,788
Current portion - revenue bonds	-	205,000	205,000
Developer deposits	-	2,166	2,166
<b>Total Current Liabilities</b>	<b>14,054</b>	<b>474,791</b>	<b>488,845</b>
<b>Noncurrent Liabilities</b>			
Revenue bonds payable	-	4,265,000	4,265,000
Revenue bond discount	-	63,475	63,475
Pension liability - IMRF	655,166	-	655,166
<b>Total Noncurrent Liabilities</b>	<b>655,166</b>	<b>4,328,475</b>	<b>4,983,641</b>
<b>Total Liabilities</b>	<b>669,220</b>	<b>4,803,266</b>	<b>5,472,486</b>
<b>Deferred Inflow - Property taxes</b>	<b>612,801</b>	<b>-</b>	<b>612,801</b>
<b>Net Position</b>			
Net Investment in capital assets	-	38,047,890	38,047,890
Restricted	389,070	-	389,070
Unrestricted	326,520	7,305,045	7,631,565
<b>Total Net Position</b>	<b>\$ 715,590</b>	<b>\$ 45,352,935</b>	<b>\$ 46,068,525</b>

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

## Year Ended April 30, 2018

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

**LAKE IN THE HILLS SANITARY DISTRICT***Governmental Funds - Balance Sheet**April 30, 2018*

	<b>General Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash	\$ 902,943	\$ 389,070	\$ 1,292,013
Property tax receivable	286,444	326,357	612,801
<b>Total Assets</b>	<b>\$ 1,189,387</b>	<b>\$ 715,427</b>	<b>\$ 1,904,814</b>
<b>Liabilities</b>			
Accounts payable/accruals	\$ 14,054	\$ -	\$ 14,054
<b>Total Liabilities</b>	<b>14,054</b>	<b>-</b>	<b>14,054</b>
<b>Deferred Inflows - Property taxes</b>	<b>286,444</b>	<b>326,357</b>	<b>612,801</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>300,498</b>	<b>326,357</b>	<b>626,855</b>
<b>Fund Balance</b>			
Non spendable	-	-	-
Restricted	-	389,070	389,070
Committed	-	-	-
Assigned - capital improvements	-	-	-
Unassigned	888,889	-	888,889
<b>Total Fund Balance</b>	<b>888,889</b>	<b>389,070</b>	<b>1,277,959</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balance</b>	<b>\$ 1,189,387</b>	<b>\$ 715,427</b>	<b>\$ 1,904,814</b>

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**Year Ended April 30, 2018*

	<b>General Funds</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ 272,874	\$ 330,729	\$ 603,603
Replacement taxes	1,561	-	1,561
Interest	2,619	-	2,619
<b>Total Revenue</b>	<b>277,054</b>	<b>330,729</b>	<b>607,783</b>
<b>Expenditures</b>			
Personal services	161,881	-	161,881
Contractual services	62,279	284,084	346,363
Commodities	29,233	-	29,233
Other	235	-	235
<b>Total Expenditures</b>	<b>253,628</b>	<b>284,084</b>	<b>537,712</b>
<b>Net Change in Fund Balance</b>	<b>23,426</b>	<b>46,645</b>	<b>70,071</b>
<b>Fund Balance</b>			
Fund balance, Beginning	865,463	342,425	1,207,888
<b>Total Fund Balance, Ending</b>	<b>\$ 888,889</b>	<b>\$ 389,070</b>	<b>\$ 1,277,959</b>

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**Year Ended April 30, 2018***RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>1,277,959</b>
Deferred pension outflows/inflows and net pension liabilities are not reported in funds.		
Deferred pension outflows		92,797
Net pension liabilities		(655,166)
<b>Total Net Position of Governmental Activities</b>	<b>\$</b>	<b>715,590</b>

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

<b>Excess (Deficiency) of Revenue Over Expenditures Governmental Funds</b>	<b>\$</b>	<b>70,071</b>
Change in deferred pension outflows/inflows and net pension liabilities are not reported in funds.		56,215
<b>Changes in Net Position Governmental Funds</b>	<b>\$</b>	<b>126,286</b>

The accompanying notes are an integral part of these statements.



**LAKE IN THE HILLS SANITARY DISTRICT***Proprietary Fund - Statement of Net Position**April 30, 2018*

<b>Assets</b>	
Cash	\$ 6,656,652
Sewer billings receivable, net	590,871
Deposit with paying agent	290,788
Other deposits	100,000
Fixed assets (net of accumulated depreciation)	42,517,890
<b>Total Assets</b>	<b>\$ 50,156,201</b>
<b>Liabilities</b>	
Accounts payable/accruals	\$ 167,910
Accrued payroll	13,927
Accrued interest payable	85,788
Developer deposit	2,166
Revenue bonds payable - current portion	205,000
Revenue bonds payable - long term	4,265,000
Revenue bonds - long term premium	63,475
<b>Total Liabilities</b>	<b>4,803,266</b>
<b>Net Position</b>	
Net investment in capital assets	38,047,890
Unrestricted	7,305,045
<b>Total Net Position</b>	<b>45,352,935</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 50,156,201</b>

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****Year Ended April 30, 2018**

	Sewerage Enterprise Fund
<b>Revenues</b>	
Sewer charges	\$ 3,859,971
Miscellaneous	15,635
<b>Total Revenues</b>	<b>3,875,606</b>
<b>Expenses</b>	
Personnel	472,835
Contractual service	247,957
Commodities	1,298,773
Other expenditures	192,459
<b>Total Expenses</b>	<b>2,212,024</b>
<b>Operating Income Before Depreciation/Amortization</b>	<b>1,663,582</b>
Less: Depreciation/Amortization	1,645,511
<b>Operating Income (Loss)</b>	<b>18,071</b>
<b>Non-Operating Income (Expense)</b>	
Interest expense and fees	(168,425)
Gain on sale of assets	2,605
Interest income	33,462
<b>Total Non-operating Income/(Expense)</b>	<b>(132,358)</b>
<b>Net Income (Loss)</b>	<b>(114,287)</b>
<b>Net Position</b>	
Balance, beginning of year	45,063,422
Capitalized connection fees	403,800
<b>Total Net Position</b>	<b>\$ 45,352,935</b>

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

**LAKE IN THE HILLS SANITARY DISTRICT***Proprietary Fund - Statement of Cash Flows**Year Ended April 30, 2018*

	<b>Sewerage Enterprise Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers and users	\$ 3,790,886
Cash paid to suppliers	(1,603,695)
Cash and benefits paid for employees	(472,835)
<b>Net Cash Provided by Operating Activities</b>	<b>1,714,356</b>
<b>Cash Flows from Investing Activities</b>	
System additions	(799,637)
<b>Net Cash Flows Provided by Investing Activities</b>	<b>(799,637)</b>
<b>Cash Flows from Capital and Financing Activities</b>	
Interest income	33,462
Gain from sale of assets	2,605
Bond interest and fees	(168,425)
Bond/note payments, net	(205,000)
<b>Net Cash Flows Provided by Capital and Financing Activities</b>	<b>(337,358)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>577,361</b>
Connection Fees Capitalized	403,800
Cash at Beginning of Year	5,675,491
<b>Cash at End of Year</b>	<b>\$ 6,656,652</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating income (loss) for the year	\$ 18,071
Depreciation and amortization	1,645,511
(Increase) decrease in accounts receivable	69,085
(Increase) decrease in deposits with paying agent	(2,150)
Increase (decrease) in accounts payable	(6,808)
Increase (decrease) in accrued interest payable	(2,850)
Increase (decrease) in deferred compensation	(6,503)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,714,356</b>

Cash payments for interest made during the year were \$168,425.

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*

*Year Ended April 30, 2018*

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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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*

*Year Ended April 30, 2018*

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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#### 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 and fiduciary 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 Sewer O&M 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*

*Year Ended April 30, 2018*

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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#### 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 2017 property taxes was adopted August 25, 2017. 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*

*Year Ended April 30, 2018*

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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**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, 2018.

**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

Year Ended April 30, 2018

### 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 nonpooled deposits are categorized to give an indication of the level of risk assumed by the District at April 30, 2018. 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	\$ 3,335,293	\$ 4,617,678	\$ -	\$ 7,952,971	\$ 7,948,665
Totals	<u>\$ 3,335,293</u>	<u>\$ 4,617,678</u>	<u>\$ -</u>	<u>\$ 7,952,971</u>	<u>\$ 7,948,665</u>



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2018

### 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
Fixed Assets	May 1, 2017	Increases	Decreases	April 30, 2018
Land	\$ 446,489	\$ -	\$ -	\$ 446,489
Construction in progress	65,590	586,343	-	651,933
Plant and lift stations	39,527,809	146,457	-	39,674,266
Sewer trunkline	22,066,992	-	-	22,066,992
Equipment	3,448,896	37,047	7,295	3,478,648
Administration building	1,298,177	-	-	1,298,177
Vehicles	670,310	29,790	43,945	656,155
Office furniture & equipment	58,545	-	-	58,545
<b>Total Fixed Assets</b>	<b>67,582,808</b>	<b>799,637</b>	<b>51,240</b>	<b>68,331,205</b>
Less: Accumulated Depreciation	24,215,404	1,597,912	-	25,813,316
<b>Fixed Assets (Net)</b>	<b>\$ 43,367,404</b>	<b>\$ (798,275)</b>	<b>\$ 51,240</b>	<b>\$ 42,517,889</b>

The aggregate depreciation charged to operations is \$1,597,912.

### 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 Comprehensive Annual 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](http://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

Year Ended April 30, 2018

### 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, 2017, 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	4
Active Plan Members	10
<b>Total</b>	<b>22</b>

### 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 2017 was 20.64%. For the fiscal year ended



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### Notes to The Basic Financial Statements

Year Ended April 30, 2018

#### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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April 30, 2018, the District contributed \$121,610 to the plan. 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, 2017. 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, 2017:

- 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 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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 weighing the expected future real rates of return to the

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

# LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

## Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

#### Executive Summary as of December 31, 2017

Actuarial Valuation Date	12/31/2017
Measurement Date of the Net Pension Liability	12/31/2017
Fiscal Year End	4/30/2018

#### Membership

Number of	
- Retirees and Beneficiaries	8
- Inactive, Non-Retired Members	4
- Active Members	10
- Total	22

Covered Valuation Payroll (1)	\$ 589,197
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#### Net Pension Liability

Total Pension Liability/(Asset)	\$ 3,216,047
Plan Fiduciary Net Position	2,560,881
Net Pension Liability/(Asset)	\$ 655,166
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.63%
Net Pension Liability as a Percentage of Covered Valuation Payroll	111.20%

#### Development of the Single Discount Rate as of December 31, 2017

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate (2)	3.31%
Last year ending December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2117
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate calculated using December 31, 2016 Measurement Date	7.50%

Total Pension Expense/(Income)	\$ 148,088
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#### Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 125,927	\$ 3,904
Changes in assumptions	-	99,191
Net difference between projected and actual earnings on pension plan investments	65,435	181,064
Total	\$ 191,362	\$ 284,159

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 67-68.

(2) Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal Go AA Index" as of December 29, 2017. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

*Notes to The Basic Financial Statements*

*Year Ended April 30, 2018*

### NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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#### SINGLE DISCOUNT RATE -

A Single Discount Rate of 7.50% 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 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

#### 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 7.50%, 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:



# LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

## Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

#### Schedule of Changes in Net Pension Liability and Related Ratios - Current Period Calendar Year Ended December 31, 2017

##### A. Total pension liability

1. Service Cost	\$ 67,952
2. Interest on the Total Pension Liability	235,467
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	(4,651)
5. Changes of assumptions	(106,741)
6. Benefit payments, including refunds of employee contributions	(163,139)
7. Net change in total pension liability	28,888
8. Total pension liability – beginning	3,187,159
9. Total pension liability – ending	<u>\$ 3,216,047</u>

##### B. Plan fiduciary net position

1. Contributions – employer	\$ 121,610
2. Contributions – employee	26,514
3. Net investment income	391,039
4. Benefit payments, including refunds of employee contributions	(163,139)
5. Other (Net Transfer)	(37,539)
6. Net change in plan fiduciary net position	338,485
7. Plan fiduciary net position – beginning	2,222,396
8. Plan fiduciary net position – ending	<u>\$ 2,560,881</u>

##### C. Net pension liability/(asset)

\$ 655,166

##### D. Plan fiduciary net position as a percentage of the total pension liability

79.63%

##### E. Covered Valuation payroll

\$ 589,197

##### F. Net pension liability as a percentage of covered valuation payroll

111.20%

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

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 3,702,942	\$ 3,216,047	\$ 2,820,799
Plan Fiduciary Net Position	2,560,881	2,560,881	2,560,881
Net Pension Liability/(Asset)	<u>\$ 1,142,061</u>	<u>\$ 655,166</u>	<u>\$ 259,918</u>

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2018

### 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, 2018, the District recognized pension expense of \$121,610. At April 30, 2018, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred Amounts to be Recognized in Pensions Expenses in Future Periods</i>		
Differences between expected and actual	\$ 125,927	\$ 3,904
Changes of assumptions	-	99,191
Net differences between projected and actual earnings on pension plan investments	65,435	181,064
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 191,362</b>	<b>\$ 284,159</b>

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:

<b>Year Ending December 31</b>	<b>Net Deferred Outflows of Resources</b>
2018	\$ (1,647)
2019	(1,646)
2020	(30,392)
2021	(39,213)
2022	(15,817)
Thereafter	(4,082)
<b>Total</b>	<b>\$ (92,797)</b>



# LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

## Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

#### Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate\*

**Valuation Date: December 31, 2017**

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
<b>Methods and Assumptions Used to Determine 2017 Contribution Rates:</b>	
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): 26-year closed period until remaining period reaches 10 years (then 10-year rolling 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 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

#### Other Information:

Notes	There were no benefit changes during the year
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\* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2018

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

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#### 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	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	
Notes	There were no benefit changes during the year.

*\*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.*

## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### Notes to The Basic Financial Statements

Year Ended April 30, 2018

#### 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, 2008, 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, 2018 was as follows:

	Balance May 1, 2017	Additions	Retirements	Balance April 30, 2018	Amounts Due Within One Year
<b>Business-Type Activities: Long-Term Debt</b>					
Bond Dated February 6, 2008	\$ 1,345,000	\$ -	\$ 100,000	\$ 1,245,000	\$ 105,000
Bond Dated November 13, 2014	3,330,000	-	100,000	3,230,000	100,000
<b>Total Business-Type Long-Term Debt Obligation</b>	<b>4,675,000</b>	<b>-</b>	<b>200,000</b>	<b>4,475,000</b>	<b>205,000</b>

	Maturity Dates	Interest Rates	Face Amount	Carrying Amounts
<b>Long-term liabilities at April 30, 2018</b>				
<b>Business-Type Activities: Long-Term Debt</b>				
Bond Dated February 6, 2008	5/1/2017	3.700% - 4.875%	\$ 2,000,000	\$ 1,245,000
Bond Dated November 13, 2014	5/1/2039	2.000% - 4.000%	\$ 3,430,000	\$ 3,230,000



## LAKE IN THE HILLS SANITARY DISTRICT, ILLINOIS

### Notes to The Basic Financial Statements

Year Ended April 30, 2018

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

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

Long Term Debt Maturity Schedule						
Fiscal Year Ended Due	Bonds Dated February 6, 2008 Outstanding April 30, 2018		Bond Dated November 13, 2014 Outstanding April 30, 2018		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
4/30/2019	105,000	54,291	100,000	113,988	205,000	168,279
4/30/2020	105,000	49,697	105,000	111,413	210,000	161,110
4/30/2021	110,000	44,994	110,000	108,188	220,000	153,182
4/30/2022	115,000	40,072	110,000	104,888	225,000	144,960
4/30/2023	120,000	34,856	115,000	101,513	235,000	136,369
4/30/2024	125,000	29,344	120,000	97,388	245,000	126,732
4/30/2025	130,000	23,606	125,000	92,488	255,000	116,094
4/30/2026	140,000	17,531	125,000	87,956	265,000	105,487
4/30/2027	145,000	10,847	130,000	83,813	275,000	94,660
4/30/2028	150,000	3,656	135,000	79,506	285,000	83,162
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
<b>Total Debt</b>	<b>\$ 1,245,000</b>	<b>\$ 308,894</b>	<b>\$ 3,230,000</b>	<b>\$ 1,497,084</b>	<b>\$ 4,475,000</b>	<b>\$ 1,805,978</b>

#### 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 July 27, 2018, 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*

*Year Ended April 30, 2018*

#### 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. The District has no items in this category.

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 only one type of item, 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 (\$612,801) reported in the governmental funds for unavailable revenues are all from property taxes to be received in the following year.

REQUIRED SUPPLEMENTARY INFORMATION



# LAKE IN THE HILLS SANITARY DISTRICT

General Fund - Schedule of Revenues, Expenditures Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2018

	Budget		Actual
	Original	Final	Amounts
<b>Revenues</b>			
Property taxes	\$ 273,000	\$ 273,000	\$ 272,874
Replacement tax	-	-	1,561
Interest	1,000	1,000	2,619
<b>Total Revenues</b>	<b>274,000</b>	<b>274,000</b>	<b>277,054</b>
<b>Personnel Services</b>			
Salaries and payroll taxes	168,000	168,000	161,881
<b>Contractual Services</b>			
Professional engineering	40,000	40,000	30,949
Legal services	15,000	15,000	16,894
Other professional services	5,000	5,000	941
<b>Total Contractual Services</b>	<b>60,000</b>	<b>60,000</b>	<b>48,784</b>
<b>Administrative Expenses</b>			
Printing, publications	4,000	4,000	4,183
Office supplies, equipment	3,000	3,000	2,146
Postage	1,000	1,000	771
Treasurer's bond	3,500	3,500	3,000
Community affairs	2,000	2,000	271
Membership and dues	4,500	4,500	3,124
<b>Total Administrative Exepens</b>	<b>18,000</b>	<b>18,000</b>	<b>13,495</b>
<b>Operating Expenses</b>			
Building and grounds upkeep	12,000	12,000	6,556
Utilites	28,000	28,000	16,991
J.U.L.I.E.	2,500	2,500	2,472
Training and education	2,000	2,000	195
Travel expenses	2,000	2,000	82
Computer hardware, software & Support	8,000	8,000	2,937
<b>Total Operating Expenses</b>	<b>54,500</b>	<b>54,500</b>	<b>29,233</b>
<b>Contingency and Miscellaneous Expenses</b>			
Not otherwise appropriated	1,000	1,000	235
<b>Total Congency and Miscellaneous Expenses</b>	<b>1,000</b>	<b>1,000</b>	<b>235</b>
<b>Total General Fund</b>	<b>301,500</b>	<b>301,500</b>	<b>253,628</b>
<b>Net Change in Fund Balance</b>	<b>\$ (27,500)</b>	<b>\$ (27,500)</b>	<b>23,426</b>
<b>Fund Balance</b>			
Fund balance, Beginning			865,463
<b>Total Fund Balance, Ending</b>			<b>\$ 888,889</b>

NOTES TO REQUIRED  
SUPPLEMENTARY INFORMATION

## LAKE IN THE HILLS SANITARY DISTRICT ILLINOIS

### *Notes to Required Supplemental Information*

*Year Ended April 30, 2018*

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 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 15<sup>th</sup> the District Board receives a proposed appropriation ordinance for the fiscal year commencing on May 1<sup>st</sup>. 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 31<sup>st</sup>.
- 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 11, 2017 and amended on April 18, 2018.
- 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*

*Year Ended April 30, 2018*

- 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.

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OTHER SUPPLEMENTARY INFORMATION

# LAKE IN THE HILLS SANITARY DISTRICT

## Special Revenue Funds - Balance Sheet

April 30, 2018

	Total	Audit	Chlorination Fund	IMRF Fund	Public Liability Insurance Fund	Social Security Fund
<b>Assets</b>						
Cash and cash equivalents	\$ 389,070	\$ 10,114	\$ 50,016	\$ 127,349	\$ 170,629	\$ 30,962
Taxes receivable, net of 1% allowance of loss	326,357	19,210	19,922	105,299	135,679	46,247
<b>Total Assets</b>	<u>\$ 715,427</u>	<u>\$ 29,324</u>	<u>\$ 69,938</u>	<u>\$ 232,648</u>	<u>\$ 306,308</u>	<u>\$ 77,209</u>
<b>Liabilities</b>						
Accounts payable/accruals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows</b>						
Property taxes	326,357	19,210	19,922	105,299	135,679	46,247
<b>Fund Balance</b>						
Fund balance, Ending	389,070	10,114	50,016	127,349	170,629	30,962
<b>Total Liabilities and Fund Balance</b>	<u>\$ 715,427</u>	<u>\$ 29,324</u>	<u>\$ 69,938</u>	<u>\$ 232,648</u>	<u>\$ 306,308</u>	<u>\$ 77,209</u>



## LAKE IN THE HILLS SANITARY DISTRICT

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

Year Ended April 30, 2018

	Total	Audit	Chlorination Fund	IMRF Fund	Public Liability Insurance Fund	Social Security Fund
<b>Revenues</b>						
Property taxes	\$ 330,729	\$ 18,299	\$ 18,976	\$ 100,303	\$ 149,099	\$ 44,052
<b>Total Revenues</b>	<u>330,729</u>	<u>18,299</u>	<u>18,976</u>	<u>100,303</u>	<u>149,099</u>	<u>44,052</u>
<b>Expenditures</b>						
Auditing expense and fee	16,700	16,700	-	-	-	-
Chlorination, disinfection, and treatment	3,487	-	3,487	-	-	-
Pension contributions	123,281	-	-	123,281	-	-
Public liability insurance	91,602	-	-	-	91,602	-
Social Security contributions	49,014	-	-	-	-	49,014
<b>Total Expenditures</b>	<u>284,084</u>	<u>16,700</u>	<u>3,487</u>	<u>123,281</u>	<u>91,602</u>	<u>49,014</u>
<b>Net Change in Fund Balance</b>	46,645	1,599	15,489	(22,978)	57,497	(4,962)
<b>Fund Balance</b>						
Fund balance, beginning	342,425	8,515	34,527	150,327	113,132	35,924
<b>Total Fund Balance, Ending</b>	<u>\$ 389,070</u>	<u>\$ 10,114</u>	<u>\$ 50,016</u>	<u>\$ 127,349</u>	<u>\$ 170,629</u>	<u>\$ 30,962</u>

**LAKE IN THE HILLS SANITARY DISTRICT***Audit Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

		Budget		Actual Amounts
		Original	Final	
Revenues				
Property taxes		\$ 18,300	\$ 18,300	\$ 18,299
Total Revenues		18,300	18,300	18,299
Expenditures				
Auditing expense and fee		20,000	20,000	16,700
Net Change in Fund Balance		\$ (1,700)	\$ (1,700)	1,599
Fund Balance				
Fund balance, Beginning				8,515
Total Fund Balance, Ending				\$ 10,114

**LAKE IN THE HILLS SANITARY DISTRICT***Chlorination Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

		Budget		Actual Amounts
		Original	Final	
Revenues				
Property taxes		\$ 19,000	\$ 19,000	\$ 18,976
Total Revenues		19,000	19,000	18,976
Expenditures				
Chlorination, disinfection and treatment		24,000	24,000	3,487
Net Change in Fund Balance		\$ (5,000)	\$ (5,000)	15,489
Fund Balance				
Fund balance, Beginning				34,527
Total Fund Balance, Ending				\$ 50,016

**LAKE IN THE HILLS SANITARY DISTRICT***IMRF Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

		Budget		Actual Amounts
		Original	Final	
Revenues				
Property taxes		\$ 100,400	\$ 100,400	\$ 100,303
Total Revenues		100,400	100,400	100,303
Expenditures				
Pension contributions by employer		130,000	130,000	123,281
Net Change in Fund Balance		\$ (29,600)	\$ (29,600)	(22,978)
Fund Balance				
Fund balance, Beginning				150,327
Total Fund Balance, Ending				\$ 127,349

**LAKE IN THE HILLS SANITARY DISTRICT***Public Liability Insurance Fund - Schedule of Revenues, Expenditures Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

	Budget		Actual
	Original	Final	Amounts
Revenues			
Property taxes	\$ 149,200	\$ 149,200	\$ 149,099
Total Revenues	149,200	149,200	149,099
Expenditures			
Workers compensation	21,000	21,000	18,576
Property	43,000	43,000	36,671
Vehicles	15,000	15,000	11,077
General liability	70,000	70,000	25,278
Administration fee	800	800	-
Total Expenditures	149,800	149,800	91,602
Net Change in Fund Balance	\$ (600)	\$ (600)	\$ 57,497
Fund Balance			
Fund balance, Beginning			113,132
Total Fund Balance, Ending			\$ 170,629



**LAKE IN THE HILLS SANITARY DISTRICT***Social Security Fund - Schedule of Revenues, Expenditures Changes in Fund Balance**- Budget and Actual**Year Ended April 30, 2018*

		Budget		Actual
		Original	Final	Amounts
<b>Revenues</b>				
Property taxes		\$ 44,100	\$ 44,100	\$ 44,052
<b>Total Revenues</b>		<u>44,100</u>	<u>44,100</u>	<u>44,052</u>
<b>Expenditures</b>				
Social security contributions		<u>50,000</u>	<u>50,000</u>	<u>49,014</u>
<b>Net Change in Fund Balance</b>		<u>\$ (5,900)</u>	<u>\$ (5,900)</u>	<u>\$ (4,962)</u>
<b>Fund Balance</b>				
Fund balance, Beginning				<u>35,924</u>
<b>Total Fund Balance, Ending</b>				<u>\$ 30,962</u>

**LAKE IN THE HILLS SANITARY DISTRICT***Proprietary Fund Types - Schedule of Expenditures**- Budget and Actual**Year Ended April 30, 2018*

	Budget		Actual Amounts
	Original	Final	
Personnel Services			
District personnel salaries	\$ 580,000	\$ 580,000	\$ 472,835
Total Personnel Services	580,000	580,000	472,835
Administrative Expenses			
Telephone	3,000	3,000	2,958
Postage	20,000	20,000	18,669
Printing, publishing	2,000	2,500	2,373
Office supplies	8,000	8,000	6,213
Billing and collection expense	80,000	80,000	13,338
Professional services	5,000	5,000	1,611
Training, travel, and education	5,000	5,000	220
Computer hardware, software, and support	20,000	20,500	19,466
Community affairs	2,000	1,000	709
Medical and life insurance	195,000	195,000	182,400
Total Administrative Expenses	340,000	340,000	247,957
Operation and Maintenance of Plant			
Operating supplies	60,000	60,000	58,595
Maintenance and repair (plant)	130,000	122,000	105,067
Maintenance and repair (collection system)	295,000	295,000	132,076
Utilities and energy	378,000	386,000	385,633
Grounds upkeep	30,000	30,000	18,745
Gasoline/oil	15,000	15,000	11,480
Computer and support services	2,000	2,000	100
Emergency communications	48,000	55,000	55,274
Sludge management	500,000	493,000	480,671
Professional services	24,000	24,000	20,713
Residential reimbursement	10,000	10,000	-
Compliance requirements/permits	28,000	28,000	27,895
Contingency and miscellaneous expense	3,000	3,000	2,524
GIS	10,000	10,000	-
Total Operation and Maintenance of Plant	1,533,000	1,533,000	1,298,773

**LAKE IN THE HILLS SANITARY DISTRICT***Proprietary Fund Types - Schedule of Expenditures**- Budget and Actual**Year Ended April 30, 2018*

	Budget		Actual
	Original	Final	Amounts
Capital Improvements			
New construction	\$ 3,000,000	\$ 3,000,000	\$ 55,844
Plant equipment	30,000	30,000	11,041
Collection system	280,000	280,000	-
Vehicles	50,000	50,000	-
Legal expense	5,000	5,000	298
Engineering expense	375,000	375,000	125,276
Bond, Finance consulting expense	1,000	1,000	-
Total Capital Improvements	3,741,000	3,741,000	192,459
Bond and Interest Account			
2008 Debt Certificates, Principal	100,000	105,000	-
2008 Debt Certificates, Interest	60,000	57,000	53,737
Administration fee	3,500	1,500	750
2014 Debt Certificates, Principal	100,000	100,000	-
2014 Debt Certificates, Interest	118,000	118,000	112,838
Administration fee	3,500	3,500	1,100
Total Bond and Interest Account	385,000	385,000	168,425
Total Expenditures	\$ 6,579,000	\$ 6,579,000	\$ 2,380,449

# LAKE IN THE HILLS SANITARY DISTRICT

Property Tax Extension Rates

Year Ended April 30, 2018

Tax Levy Year	2017		2016		2015	
Assessed Valuation	\$ 718,670,206		\$ 678,248,528		\$ 636,448,576	
Tax Rates and Percentages - Allocated by Fund						
Lake County	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.040260	47.75%	0.040260	45.21%	0.040452	43.08%
Chlorination	0.002800	3.25%	0.002800	3.14%	0.002000	2.13%
Liability Insurance	0.019070	22.14%	0.022000	24.70%	0.024500	26.09%
Social Security	0.006500	7.55%	0.006500	7.30%	0.007816	8.33%
IMRF	0.014800	17.18%	0.014800	16.62%	0.016000	17.04%
Audit	0.002700	3.13%	0.002700	3.03%	0.003122	3.33%
Totals	0.086130	100.00%	0.089060	100.00%	0.093890	100.00%

**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 2014)*

Calendar Year Ending	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total Pension Liability</b>										
Service Cost	\$ 67,952	\$ 69,512	\$ 61,533							
Interest on the Total Pension Liability	235,467	222,115	200,087							
Benefit Changes	-	-	-							
Difference between Expected and Actual Experience	(4,651)	45,934	169,681							
Assumption Changes	(106,741)	(13,932)	-							
Benefit Payments and Refunds	(163,139)	(150,295)	(130,507)							
<b>Net Change in Total Pension Liability</b>	<b>28,888</b>	<b>173,334</b>	<b>300,794</b>							
<b>Total Pension Liability - Beginning</b>	<b>3,187,159</b>	<b>3,013,825</b>	<b>2,713,031</b>							
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 3,216,047</b>	<b>\$ 3,187,159</b>	<b>\$ 3,013,825</b>							
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 121,610	\$ 111,249	\$ 63,778							
Employee Contributions	26,514	40,264	26,379							
Pension Plan Net Investment Income	391,039	142,802	10,043							
Benefit Payments and Refunds	(163,139)	(150,295)	(130,507)							
Other	(37,539)	(3,250)	83,137							
<b>Net Change in Plan Fiduciary Net Position</b>	<b>338,485</b>	<b>140,770</b>	<b>52,830</b>							
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,222,396</b>	<b>2,081,626</b>	<b>2,028,796</b>							
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 2,560,881</b>	<b>\$ 2,222,396</b>	<b>\$ 2,081,626</b>							
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>655,166</b>	<b>964,763</b>	<b>932,199</b>							
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>79.63%</b>	<b>69.73%</b>	<b>69.07%</b>							
<b>Covered Valuation Payroll</b>	<b>\$ 589,197</b>	<b>\$ 600,051</b>	<b>\$ 586,199</b>							
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>111.20%</b>	<b>160.78%</b>	<b>159.02%</b>							

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**

<b>Calendar Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2017	\$ 121,610 *	\$ 121,610	\$ -	\$ 589,197	20.64%
2016	\$ 111,249	\$ 111,249	\$ -	\$ 600,051	18.54%
2015	\$ 63,778	\$ 63,778	\$ -	\$ 586,199	10.88%

\* Estimated based on a contribution rate of 20.64% and covered valuation payroll of \$589,197.

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

## SECTION 01 26 63

## CHANGE ORDERS

ORDER NUMBER: 5DATE: 08/03/2018AGREEMENT DATE: 02/08/2018

The directed to make the following changes to this CONTRACT:

1. Changes to the contract specifications – See Attachment A
2. Changes to the contract price – See Attachment B

No other work is changed by this Change Order. All materials shall be as specified and approved.

Not valid until signed by the OWNER. Signature of the Contractor indicates his agreement herewith, including any adjustment in the CONTRACT PRICE or CONTRACT TIME.

Original CONTRACT PRICE	\$ <u>1,820,000.00</u>
Current CONTRACT PRICE adjusted by previously CHANGE ORDER(S)	\$ <u>49,863.89</u>
The CONTRACT PRICE prior to this CHANGE ORDER was	\$ <u>1,869,863.80</u>
The CONTRACT PRICE will be (increased) (decreased) by this Change Order.	\$ <u>18,400.00</u>
The new CONTRACT PRICE including this CHANGE ORDER will be	\$ <u>1,888,263.80</u>
The CONTRACT TIME will be (increased) (decreased) by _____ ( )	
calendar days.	

The date for completion of all work will be PENDING (Date).

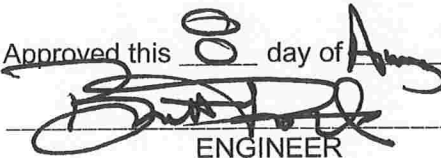
Approved this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_

Approved this 8th day of AUG, 2018

\_\_\_\_\_  
OWNER

Kenneth Scharlow / smw

\_\_\_\_\_  
CONTRACTOR

Approved this 8 day of Aug, 2018  
  
 \_\_\_\_\_  
 ENGINEER

# Change Request Proposal



Project:  
(name and  
address) 25046 / LITH DIGESTER #4 PROJ  
LAKE IN THE HILLS SANITARY DIS  
515 PLUM STREET  
LAKE IN THE HILLS, IL 60156

Change request number: 1011  
Description: Additional Earth Retention Blocks.

Customer: LAKE IN THE HILLS SANITARY

## Notice to Proceed

Submitted date:  
Received date:  
Rough order of magnitude: 0.00

Status: PROPOSED  
Origination date: 08/03/18

## Quotation

Submitted date: 08/03/18  
Due date:  
Submitted amount: 18,400.00  
Requested days delay: 0

## Revenue Detail

Billing Item	Description	Revenue
		18,400.00
Total Revenue For CR 1011		18,400.00

## Approvals

Customer: LAKE IN THE HILLS SANITARY  
Authorized Representative: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Contractor: AMS MECHANICAL SYSTEMS, INC.

By: Kenneth Scharlow /ams

Date: 08/03/2018



11013 122<sup>nd</sup> Street – Pleasant Prairie, WI 53158  
262-857-7414 262-857-2927 fax

To: AMS Mechanical	Attention: Ken Scharlow
Fax:	Phone: (630) 320-7714
Email: <a href="mailto:kscharlow@AMS-PMT.COM">kscharlow@AMS-PMT.COM</a>	Date: 7/25/18
From: Kevin Garrison	Number of Pages: 1
Bid#	Job# 218020 phase #: 300
DKC change order request# 4-R1	GC reference#

RE: RESPONSE TO PLAN CHANGES:

Below, please find our quote for the Changes requested on the above project.

We have been directed to provide a price for an additional 60 earth retention blocks.

Please issue a change order in the amount of \$16,000.00 (\$266.67 per block)

We are also requesting a 1-week time extension.

Thank You,

Kevin Garrison