

SOUTH LYONS TOWNSHIP SANITARY
DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2021

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

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INTRODUCTORY SECTION

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

List of Principal Officials

May 31, 2021

BOARD OF TRUSTEES

Susan Felice, President

Michael Grace, Vice-President

Tom Clancy, Clerk

ADMINISTRATIVE

Calene Zabinski, Treasurer

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

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INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

December 1, 2021

Members of the Board of Trustees
South Lyons Township Sanitary District
Countryside, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the South Lyons Township Sanitary District, Illinois, as of and for the year ended May 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the 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 District'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 District'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 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 and the business-type activities of the South Lyons Township Sanitary District, Illinois, as of May 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, 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 purpose of forming opinions on the financial statements that collectively comprise the South Lyons Township Sanitary District, Illinois' basic financial statements. The introductory section, other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2021

Our discussion and analysis of the South Lyons Township Sanitary District's financial performance provides an overview of the District's financial activities for the fiscal year ended May 31, 2021. Please read it in conjunction with the District's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The District's net position increased as result of this year's operations. Net position of business-type activities increased by \$419,296 and net position of the governmental activities increased by \$147,036.
- During the year, government-wide revenues for the primary government totaled \$1,178,892 while expenses totaled \$612,560, resulting in an increase to net position of \$566,332.
- The District's net position totaled \$8,895,597 on May 31, 2021, which includes \$5,722,471 net investment in capital assets and \$3,173,126 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$33,840 resulting in ending fund balance of \$149,674, an increase of 29.2 percent.
- The Sewer Fund reported an increase this year of \$419,296 resulting in ending net position of \$8,773,729, an increase of 5.0 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Government-Wide Financial Statements

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

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/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. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2021

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government. The business-type activities of the District include sewer operations.

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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the District'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered a major fund.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule for this fund has been provided to demonstrate compliance with this budget.

Proprietary Funds

The District maintains one enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District utilizes enterprise funds to account for its sewer operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2021

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements - Continued

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F. pension obligations, as well as budgetary comparison schedule for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$8,895,597.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 344,025	376,127	3,131,452	2,649,179	3,658,548	3,025,306
Capital Assets	187,065	4,992	7,502,904	7,742,434	7,506,898	7,747,426
Total Assets	531,090	381,119	10,634,356	10,391,613	11,165,446	10,772,732
Deferred Outflows	800	4,434	—	—	800	4,434
Total Assets/Deferred Outflows	531,890	385,553	10,634,356	10,391,613	11,166,246	10,777,166
Long-Term Debt	—	—	1,596,593	1,784,427	1,596,593	1,784,427
Other Liabilities	20,952	25,323	264,034	252,753	284,986	278,076
Total Liabilities	20,952	25,323	1,860,627	2,037,180	1,881,579	2,062,503
Deferred Inflows	389,070	385,398	—	—	389,070	385,398
Total Liabilities/Deferred Inflows	410,022	410,721	1,860,627	2,037,180	2,270,649	2,447,901
Net Position						
Net Investment in Capital Assets	3,994	4,992	5,718,477	5,770,173	5,722,471	5,775,165
Unrestricted (Deficit)	117,874	(30,160)	3,055,252	2,584,260	3,173,126	2,554,100
Total Net Position	121,868	(25,168)	8,773,729	8,354,433	8,895,597	8,329,265

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

A large portion of the District's net position, \$5,722,471 or 64.3 percent, reflects its investment in capital assets (for example, equipment, vehicles, sewer system, extensions and improvements), 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.

The remaining 35.7 percent, or \$3,173,126 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ —	—	633,095	613,034	633,095	613,034
General Revenues						
Property Taxes	368,934	365,779	—	—	368,934	365,779
Replacement Taxes	21,124	16,655	—	—	21,124	16,655
Interest Income	—	—	155,734	45,393	155,734	45,393
Miscellaneous	5	—	—	—	5	—
Total Revenues	390,063	382,434	788,829	658,427	1,178,892	1,040,861
Expenses						
General Government	243,027	410,417	—	—	243,027	410,417
Sewer	—	—	369,533	428,084	369,533	428,084
Total Expenses	243,027	410,417	369,533	428,084	612,560	838,501
Change in Net Position	147,036	(27,983)	419,296	230,343	566,332	202,360
Net Position - Beginning	(25,168)	2,815	8,354,433	8,124,090	8,329,265	8,126,905
Net Position - Ending	121,868	(25,168)	8,773,729	8,354,433	8,895,597	8,329,265

Net position of the District's governmental activities increased by 584.2 percent (deficit of \$25,168 in 2020 compared to a surplus of \$121,868 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a surplus of \$117,874 at May 31, 2021.

Net position of business-type activities increased from \$8,354,433 in 2020 compared to \$8,773,729 in 2021. In fiscal year 2021, the only business-type operation relates to the Sewer operation of the District.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities

Revenues for governmental activities totaled \$390,063, while the cost of all governmental functions totaled \$243,027. This results in a surplus of \$147,036. In 2020, revenues of \$382,434 fell short of expenses of \$410,417, resulting in a deficit of \$27,983.

The District did not receive capital grants/contributions nor charges for services in the current year. Total expenses decreased by \$167,390 or 40.8 percent due to changes in the IMRF deferred inflows and outflows.

The following table graphically depicts the major revenue sources of the District. It depicts very clearly the reliance of property taxes and to fund governmental activities. It also clearly identifies the less significant percentage the District receives from replacement taxes.

Revenues by Source - Governmental Activities



SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

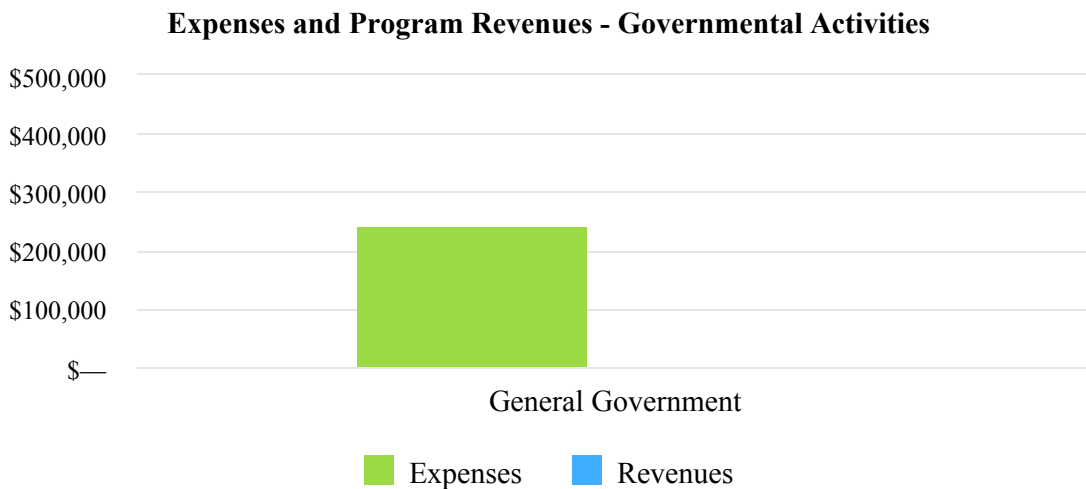
Management's Discussion and Analysis

May 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

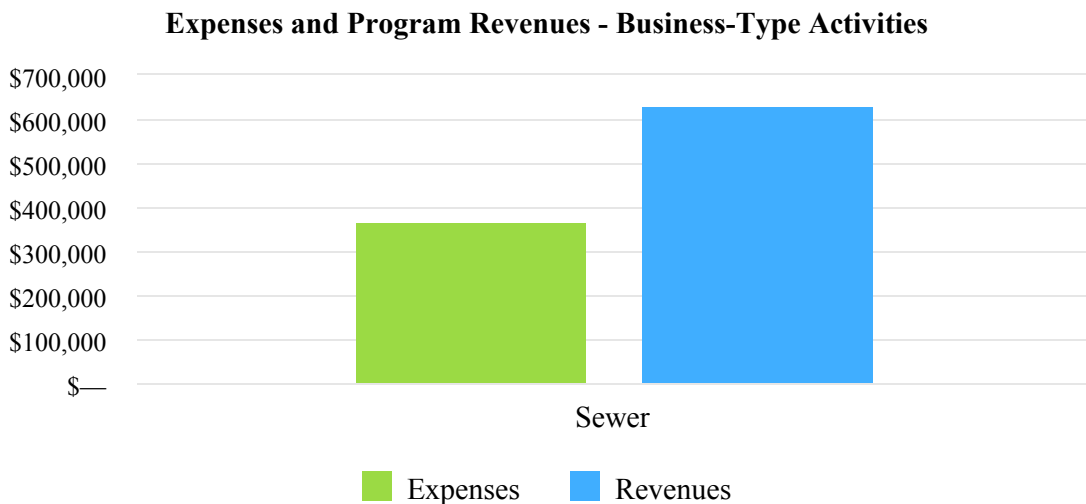
Governmental Activities - Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



Business-Type activities

Business-Type activities reported total revenues of \$788,829, while the cost of all business-type activities totaled \$369,533. This results in an increase to net position of \$419,296. In 2020, revenues of \$658,427 were greater than expenses of \$428,084, resulting in an increase to net position of \$230,343.



The above graph compares program revenues to expenses for Sewer operations.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The District's General Fund, the only governmental fund, reported ending fund balances of \$149,674, which is \$33,840, or 29.2 percent, higher than last year's fund balance of \$115,834. Of the \$149,674 total, \$143,915, of the fund balance constitutes unassigned fund balance.

The General Fund was budgeted to have a deficit of \$49,632 in fund balance. Revenues came in \$22,251 over budget; expenditures were under budget by \$61,221. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund for the District. Revenues are derived mainly from annual property taxes and replacement taxes. As indicated above, the General Fund reported an increase in fund balance of \$33,840. Total revenues in FY2021 were \$390,063 and total revenues in FY2020 were \$382,434. The change in total revenue was an increase of \$7,629 from the previous year. This increase of 2.0 percent is mainly from an increase in property and replacement taxes. Total expenditures in FY2021 were \$356,223 and total expenditures in FY2020 were \$345,031. The change in total expenditures was an increase of \$11,192 from the previous year. The increase in expenditures of 3.2 percent is due to more benefits and payroll taxes and accounting and auditing expenses.

Proprietary Funds

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

The District reports the Sewer Fund as a proprietary fund. The Sewer Fund accounts for all of the operations and maintenance of the District's sewer operations which is primarily funded by user and related charges. The Sewer Fund showed an increase in net position in the amount of \$419,296 and this was partially to increases in charges for services and interest income.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District did not pass any budget amendments during the current year. General Fund actual revenues for the year totaled \$390,063 compared to budgeted revenues of \$367,812. Actual property taxes of \$368,934 were \$43,934 over budget.

The General Fund actual expenditures for the year were \$61,221 under budgeted (\$356,223 actual compared to \$417,444 budgeted) due mainly to benefits and payroll taxes and contract services being under budget.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental and business type activities as of May 31, 2021 was \$7,506,898 (net of accumulated depreciation). This investment in capital assets includes equipment, vehicles, sewer systems and extensions and improvements.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Equipment	\$ 3,994	4,992	—	—	3,994	4,992
Sewer System	—	—	1,608,758	1,673,023	1,608,758	1,673,023
Extensions and Improvements	—	—	5,894,146	6,069,411	5,894,146	6,069,411
Totals	3,994	4,992	7,502,904	7,742,434	7,506,898	7,747,426

There were no additions in the current year.

Additional information on the District's capital assets can be found in Note 3 of this report.

Debt Administration

At year-end, the District had total outstanding debt of \$1,784,427 as compared to \$1,972,261 the previous year, a decrease of 9.5 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
IEPA Loans Payable	\$ —	—	1,784,427	1,972,261	1,784,427	1,972,261

State statutes limit the amount of aggregate indebtedness the District may issue to 5.75 percent of its total assessed valuation. The current debt limit for the District is \$19,214,359.

Additional information on the District's long-term debt can be found in Note 3 of this report.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The South Lyons Township Sanitary District continues to evaluate the expectations on the sanitary districts that utilize their services. The District is evaluating the most recent mandates that are being instituted to determine the proper implementation plan. Some of the mandates may require investment by the District on privately owned property. The District is a special purpose district in Illinois with aging infrastructure. The District is evaluating the infrastructure to identify a long-term capital plan. Once a plan is identified, the District will need to find the necessary funding to complete the required improvements.

At the time these financial statements were prepared and audited, the World Health Organization declared the COVID-19 virus a public health emergency. Although the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined, management does not believe it will have a significant adverse affect on its financial health in the near future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the South Lyons Township Sanitary District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Business Office, South Lyons Township Sanitary District, 475 West 55th Street, Countryside, Illinois, 60525.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements

 - Governmental Fund

 - Proprietary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Statement of Net Position

May 31, 2021

See Following Page

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Statement of Net Position

May 31, 2021

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 164,867	2,915,110	3,079,977
Receivables - Net of Allowances	173,399	216,342	389,741
Prepays	5,759	—	5,759
Total Current Assets	344,025	3,131,452	3,475,477
Noncurrent Assets			
Capital Assets			
Depreciable	26,531	11,976,509	12,003,040
Accumulated Depreciation	(22,537)	(4,473,605)	(4,496,142)
	3,994	7,502,904	7,506,898
Other Assets			
Net Pension Asset - IMRF	183,071	—	183,071
Total Noncurrent Assets	187,065	7,502,904	7,689,969
Total Assets	531,090	10,634,356	11,165,446
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	800	—	800
Total Assets and Deferred Outflows of Resources	531,890	10,634,356	11,166,246

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 20,938	76,200	97,138
Other Payables	14	—	14
IEPA Loan Payable	—	187,834	187,834
Total Current Liabilities	20,952	264,034	284,986
Noncurrent Liabilities			
IEPA Loan Payable	—	1,596,593	1,596,593
Total Liabilities	20,952	1,860,627	1,881,579
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	173,399	—	173,399
Deferred Items - IMRF	215,671	—	215,671
Total Deferred Inflows of Resources	389,070	—	389,070
Total Liabilities and Deferred Inflows of Resources	410,022	1,860,627	2,270,649
NET POSITION			
Net Investment in Capital Assets	3,994	5,718,477	5,722,471
Unrestricted	117,874	3,055,252	3,173,126
Total Net Position	121,868	8,773,729	8,895,597

The notes to the financial statements are an integral part of this statement.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended May 31, 2021

		Program Revenues	
		Charges for Services	Capital Grants/ Contributions
	Expenses		
Governmental Activities			
General Government	\$ 243,027	—	—
Business-Type Activities			
Sewer	369,533	633,095	—
Total Primary Government	612,560	633,095	—

General Revenues
Taxes
 Property Taxes
Intergovernmental - Unrestricted
 Replacement Taxes
Interest Income
Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(243,027)	—	(243,027)
—	263,562	263,562
(243,027)	263,562	20,535
368,934	—	368,934
21,124	—	21,124
—	155,734	155,734
5	—	5
390,063	155,734	545,797
147,036	419,296	566,332
(25,168)	8,354,433	8,329,265
121,868	8,773,729	8,895,597

The notes to the financial statements are an integral part of this statement.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Balance Sheet - Governmental Fund

May 31, 2021

	<u>General</u>
ASSETS	
Cash and Investments	\$ 164,867
Receivables - Net of Allowances	
Taxes	173,399
Prepays	<u>5,759</u>
Total Assets	<u>344,025</u>
LIABILITIES	
Accounts Payable	20,938
Other Payables	<u>14</u>
Total Liabilities	<u>20,952</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>173,399</u>
Total Liabilities and Deferred Inflows of Resources	<u>194,351</u>
FUND BALANCES	
Nonspendable	5,759
Unassigned	<u>143,915</u>
Total Fund Balances	<u>149,674</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>344,025</u>

The notes to the financial statements are an integral part of this statement.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

May 31, 2021

Total Governmental Fund Balances	\$ 149,674
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	3,994
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(214,871)
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	<u>183,071</u>
Net Position of Governmental Activities	<u><u>121,868</u></u>

The notes to the financial statements are an integral part of this statement.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund
For the Fiscal Year Ended May 31, 2021**

	<u>General</u>
Revenues	
Taxes	\$ 368,934
Intergovernmental	21,124
Miscellaneous	<u>5</u>
Total Revenues	390,063
Expenditures	
Current	
General Government	<u>356,223</u>
Net Change in Fund Balances	33,840
Fund Balances - Beginning	<u>115,834</u>
Fund Balances - Ending	<u><u>149,674</u></u>

The notes to the financial statements are an integral part of this statement.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended May 31, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 33,840
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation Expense	(998)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(6,730)
An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.	
Change in Net Pension Asset - IMRF	<u>120,924</u>
Changes in Net Position of Governmental Activities	<u>147,036</u>

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Statement of Net Position - Proprietary Fund

May 31, 2021

	Business- Type Activities <u>Sewer</u>
ASSETS	
Current Assets	
Cash	\$ 2,915,110
Receivables - Net of Allowance	
Accounts	215,952
Accrued Interest	390
Total Current Assets	<u>3,131,452</u>
Noncurrent Assets	
Capital Assets	
Depreciable	11,976,509
Accumulated Depreciation	<u>(4,473,605)</u>
Total Noncurrent Assets	<u>7,502,904</u>
Total Assets	<u>10,634,356</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	76,200
IEPA Loans Payable	<u>187,834</u>
Total Current Liabilities	<u>264,034</u>
Noncurrent Liabilities	
IEPA Loans Payable	<u>1,596,593</u>
Total Liabilities	<u>1,860,627</u>
NET POSITION	
Net Investment in Capital Assets	5,718,477
Unrestricted	<u>3,055,252</u>
Total Net Position	<u>8,773,729</u>

The notes to the financial statements are an integral part of this statement.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Fiscal Year Ended May 31, 2021**

	Business- Type Activities <u>Sewer</u>
Operating Revenues	
Charges for Services	<u>\$ 633,095</u>
Operating Expenses	
Operations	130,003
Depreciation	<u>239,530</u>
Total Operating Expenses	<u>369,533</u>
Operating Income	263,562
Nonoperating Revenues	
Interest Income	<u>155,734</u>
Change in Net Position	419,296
Net Position - Beginning	<u>8,354,433</u>
Net Position - Ending	<u><u>8,773,729</u></u>

The notes to the financial statements are an integral part of this statement.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Fiscal Year Ended May 31, 2021**

	Business- Type Activities <u>Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 629,973
Payments to Suppliers	<u>(118,722)</u>
	<u>511,251</u>
Cash Flows from Capital and Related Financing Activities	
Principal Payments	<u>(187,834)</u>
Cash Flows from Investing Activities	
Interest Received	<u>155,734</u>
Cash and Cash Equivalents - Beginning	<u>2,435,959</u>
Cash and Cash Equivalents - Ending	<u><u>2,915,110</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Operating Income	263,562
Adjustments to Reconcile Operating Income to	
Net Income to Net Cash Provided by	
(Used in) Operating Activities:	
Depreciation Expense	239,530
(Increase) Decrease in Current Assets	(3,122)
Increase (Decrease) in Current Liabilities	<u>11,281</u>
Net Cash Provided by Operating Activities	<u><u>511,251</u></u>

The notes to the financial statements are an integral part of this statement.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The South Lyons Township Sanitary District (District) of Illinois is located in Cook County. The District operates under a President-Trustee form of government and provides sanitary services to various cities and unincorporated areas located within Lyons Township, Illinois. For financial reporting purposes, the District includes all funds and boards that are responsible to the District's Board of Trustees. Responsibility to the Board of Trustees was determined based on budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District, and obligation of the District to finance any deficits that may occur or receipt of significant subsidies from the District.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61 "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The District's general administration are all classified as governmental activities. The District's sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (general government, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, charges for services, interest income, etc.).

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The District does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all revenues and expenditures of the District which are not accounted for in other funds. The General Fund is a major fund.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Sewer Fund, a major fund, is used to account for operations of the sewer distribution system to the general public on a continuing basis.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary equity is classified as net position.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds’ Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Cash and Investments - Continued

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes. Business-type activities report sewer charges as their major receivables. All trade and property tax receivables are shown net of an allowance for uncollectible balances. An allowance for uncollectible trade receivables of \$30,053 was recorded as of May 31, 2021.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets - Continued

Equipment	5 - 20 Years
Vehicles	5 Years
Sewer System	50 Years
Extensions and Improvements	50 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

- The District generally begins its budgetary process before June.
- Prior to September 1, a public hearing is held and the budget is legally enacted through passage of an ordinance.
- The District is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board showing the status of the accounts.
- Each month, statements of receipts and expenditures establishing a budgetary control system are submitted to the Board showing the status of the accounts.
- Budgets are prepared on the same accounting basis as is used to keep District records and prepare District financial statements. The budget amounts presented are as originally adopted as there were no amendments during the year.

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the District's funds.

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and commercial paper rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the District's deposits totaled \$3,009,124 and the bank balances totaled \$2,047,213.

Investments. The District has the following investment fair values and maturities: the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Agency Obligations	\$ 70,853	—	—	—	70,853

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk - Continued

Investments - Continued. The District has the following recurring fair value measurements as of May 31, 2021:

- \$70,853 U.S. Agency Obligations fair value measurements using significant other observable inputs (Level 2)

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for anticipated cash flow needs while providing a reasonable rate of return based on the current market.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy does not address credit risk. At year-end the U.S. Agency Obligations were not rated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not address concentration of credit risk. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name. At year-end, \$1,424,805 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not address custodial credit risk for investments.

PROPERTY TAXES

The District must file its tax levy ordinance by the last Tuesday in December of each year. The 2020 tax levy was approved on October 16, 2020. Property taxes for 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, and August 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****May 31, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS****Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Equipment	\$ 26,531	—	—	26,531
Less Accumulated Depreciation				
Equipment	21,539	998	—	22,537
Total Net Capital Assets	4,992	(998)	—	3,994

Depreciation expense of \$998 was charged to the general government function.

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Sewer System	\$ 3,213,266	—	—	3,213,266
Extensions and Improvements	8,763,243	—	—	8,763,243
	11,976,509	—	—	11,976,509
Less Accumulated Depreciation				
Sewer System	1,540,243	64,265	—	1,604,508
Extensions and Improvements	2,693,832	175,265	—	2,869,097
	4,234,075	239,530	—	4,473,605
Total Net Capital Assets	7,742,434	(239,530)	—	7,502,904

Depreciation expense of \$239,530 was charged to the Sewer function.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

Legal Debt Margin

Chapter 70, Section 705/12-32 of the Illinois Compiled Statutes provides, "Any district incorporated under this Act may borrow money for corporate purposes and may issue bonds therefor, but shall not become indebted in any manner, or for any purpose, to an amount in the aggregate to exceed 5.75% on the valuation of taxable property therein to be ascertained by the last assessment for State and County taxes previous to the incurring of such indebtedness or until January 1, 1983, if greater, the sum that is produced by multiplying the district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2020	<u>\$ 334,162,761</u>
Legal Debt Limit - 5.75% of Assessed Value	19,214,359
Amount of Debt Applicable to Limit	<u>—</u>
Legal Debt Margin	<u>19,214,359</u>

IEPA Loans Payable

The District has entered into a loan agreement with the IEPA to provide low interest financing for sewer improvements. IEPA loans currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Loan Payable of 2009 due in annual installments of \$93,921 to \$187,834, non-interest bearing, through November 6, 2030.	<u>\$ 1,972,261</u>	<u>—</u>	<u>187,834</u>	<u>1,784,427</u>

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
IEPA Loan Payable	<u>1,972,261</u>	<u>—</u>	<u>187,834</u>	<u>1,784,427</u>	<u>187,834</u>

For business-type activities, payments on the IEPA loans payable are made by the Sewer Fund.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Business-Type Activities	
	IEPA Loan Payable	
	Principal	Interest
2022	\$ 187,834	—
2023	187,834	—
2024	187,834	—
2025	187,834	—
2026	187,834	—
2027	187,834	—
2028	187,834	—
2029	187,834	—
2030	187,834	—
2031	93,921	—
Totals	<u>1,784,427</u>	<u>—</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of May 31, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 3,994</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	7,502,904
Less Capital Related Debt:	
IEPA Loan Payable of 2009	<u>(1,784,427)</u>
Net Investment in Capital Assets	<u>5,718,477</u>

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

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

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	<u>General</u>
Fund Balances	
Nonspendable	
Prepays	\$ 5,759
Unassigned	<u>143,915</u>
Total Fund Balances	<u><u>149,674</u></u>

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There has been no decrease in coverage during the year. Settled claims resulting from these risks have not exceeded insurance coverage in the last three years.

CONTINGENT LIABILITIES

Litigation

The District is not a defendant in any lawsuits.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Financial Impact From COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

LEASE

The District has entered into a lease for office space that terminates on December 31, 2024. Future commitments under the lease total \$27,046 for the year ending May 31, 2022. The District had rent expense of \$27,045 in the current year.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions

Plan Administration. All hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF provides two tiers of pension benefits. 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.

Plan Membership. As of December 31, 2020 the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	8
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>3</u>
Total	<u><u>13</u></u>

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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. For the year-ended December 31, 2020, the District's contribution was 43.43% of covered payroll.

Net Pension (Asset). The District's net pension (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) to changes in the discount rate. The table below presents the net pension (asset) of the District calculated using the discount rate as well as what the District's net pension (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (42,098)	(183,071)	(306,034)

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****May 31, 2021****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Changes in the Net Pension (Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2019	\$ 1,659,605	1,721,752	(62,147)
Changes for the Year:			
Service Cost	2,164	—	2,164
Interest on the Total Pension Liability	117,659	—	117,659
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(33,584)	—	(33,584)
Changes of Assumptions	(9,935)	—	(9,935)
Contributions - Employer	—	10,642	(10,642)
Contributions - Employees	—	810	(810)
Net Investment Income	—	270,432	(270,432)
Benefit Payments, Including Refunds of Employee Contributions	(75,615)	(75,615)	—
Other (Net Transfer)	—	(84,656)	84,656
Net Changes	689	121,613	(120,924)
Balances at December 31, 2020	1,660,294	1,843,365	(183,071)

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

For the year ended May 31, 2021, the District recognized pension revenue of \$106,377. At May 31, 2021, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(10,164)	(10,164)
Change in Assumptions	—	(3,007)	(3,007)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(202,500)	(202,500)
Total Expense to be Recognized in Future Periods	—	(215,671)	(215,671)
Contributions made Subsequent to Measurement Date	800	—	800
Total Deferred Amounts Related to IMRF	800	(215,671)	(214,871)

\$800 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended May 31, 2022. 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:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2022	\$ (78,195)
2023	(23,321)
2024	(83,955)
2025	(30,200)
2026	—
Thereafter	—
Total	(215,671)

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, there is minimal participation. As the District provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the District has not recorded a liability as of May 31, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

May 31, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 63,316	\$ 138,316	\$ 75,000	\$ 18,000	768.42%
2017	62,272	137,272	75,000	18,000	762.62%
2018	38,095	113,095	75,000	18,000	628.31%
2019	14,778	35,796	21,018	18,000	198.87%
2020	7,812	7,812	—	18,000	43.40%
2021	7,817	7,817	—	18,000	43.43%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS**Illinois Municipal Retirement Fund****Schedule of Changes in the Employer's Net Pension Liability/(Asset)****May 31, 2021**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 2,640
Interest	133,101
Differences Between Expected and Actual Experience	66,756
Change of Assumptions	(67,245)
Benefit Payments, Including Refunds of Member Contributions	<u>(127,064)</u>
Net Change in Total Pension Liability	8,188
Total Pension Liability - Beginning	<u>2,103,634</u>
 Total Pension Liability - Ending	 <u><u>2,111,822</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 136,466
Contributions - Members	1,710
Net Investment Income	6,633
Benefit Payments, Including Refunds of Member Contributions	(127,064)
Other (Net Transfer)	<u>171,062</u>
Net Change in Plan Fiduciary Net Position	188,807
Plan Net Position - Beginning	<u>1,321,076</u>
 Plan Net Position - Ending	 <u><u>1,509,883</u></u>
 Employer's Net Pension Liability/(Asset)	 <u><u>\$ 601,939</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	 71.50%
 Covered Payroll	 \$ 18,000
 Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	 3344.11%

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
2,470	2,099	2,011	2,122	2,164
141,172	147,433	143,004	142,704	117,659
(3,039)	(11,930)	(14,720)	(405,457)	(33,584)
(112,195)	(76,922)	38,784	—	(9,935)
(116,297)	(118,408)	(120,986)	(94,062)	(75,615)
(87,889)	(57,728)	48,093	(354,693)	689
2,111,822	2,023,933	1,966,205	2,014,298	1,659,605
2,023,933	1,966,205	2,014,298	1,659,605	1,660,294
145,919	125,166	21,198	5,790	10,642
810	810	810	810	810
103,855	333,346	(155,656)	382,152	270,432
(116,297)	(118,408)	(120,986)	(94,062)	(75,615)
27,653	(22,638)	52,584	(360,987)	(84,656)
161,940	318,276	(202,050)	(66,297)	121,613
1,509,883	1,671,823	1,990,099	1,788,049	1,721,752
1,671,823	1,990,099	1,788,049	1,721,752	1,843,365
352,110	(23,894)	226,249	(62,147)	(183,071)
82.60%	101.22%	88.77%	103.74%	111.03 %
18,000	18,000	18,000	18,000	18,000
1956.17%	(132.74%)	1256.94%	(345.26%)	(1017.06%)

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

General Fund

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

For the Fiscal Year Ended May 31, 2021

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes			
Property Taxes	\$ 325,000	325,000	368,934
Intergovernmental			
Replacement Taxes	10,000	10,000	21,124
Miscellaneous	32,812	32,812	5
Total Revenues	367,812	367,812	390,063
Expenditures			
General Government			
Personnel and Related			
Trustee Compensation	18,000	18,000	18,000
Benefits and Payroll Taxes	110,876	110,876	79,987
Contractual Services			
Office Rent	28,500	28,500	27,045
Utilities	10,500	10,500	7,451
Office Maintenance	1,000	1,000	2,720
Office Equipment	6,000	6,000	—
Office Supplies	2,000	2,000	1,639
Postage	5,500	5,500	5,903
Accounting and Auditing	81,600	81,600	76,753
Insurance	11,000	11,000	10,815
Bank Fees	1,000	1,000	181
Legal	41,700	41,700	38,400
Contract Services	99,268	99,268	87,329
Membership Dues	500	500	—
Total Expenditures	417,444	417,444	356,223
Net Change in Fund Balance	(49,632)	(49,632)	33,840
Fund Balance - Beginning			115,834
Fund Balance - Ending			149,674

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedule include:

- Budgetary Comparison Schedule - Enterprise Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

ENTERPRISE FUND

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Sewer Fund

The Sewer Fund is used to account for operations of the sewer distribution system to the general public on a continuing basis.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended May 31, 2021

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operating Revenues			
Charges for Services			
Sewer Billing	\$ 665,000	665,000	622,285
Connection/Permit Fees	7,500	7,500	3,500
Other	—	—	7,310
Total Operating Revenues	672,500	672,500	633,095
Operating Expenses			
Operations			
Engineering	27,500	27,500	937
Lift Station Utilities			
9th Avenue	9,500	9,500	4,846
Brainard	12,300	12,300	8,915
Sewer Maintenance	600,000	600,000	113,805
Equipment	13,500	13,500	1,500
Contract Services	69,500	69,500	—
Depreciation	—	—	239,530
Total Operating Expenses	732,300	732,300	369,533
Operating Income (Loss)	(59,800)	(59,800)	263,562
Nonoperating Revenues (Expenses)			
Interest Income	5,000	5,000	155,734
Principal Retirement	(188,000)	(188,000)	—
	(183,000)	(183,000)	155,734
Income (Loss) Before Transfers	(242,800)	(242,800)	419,296
Transfers Out	(54,632)	(54,632)	—
Change in Net Position	(297,432)	(297,432)	419,296
Net Position - Beginning			8,354,433
Net Position - Ending			8,773,729

SUPPLEMENTAL SCHEDULES

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency Loan of 2009

May 31, 2021

Date of Issue	October 23, 2009
Date of Maturity	November 6, 2030
Authorized Issue	\$4,531,618
Interest Rate	Non-Interest Bearing
Principal Maturity Dates	November 6 and May 6
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 187,834	—	187,834
2023	187,834	—	187,834
2024	187,834	—	187,834
2025	187,834	—	187,834
2026	187,834	—	187,834
2027	187,834	—	187,834
2028	187,834	—	187,834
2029	187,834	—	187,834
2030	187,834	—	187,834
2031	93,921	—	93,921
	1,784,427	—	1,784,427

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

General - Governmental Fund

Schedule of Revenues and Expenditures - Last Five Fiscal Years

May 31, 2021

	5/31/2017	5/31/2018	5/31/2019	5/31/2020	5/31/2021
Revenues					
Property Taxes	\$ 337,328	350,771	341,765	365,779	368,934
Replacement Taxes	16,808	14,064	15,215	16,655	21,124
Interest Income	1	—	—	—	—
Miscellaneous	162	523	59	—	5
Total Revenues	354,299	365,358	357,039	382,434	390,063
Expenditures					
Salaries	19,394	19,412	19,412	18,000	18,000
Benefits	137,272	112,045	15,953	10,112	9,190
Office Rent	25,602	25,974	26,454	26,855	27,045
Utilities	10,571	8,821	8,749	7,685	7,451
Insurance	45,710	56,419	72,683	74,563	81,612
Office Equipment	1,262	1,131	3,608	4,992	—
Professional Services	109,850	110,550	110,250	110,095	115,153
Other	80,282	68,015	94,462	92,729	97,772
Total Expenditures	429,943	402,367	351,571	345,031	356,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,644)	(37,009)	5,468	37,403	33,840
Other Financing Sources					
Transfers In	94,576	50,000	—	—	—
Net Change in Fund Balances	18,932	12,991	5,468	37,403	33,840
Fund Balances - Beginning	41,040	59,972	72,963	78,431	115,834
Fund Balances - Ending	59,972	72,963	78,431	115,834	149,674

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Sewer - Proprietary Fund

Schedule of Operating Revenues and Operating Expenses - Last Five Fiscal Years

May 31, 2021

	5/31/2017	5/31/2018	5/31/2019	5/31/2020	5/31/2021
Operating Revenues					
Sewer Billings	\$ 672,604	671,395	546,958	604,236	625,785
Miscellaneous	2,799	2,044	10,274	8,798	7,310
Total Operating Revenues	675,403	673,439	557,232	613,034	633,095
Operating Expenses					
Operations					
Engineering	31,528	590	22,314	12,897	937
Lift Station Utilities	5,871	7,116	8,756	49,868	13,761
Sewer Maintenance	181,207	194,200	89,563	125,789	113,805
Other	—	7	720	—	1,500
Depreciation	239,530	239,530	239,530	239,530	239,530
Total Operating Expenses	458,136	441,443	360,883	428,084	369,533
Operating Income	217,267	231,996	196,349	184,950	263,562
Nonoperating Revenues					
Interest Income	26,864	11,239	19,740	45,393	155,734
Income Before Transfers	244,131	243,235	216,089	230,343	419,296
Transfers Out	(94,576)	(50,000)	—	—	—
Change in Net Position	149,555	193,235	216,089	230,343	419,296
Net Position - Beginning	7,565,211	7,714,766	7,908,001	8,124,090	8,354,433
Net Position - Ending	7,714,766	7,908,001	8,124,090	8,354,433	8,773,729