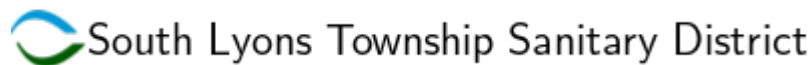


SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
May 31, 2024

475 55th St, #107
Countryside, IL 60525
Phone: 708.354.7390
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SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

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INTRODUCTORY SECTION

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

List of Principal Officials

May 31, 2024

BOARD OF TRUSTEES

Michael Grace, President

Thomas Clancy, Trustee

Ryan Christensen, Trustee

ADMINISTRATIVE

Kelly Zabinski, Treasurer

FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITOR'S REPORT

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



INDEPENDENT AUDITOR'S REPORT

February 17, 2025

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

Opinions

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 the South Lyons Township Sanitary District (the District), Illinois, as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 the South Lyons Township Sanitary District, Illinois, as of May 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and supplementary pension schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2024

Our discussion and analysis of the South Lyons Township Sanitary District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended May 31, 2024. 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 \$235,847 and net position of the governmental activities increased by \$397,815.
- During the year, government-wide revenues for the primary government totaled \$1,108,135 while expenses totaled \$474,473, resulting in an increase to net position of \$633,662.
- The District's net position totaled \$10,648,148 on May 31, 2024, which includes \$5,576,789 net investment in capital assets, \$1,193,807 subject to external restrictions, and \$3,877,552 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 \$47,850 resulting in ending fund balance of \$370,251, an increase of 14.8 percent.
- The Sewer Fund reported an increase this year of \$235,847 resulting in ending net position of \$8,986,211, an increase of 2.7 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, 2024

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, 2024

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 \$10,648,148.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 568,939	1,515,098	3,424,242	3,135,478	5,186,988	4,650,576
Capital Assets	1,266,555	101,519	6,798,856	7,023,844	6,871,604	7,125,363
Total Assets	1,835,494	1,616,617	10,223,098	10,159,322	12,058,592	11,775,939
Deferred Outflows	99,021	137,327	—	—	99,021	137,327
Total Assets/Deferred Outflows	1,934,515	1,753,944	10,223,098	10,159,322	12,157,613	11,913,266
Long-Term Debt	45,964	73,890	1,033,091	1,220,925	1,079,055	1,294,815
Other Liabilities	61,326	56,611	203,796	188,033	265,122	244,644
Total Liabilities	107,290	130,501	1,236,887	1,408,958	1,344,177	1,539,459
Deferred Inflows	165,288	359,321	—	—	165,288	359,321
Total Liabilities/Deferred Inflows	272,578	489,822	1,236,887	1,408,958	1,509,465	1,898,780
Net Position						
Net Investment in Capital Assets	(1,142)	527	5,577,931	5,615,085	5,576,789	5,615,612
Restricted	1,193,807	1,008,203	—	—	1,193,807	1,008,203
Unrestricted	469,272	255,392	3,408,280	3,135,279	3,877,552	3,390,671
Total Net Position	1,661,937	1,264,122	8,986,211	8,750,364	10,648,148	10,014,486

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

A large portion of the District's net position, \$5,576,789 or 52.4 percent, reflects its investment in capital assets (for example, equipment and vehicles, leased asset, 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.

An additional portion, \$1,193,807 or 11.2 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 36.4 percent, or \$3,877,552 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			
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ —	—	490,417	483,873	490,417	483,873
General Revenues						
Property Taxes	394,910	370,465	—	—	394,910	370,465
Replacement Taxes	34,278	52,042	—	—	34,278	52,042
Interest Income	37,001	3,834	151,529	67,673	188,530	71,507
Total Revenues	466,189	426,341	641,946	551,546	1,108,135	977,887
Expenses						
General Government	65,145	(475,637)	—	—	65,145	(475,637)
Interest on Long-Term Debt	3,229	2,751	—	—	3,229	2,751
Sewer	—	—	406,099	493,329	406,099	493,329
Total Expenses	68,374	(472,886)	406,099	493,329	474,473	20,443
Change in Net Position	397,815	899,227	235,847	58,217	633,662	957,444
Net Position - Beginning	1,264,122	364,895	8,750,364	8,692,147	10,014,486	9,057,042
Net Position - Ending	1,661,937	1,264,122	8,986,211	8,750,364	10,648,148	10,014,486

Net position of the District's governmental activities increased by 31.5 percent (surplus of \$1,264,122 in 2023 compared to a surplus of \$1,661,937 in 2024). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a surplus of \$469,272 at May 31, 2024.

Net position of business-type activities increased from \$8,750,364 in 2023 compared to \$8,986,211 in 2024. In fiscal year 2024, 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, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

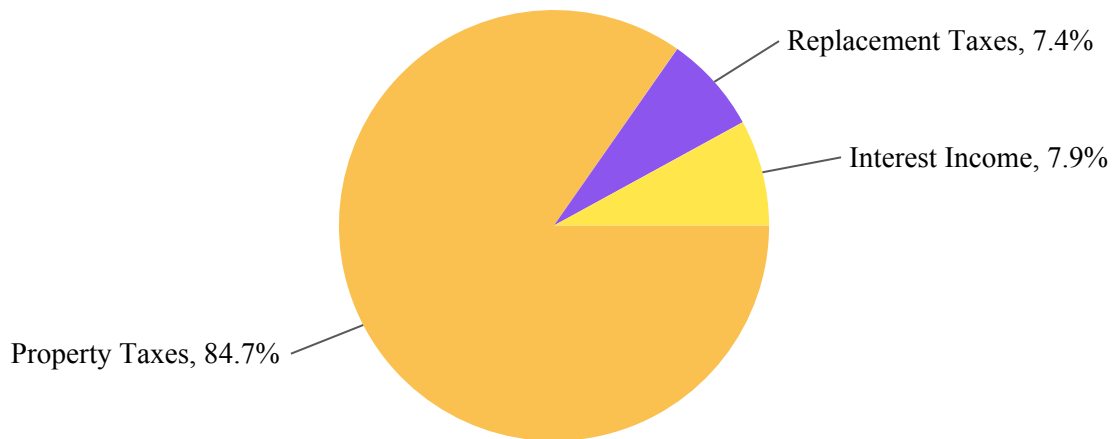
Governmental Activities

Revenues for governmental activities totaled \$466,189, while the cost of all governmental functions totaled \$68,374. This results in a surplus of \$397,815. In 2023, revenues of \$426,341 fell short of deficit expenses of \$472,886, resulting in a surplus of \$899,227.

The District did not receive capital grants/contributions nor charges for services in the current year. Total expenses increased by \$541,260 or 114.5 percent due to changes in the IMRF net pension asset and 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

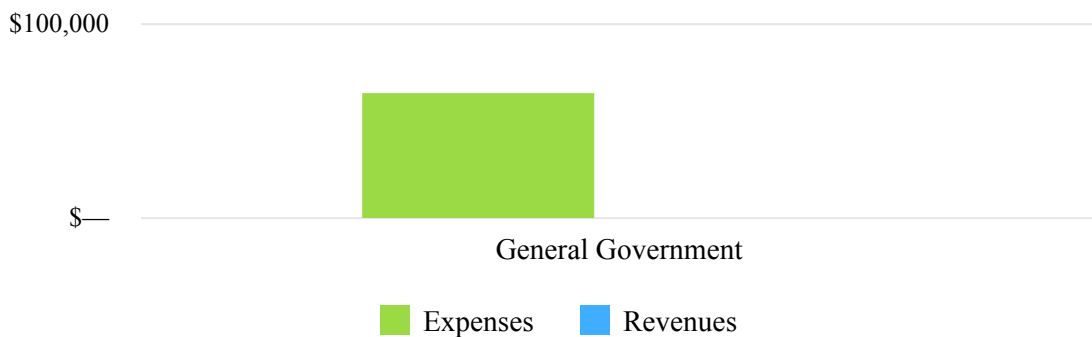
May 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

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

Expenses and Program Revenues - Governmental Activities



Business-Type Activities

Business-Type activities reported total revenues of \$641,946, while the cost of all business-type activities totaled \$406,099. This results in an increase to net position of \$235,847. In 2023, revenues of \$551,546 were greater than expenses of \$493,329, resulting in an increase to net position of \$58,217.

Expenses and Program Revenues - Business-Type Activities



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

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2024

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 \$370,251, which is \$47,850, or 14.8 percent, higher than last year's fund balance of \$322,401. Of the \$370,251 total, \$370,251, of the fund balance constitutes unassigned fund balance.

The General Fund was budgeted to have total expenditures exceed to total revenues by \$4,949 in the current year. Revenues came in \$75,989 over budget; expenditures were over budget by \$23,190. 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 \$47,850. Total revenues in FY2024 were \$466,189 and total revenues in FY2023 were \$426,341. The change in total revenue was an increase of \$39,848 from the previous year. This increase of 9.3 percent is mainly from an increase in interest income. Total expenditures in FY2024 were \$418,339 and total expenditures in FY2023 were \$322,683. The change in total expenditures was an increase of \$95,656 from the previous year. The increase in expenditures of 22.87 percent is due to increase in management costs.

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 \$235,847 and this was mainly due to an increase in interest income and a decrease in sewer expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District did not pass any budget amendments during the current year. General Fund actual revenues for the year totaled \$466,189 compared to budgeted revenues of \$390,200. Actual property taxes of \$394,910 were \$44,910 over budget.

The General Fund actual expenditures for the year were \$23,190 over budgeted (\$418,339 actual compared to \$395,149 budgeted) due to change in the billing cycle.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

May 31, 2024

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, 2024 was \$6,871,604 (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			
	2024	2023	2024	2023	2024	2023
Equipment	\$ 1,000	1,998	—	—	1,000	1,998
Leased Asset	71,748	99,521	—	—	71,748	99,521
Sewer System	—	—	1,430,505	1,480,228	1,430,505	1,480,228
Extensions and Improvements	—	—	5,368,351	5,543,616	5,368,351	5,543,616
Totals	72,748	101,519	6,798,856	7,023,844	6,871,604	7,125,363

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 \$1,294,815 as compared to \$1,509,751 the previous year, a decrease of 14.2 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Leases Payable	\$ 73,890	100,992	—	—	73,890	100,992
IEPA Loans Payable	—	—	1,220,925	1,408,759	1,220,925	1,408,759
	73,890	100,992	1,220,925	1,408,759	1,294,815	1,509,751

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 \$21,672,008.

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, 2024

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.

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, 2024

See Following Page

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS**Statement of Net Position****May 31, 2024**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 394,502	3,203,566	3,598,068
Receivables - Net of Allowances	174,437	220,676	395,113
Total Current Assets	568,939	3,424,242	3,993,181
Noncurrent Assets			
Capital Assets			
Depreciable	153,825	11,991,348	12,145,173
Accumulated Depreciation	(81,077)	(5,192,492)	(5,273,569)
	72,748	6,798,856	6,871,604
Other Assets			
Net Pension Asset - IMRF	1,193,807	—	1,193,807
Total Noncurrent Assets	1,266,555	6,798,856	8,065,411
Total Assets	1,835,494	10,223,098	12,058,592
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	99,021	—	99,021
Total Assets and Deferred Outflows of Resources	1,934,515	10,223,098	12,157,613

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 33,172	15,962	49,134
Other Payables	228	—	228
Current Portion of Long-Term Debt	27,926	187,834	215,760
Total Current Liabilities	61,326	203,796	265,122
Noncurrent Liabilities			
Leases Payable	45,964	—	45,964
IEPA Loan Payable	—	1,033,091	1,033,091
Total Noncurrent Liabilities	45,964	1,033,091	1,079,055
Total Liabilities	107,290	1,236,887	1,344,177
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	165,288	—	165,288
Total Liabilities and Deferred Inflows of Resources	272,578	1,236,887	1,509,465
NET POSITION			
Net Investment in Capital Assets	(1,142)	5,577,931	5,576,789
Restricted - Special Levies			
IMRF	1,193,807	—	1,193,807
Unrestricted	469,272	3,408,280	3,877,552
Total Net Position	1,661,937	8,986,211	10,648,148

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, 2024

		Program Revenues	
		Charges for Services	Capital Grants/ Contributions
	Expenses		
Governmental Activities			
General Government	\$ 65,145	—	—
Interest on Long-Term Debt	3,229	—	—
Total Governmental Activities	68,374	—	—
Business-Type Activities			
Sewer	406,099	490,417	—
Total Primary Government	474,473	490,417	—

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

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
(65,145)	—	(65,145)
(3,229)	—	(3,229)
(68,374)	—	(68,374)
—	84,318	84,318
(68,374)	84,318	15,944
394,910	—	394,910
34,278	—	34,278
37,001	151,529	188,530
466,189	151,529	617,718
397,815	235,847	633,662
1,264,122	8,750,364	10,014,486
1,661,937	8,986,211	10,648,148

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, 2024

	<u>General</u>
ASSETS	
Cash and Investments	\$ 394,502
Receivables - Net of Allowances	
Taxes	<u>174,437</u>
Total Assets	<u><u>568,939</u></u>
LIABILITIES	
Accounts Payable	33,172
Other Payables	<u>228</u>
Total Liabilities	<u>33,400</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>165,288</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>198,688</u></u>
FUND BALANCES	
Unassigned	<u>370,251</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>568,939</u></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, 2024

Total Governmental Fund Balances	\$ 370,251
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.	72,748
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	1,193,807
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	99,021
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Leases Payable	<u>(73,890)</u>
Net Position of Governmental Activities	<u><u>1,661,937</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, 2024**

	<u>General</u>
Revenues	
Taxes	\$ 394,910
Intergovernmental	34,278
Interest Income	<u>37,001</u>
Total Revenues	<u>466,189</u>
Expenditures	
General Government	388,008
Debt Service	
Principal Retirement	27,102
Interest and Fiscal Charges	<u>3,229</u>
Total Expenditures	<u>418,339</u>
Net Change in Fund Balances	47,850
Fund Balances - Beginning	<u>322,401</u>
Fund Balances - Ending	<u><u>370,251</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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 47,850
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	(28,771)
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	185,604
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	166,030
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Retirement of Debt	<u>27,102</u>
Changes in Net Position of Governmental Activities	<u><u>397,815</u></u>

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

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Statement of Net Position - Proprietary Fund

May 31, 2024

	Business- Type Activities <u>Sewer</u>
ASSETS	
Current Assets	
Cash	\$ 3,203,566
Receivables - Net of Allowance	
Accounts	<u>220,676</u>
Total Current Assets	<u>3,424,242</u>
Noncurrent Assets	
Capital Assets	
Depreciable	11,991,348
Accumulated Depreciation	<u>(5,192,492)</u>
Total Noncurrent Assets	<u>6,798,856</u>
Total Assets	<u>10,223,098</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	15,962
IEPA Loans Payable	<u>187,834</u>
Total Current Liabilities	<u>203,796</u>
Noncurrent Liabilities	
IEPA Loans Payable	<u>1,033,091</u>
Total Liabilities	<u>1,236,887</u>
NET POSITION	
Net Investment in Capital Assets	5,577,931
Unrestricted	<u>3,408,280</u>
Total Net Position	<u><u>8,986,211</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, 2024**

	Business- Type Activities Sewer
Operating Revenues	
Charges for Services	\$ 490,417
Operating Expenses	
Operations	166,272
Depreciation	239,827
Total Operating Expenses	406,099
Operating Income	84,318
Nonoperating Revenues	
Interest Income	151,529
Change in Net Position	235,847
Net Position - Beginning	8,750,364
Net Position - Ending	8,986,211

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, 2024**

	Business- Type Activities <u>Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 465,635
Payments to Suppliers	<u>(150,509)</u>
	<u>315,126</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(14,839)
Principal Payments	<u>(187,834)</u>
	<u>(202,673)</u>
Cash Flows from Investing Activities	
Interest Income	<u>151,530</u>
Cash and Cash Equivalents - Beginning	<u>2,939,583</u>
Cash and Cash Equivalents - Ending	<u><u>3,203,566</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Operating Income	84,318
Adjustments to Reconcile Operating Income to	
Net Income to Net Cash Provided by	
(Used in) Operating Activities:	
Depreciation Expense	239,827
(Increase) Decrease in Current Assets	(24,782)
Increase (Decrease) in Current Liabilities	<u>15,763</u>
Net Cash Provided by Operating Activities	<u><u>315,126</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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The South Lyons Township Sanitary District (the 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

The District is a municipal corporation governed by an elected president and two member Board of Trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include 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, 2024

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, 2024

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, 2024

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, 2024

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 \$33,837 was recorded as of May 31, 2024.

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

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Capital Assets - Continued

Equipment	3 - 15 Years
Leased Asset	5 Years
Sewer System	20 - 50 Years
Extensions and Improvements	20 - 50 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an consumption/acquisition 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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures, over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
General	\$ 23,190

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.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Deposits. At year-end, the carrying amount of the District's deposits totaled \$3,358,255 and the bank balances totaled \$3,369,675.

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	\$ 29,607	—	—	10,548	19,059

The District has the following recurring fair value measurements as of May 31, 2024:

- \$29,607 U.S. Agency Obligations fair value measurements using significant other observable inputs (Level 2)
- \$210,206 equity mutual funds fair value measurements using quoted prices in active markets for identical assets (Level 1)

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. In addition, the Fund also has \$210,206 invested in equity mutual funds. 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).

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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, the entire amount of the bank balance of the deposits was covered by 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 2023 tax levy was approved on July 20, 2023. Property taxes for 2023 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.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable/Amortizable Capital Assets				
Equipment	\$ 26,531	—	—	26,531
Leased Asset	127,294	—	—	127,294
	<u>153,825</u>	<u>—</u>	<u>—</u>	<u>153,825</u>
Less Accumulated Depreciation/Amortization				
Equipment	24,533	998	—	25,531
Leased Asset	27,773	27,773	—	55,546
	<u>52,306</u>	<u>28,771</u>	<u>—</u>	<u>81,077</u>
Total Net Capital Assets	<u>101,519</u>	<u>(28,771)</u>	<u>—</u>	<u>72,748</u>

Depreciation expense of \$28,771 was charged to the general government function.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

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	14,839	—	3,228,105
Extensions and Improvements	8,763,243	—	—	8,763,243
	11,976,509	14,839	—	11,991,348
Less Accumulated Depreciation				
Sewer System	1,733,038	64,562	—	1,797,600
Extensions and Improvements	3,219,627	175,265	—	3,394,892
	4,952,665	239,827	—	5,192,492
Total Net Capital Assets	7,023,844	(224,988)	—	6,798,856

Depreciation expense of \$239,827 was charged to the sewer function.

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 - 2023	<u>\$ 376,904,494</u>
Legal Debt Limit - 5.75% of Assessed Value	21,672,008
Amount of Debt Applicable to Limit	<u>—</u>
Legal Debt Margin	<u>21,672,008</u>

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT- Continued

Leases Payable

The District has entered into right-to-use lease agreements as lessee for building space. The District is required to make various monthly principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset agreement, as the contract did not explicitly define an interest rate. The District's building lease is considered to be a long-term, non-cancellable lease agreement. The lease is set to expire on December 31, 2026.

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2025	\$ 27,926	1,835
2026	28,776	985
2027	17,188	172
	<u>73,890</u>	<u>2,992</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.	\$ 1,408,759	—	187,834	1,220,925

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****May 31, 2024****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT- Continued****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
Governmental Activities					
Leases Payable	\$ 100,992	—	27,102	73,890	27,926
Business-Type Activities					
IEPA Loan Payable	1,408,759	—	187,834	1,220,925	187,834

For governmental activities, the leases payable are being liquidated by the General Fund. For business-type activities, payments on the IEPA loans payable are made by the Sewer Fund.

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
2025	\$ 187,834	—
2026	187,834	—
2027	187,834	—
2028	187,834	—
2029	187,834	—
2030	187,834	—
2031	93,921	—
Totals	1,220,925	—

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of May 31, 2024:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 72,748
Less Capital Related Debt:	
Leases Payable	<u>(73,890)</u>
Net Investment in Capital Assets	<u><u>(1,142)</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	6,798,856
Less Capital Related Debt:	
IEPA Loan Payable of 2009	<u>(1,220,925)</u>
Net Investment in Capital Assets	<u><u>5,577,931</u></u>

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.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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>
Unassigned	<u>\$ 370,251</u>

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; natural disasters; and injuries to the District's employees. The District has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

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.

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.

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.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. 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, 2023 the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	6
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>2</u>
Total	<u>9</u>

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, 2023, the District's contribution was 5.44% of covered payroll.

Net Pension (Asset). The District's net pension (asset) was measured as of December 31, 2023. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, 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	2.75%
Inflation	2.25%

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

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, 2024

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	24.50%	4.75%
Domestic Equities	34.50%	5.00%
International Equities	18.00%	6.35%
Real Estate	10.50%	6.30%
Blended	11.50%	6.05% - 8.65%
Cash and Cash Equivalents	1.00%	3.80%

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%)	Increase (8.25%)
Net Pension (Asset) \$	(1,165,267)	(1,193,807)	(1,218,862)

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****May 31, 2024****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, 2022	\$ 654,438	1,662,641	(1,008,203)
Changes for the Year:			
Service Cost	1,340	—	1,340
Interest on the Total Pension Liability	45,304	—	45,304
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(252,303)	—	(252,303)
Changes of Assumptions	(211)	—	(211)
Contributions - Employer	—	133	(133)
Contributions - Employees	—	630	(630)
Net Investment Income	—	197,941	(197,941)
Benefit Payments, Including Refunds of Employee Contributions	(60,458)	(60,458)	—
Other (Net Transfer)	—	(218,970)	218,970
Net Changes	(266,328)	(80,724)	(185,604)
Balances at December 31, 2023	388,110	1,581,917	(1,193,807)

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

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

For the year ended May 31, 2024, the District recognized pension revenue of \$350,981. At May 31, 2024, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	—	—
Change in Assumptions	—	—	—
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	98,975	—	98,975
Total Expense to be Recognized in Future Periods	98,975	—	98,975
Contributions made Subsequent to Measurement Date	46	—	46
 Total Deferred Amounts Related to IMRF	 99,021	 —	 99,021

\$46 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, 2025. 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
2025	\$ 4,539
2026	34,739
2027	77,198
2028	(17,501)
2029	—
Thereafter	—
 Total	 98,975

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2024

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, 2024.

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 Contributions

May 31, 2024

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%
2022	1,668	1,668	—	13,500	12.36%
2023	798	798	—	14,000	5.70%
2024	653	653	—	12,000	5.44%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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 Contributions

May 31, 2024

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 2,640	2,470	2,099
Interest	133,101	141,172	147,433
Differences Between Expected and Actual Experience	66,756	(3,039)	(11,930)
Change of Assumptions	(67,245)	(112,195)	(76,922)
Benefit Payments, Including Refunds of Member Contributions	(127,064)	(116,297)	(118,408)
Net Change in Total Pension Liability	8,188	(87,889)	(57,728)
Total Pension Liability - Beginning	2,103,634	2,111,822	2,023,933
Total Pension Liability - Ending	2,111,822	2,023,933	1,966,205
Plan Fiduciary Net Position			
Contributions - Employer	\$ 136,466	145,919	125,166
Contributions - Members	1,710	810	810
Net Investment Income	6,633	103,855	333,346
Benefit Payments, Including Refunds of Member Contributions	(127,064)	(116,297)	(118,408)
Other (Net Transfer)	171,062	27,653	(22,638)
Net Change in Plan Fiduciary Net Position	188,807	161,940	318,276
Plan Net Position - Beginning	1,321,076	1,509,883	1,671,823
Plan Net Position - Ending	1,509,883	1,671,823	1,990,099
Employer's Net Pension Liability/(Asset)	\$ 601,939	352,110	(23,894)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	71.50%	82.60%	101.22%
Covered Payroll	\$ 18,000	18,000	18,000
Employer's Net Pension Liability/ (Asset) as a Percentage of Covered Payroll	3344.11%	1956.17%	(132.74%)

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
2,011	2,122	2,164	2,048	1,988	1,340
143,004	142,704	117,659	117,744	115,781	45,304
(14,720)	(405,457)	(33,584)	(71,959)	(1,021,680)	(252,303)
38,784	—	(9,935)	—	—	(211)
(120,986)	(94,062)	(75,615)	(74,516)	(75,262)	(60,458)
48,093	(354,693)	689	(26,683)	(979,173)	(266,328)
1,966,205	2,014,298	1,659,605	1,660,294	1,633,611	654,438
2,014,298	1,659,605	1,660,294	1,633,611	654,438	388,110
21,198	5,790	10,642	1,919	145	133
810	810	810	810	608	630
(155,656)	382,152	270,432	342,829	(325,270)	197,941
(120,986)	(94,062)	(75,615)	(74,516)	(75,262)	(60,458)
52,584	(360,987)	(84,656)	(13,719)	(38,268)	(218,970)
(202,050)	(66,297)	121,613	257,323	(438,047)	(80,724)
1,990,099	1,788,049	1,721,752	1,843,365	2,100,688	1,662,641
1,788,049	1,721,752	1,843,365	2,100,688	1,662,641	1,581,917
226,249	(62,147)	(183,071)	(467,077)	(1,008,203)	(1,193,807)
88.77%	103.74%	111.03%	111.03%	254.06%	407.60%
18,000	18,000	18,000	18,000	13,500	14,000
1256.94%	(345.26%)	(1017.06%)	(2594.87%)	(7468.17%)	(8527.19%)

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, 2024**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes			
Property Taxes	\$ 350,000	350,000	394,910
Intergovernmental			
Replacement Taxes	40,000	40,000	34,278
Interest Income	200	200	37,001
Total Revenues	390,200	390,200	466,189
Expenditures			
General Government			
Personnel and Related			
Trustee Compensation	18,000	18,000	18,000
Benefits and Payroll Taxes	77,214	77,214	53,126
Contractual Services			
Utilities	3,000	3,000	3,539
Office Maintenance	2,000	2,000	—
Office Equipment	4,300	4,300	210
Office Supplies	6,200	6,200	6,562
Postage	5,500	5,500	3,334
Accounting and Auditing	82,500	82,500	80,900
Insurance	18,500	18,500	17,510
Bank Fees	1,000	1,000	1,974
Legal	41,700	41,700	38,498
Contract Services	103,235	103,235	164,355
Membership Dues	500	500	—
Debt Service			
Principal Retirement	27,102	27,102	27,102
Interest and Fiscal Charges	4,398	4,398	3,229
Total Expenditures	395,149	395,149	418,339
Net Change in Fund Balance	(4,949)	(4,949)	47,850
Fund Balance - Beginning			322,401
Fund Balance - Ending			370,251

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, 2024**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Billing	\$ 595,000	595,000	486,817
Connection/Permit Fees	3,500	3,500	3,600
Total Operating Revenues	598,500	598,500	490,417
Operating Expenses			
Operations			
Engineering	32,500	32,500	2,178
Lift Station Utilities			
9th Avenue	8,000	8,000	5,987
Brainard	10,000	10,000	7,909
Sewer Maintenance	643,500	643,500	149,929
Equipment	15,000	15,000	269
Contract Services	10,000	10,000	—
Depreciation	—	—	239,827
Total Operating Expenses	719,000	719,000	406,099
Operating Income (Loss)	(120,500)	(120,500)	84,318
Nonoperating Revenues			
Interest Income	30,000	30,000	151,529
Change in Net Position	(90,500)	(90,500)	235,847
Net Position - Beginning			8,750,364
Net Position - Ending			8,986,211

SUPPLEMENTAL SCHEDULES

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS**General - Governmental Fund****Schedule of Revenues and Expenditures - Last Five Fiscal Years****May 31, 2024**

	5/31/2020	5/31/2021	5/31/2022	5/31/2023	5/31/2024
Revenues					
Property Taxes	\$ 365,779	368,934	362,240	370,465	394,910
Replacement Taxes	16,655	21,124	46,046	52,042	34,278
Interest Income	—	—	70	3,834	37,001
Miscellaneous	—	5	—	—	—
Total Revenues	382,434	390,063	408,356	426,341	466,189
Expenditures					
Salaries	18,000	18,000	17,000	14,500	18,000
Benefits	10,112	9,190	66,274	45,642	53,126
Office Rent	26,855	27,045	27,695	—	—
Utilities	7,685	7,451	4,592	4,784	3,539
Insurance	74,563	81,612	11,625	14,227	17,510
Office Equipment	4,992	—	—	—	210
Professional Services	110,095	115,153	109,078	121,900	119,398
Other	92,729	97,772	103,023	92,577	176,225
Debt Service					
Principal Retirement	—	—	—	26,302	27,102
Interest and Fiscal Charges	—	—	—	2,751	3,229
Total Expenditures	345,031	356,223	339,287	322,683	418,339
Net Change in Fund Balances	37,403	33,840	69,069	103,658	47,850
Fund Balances - Beginning	78,431	115,834	149,674	218,743	322,401
Fund Balances - Ending	115,834	149,674	218,743	322,401	370,251

SOUTH LYONS TOWNSHIP SANITARY DISTRICT, ILLINOIS**Sewer - Proprietary Fund****Schedule of Operating Revenues and Operating Expenses - Last Five Fiscal Years****May 31, 2024**

	5/31/2020	5/31/2021	5/31/2022	5/31/2023	5/31/2024
Operating Revenues					
Charges for Services					
Sewer Billings	\$ 604,236	622,285	545,801	482,253	486,817
Connection/Permit Fees	8,798	10,810	9,884	1,620	3,600
Total Operating Revenues	613,034	633,095	555,685	483,873	490,417
Operating Expenses					
Operations					
Engineering	12,897	937	2,783	5,744	2,178
Lift Station Utilities	49,868	13,761	18,495	9,526	13,896
Sewer Maintenance	125,789	113,805	294,207	236,756	149,929
Other	—	1,500	5,546	1,773	269
Depreciation	239,530	239,530	239,530	239,530	239,827
Total Operating Expenses	428,084	369,533	560,561	493,329	406,099
Operating Income (Loss)	184,950	263,562	(4,876)	(9,456)	84,318
Nonoperating Revenues					
Interest Income (Loss)	45,393	155,734	(76,706)	67,673	151,529
Change in Net Position	230,343	419,296	(81,582)	58,217	235,847
Net Position - Beginning	8,124,090	8,354,433	8,773,729	8,692,147	8,750,364
Net Position - Ending	8,354,433	8,773,729	8,692,147	8,750,364	8,986,211