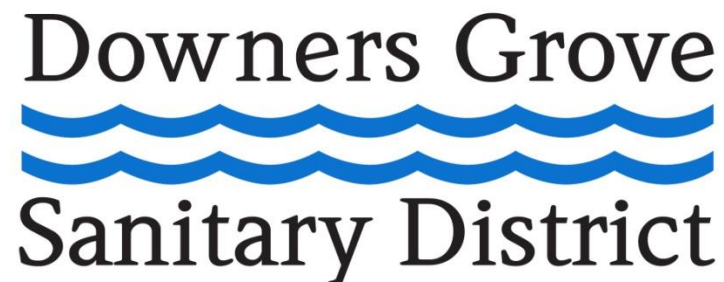


DOWNERS GROVE SANITARY DISTRICT

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

Required Communications Regarding the District's Audit

As part of audit process, the auditors are required to communicate to those charged with governance and management certain items related to the audit process and the auditors' findings. Enclosed you will find such communication letters for each:

- SAS 114 Letter – the auditors' communication to those charged with governance of our audit process
- Management Letter – the auditors' communication of internal controls that are considered to be control deficiencies as well as other recommendations related to the audit process including new GASB pronouncements, etc.
- Management Representation Letter – the District's communication to the auditors of its responsibilities related to the audit process

SAS 114 Letter

Lauterbach & Amen's communication to the Board of the audit process



June 26, 2018

Members of the Board of Trustees
Downers Grove Sanitary District
Downers Grove, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Downers Grove Sanitary District (the District), Illinois for the year ended April 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 26, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended April 30, 2018. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the governmental activities' financial statements was:

Management's estimate of the depreciation expense on capital assets is based on assumed useful lives of the underlying capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Significant Audit Findings – Continued

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material misstatements detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 26, 2018.

Management Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters – Continued

We were engaged to report on the individual fund budgetary comparison schedules and supplemental schedule, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our gratitude to the Board of Trustees and staff (in particular the Finance Department) of the Downers Grove Sanitary District, Illinois for their valuable cooperation throughout the audit engagement.

Lauterbach & Amen LLP
LAUTERBACH & AMEN, LLP

Management Letter

DOWNERS GROVE SANITARY DISTRICT

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
APRIL 30, 2018



June 26, 2018

Members of the Board of Trustees
Downers Grove Sanitary District
Downers Grove, Illinois

In planning and performing our audit of the financial statements of the Downers Grove Sanitary District (the District) for the year ended April 30, 2018, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board of Trustees, management, and others within the Downers Grove Sanitary District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire District staff.

Lauterbach + Amen LLP
LAUTERBACH & AMEN, LLP

PRIOR RECOMMENDATIONS

1. **GASB STATEMENT NO. 74 FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS AND GASB STATEMENT NO. 75 ACCOUNTING AND FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Comment

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, *Financial Reporting for Post-Employment Benefits Plans Other Than Pension Plans*, which applies to individual postemployment benefit plans, and Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which applies to the state and local government employers that sponsor the plans. The Statements apply to the reporting of other post-employment benefits, including medical, dental, life, vision and other insurance coverages provided by the employer post-employment. The Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the other post-employment benefit plans, and specifically identify the methods and assumptions that are to be used in calculating and disclosing these OPEB accounts in the financial statements. The Statements also provide for additional note disclosures and required supplementary information and are intended to improve information provided by state and local government employers regarding financial support to their OPEB plans. GASB Statement No. 75 applies to the employer's reporting of other post-employment benefit plans and is applicable to the District's financial statements for the year ended April 30, 2019.

Recommendation

We recommended that the District reach out to the private pension actuary engaged to provide the OPEB actuarial calculations in order to confirm the timeline for implementation and to review requested materials that will be required in order to implement the provisions and requirements of the new Statements. Lauterbach & Amen, LLP will also work directly with the District to assist in the implementation process, including assistance in determining the implementation timeline with the District and private actuary, providing all framework for the financial statements in order to complete the implementation, and assist in answering any questions or concerns the District might have related to the implementation process or requirements.

Status

This comment has not been implemented and will be implemented for the year ended April 30, 2019, when required.

PRIOR RECOMMENDATIONS – Continued

2. FUNDS OVER BUDGET

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the previous fiscal year and the current fiscal year:

Fund	4/30/17	4/30/18
Improvement	\$ 6,646	56,236
Construction	344,242	-

Recommendation

We recommended the District investigate the causes of the funds over budget and adopt appropriate future funding measures.

Status

This comment has not been implemented and will be repeated in the future.

Representation Letter

District's communication to Lauterbach & Amen regarding management's responsibility

Board of Trustees
Wallace D. Van Buren
President
Amy S. Kovacevic
Vice President
Paul W. Coultrap
Clerk

Downers Grove Sanitary District

2710 Curtiss Street
P.O. Box 1412
Downers Grove, IL 60515-0703
Phone: 630-969-0664
Fax: 630-969-0827
www.dgsd.org

General Manager
Nicholas J. Menninga
Legal Counsel
Michael G. Philipp

Providing a Better Environment for South Central DuPage County

June 26, 2018

Lauterbach & Amen, LLP
Certified Public Accountants
668 N. River Road
Naperville, IL 60563

This representation letter is provided in connection with your audit of the financial statements of the Downers Grove Sanitary District (the District), Illinois, which comprise the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit(s), each major fund, and the aggregate remaining fund information as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 26, 2018, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U. S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair market value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.

14. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

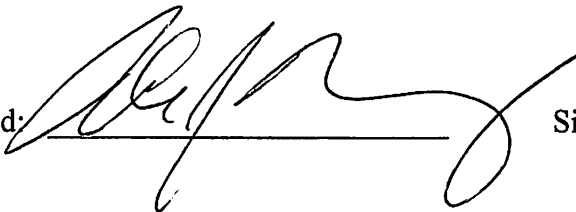
Government – Specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. The District has no plans or intentions that may materially affect the carrying value or classifications of assets, liabilities, or equity.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and contractual provisions for reporting specific activities in separate funds.
22. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
23. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
24. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

26. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
27. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
28. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
30. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
31. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32. Components of net position (net investment in capital assets; restricted; unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
33. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
34. Provisions for uncollectible receivables have been properly identified and recorded.
35. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
36. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
37. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
38. Deposits and investment securities are properly classified as to risk and are properly disclosed.
39. Capital assets, including infrastructure and intangible assets, as applicable, are properly capitalized, reported, and, if applicable, depreciated.

40. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
41. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
42. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
43. With respect to the individual fund schedules and other information listed as supplementary information:
- We acknowledge our responsibility for presenting the individual fund budgetary comparison schedules and other supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the individual fund budgetary comparison schedules and other supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the individual fund budgetary comparison schedules and other supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - If the individual fund budgetary comparison schedules and other supplementary information are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signed:



Title: General Manager

Signed:



Title: Treasurer

DOWNERS GROVE SANITARY DISTRICT

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

DOWNERS GROVE SANITARY DISTRICT

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Individual Fund Schedules
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

June 26, 2018

Members of the Board of Trustees
Downers Grove Sanitary District
Downers Grove, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Downers Grove Sanitary District (the District), Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Downers Grove Sanitary District, Illinois, as of April 30, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Downers Grove Sanitary District, Illinois' basic financial statements. The individual fund budgetary comparison schedules and supplemental schedule are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund budgetary comparison schedules and supplemental schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 individual fund budgetary comparison schedules and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

Our discussion and analysis of the Downers Grove Sanitary District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended April 30, 2018. Please read it in conjunction with the District's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The user charge remained at \$1.65 per 1,000 gallons of consumption. The monthly fee was increased from \$15.00 to \$16.00 effective April, 2018. Billable flows for 2017 were 5.74 million gallons per day, a 4.2% increase over 2016 billable flows.
- During the year, government-wide revenues for the District totaled \$9,517,335, while expenses totaled \$8,110,292, resulting in an increase in net position of \$1,407,043. While total fund balances did not change significantly, capital outlays out-paced depreciation and disposals, sustaining the District's investment in its capital assets.
- The District's net position totaled \$73,726,640 on April 30, 2018, which includes \$69,930,878 net investment in capital assets, \$1,460,522 subject to external restrictions, and \$2,335,240 unrestricted net position that may be used to meet the ongoing obligations of the District.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 5) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 3. 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. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

USING THIS ANNUAL REPORT – Continued

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 government wide financial statements can be found on pages 3 - 5 of this report.

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).

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 fiduciary 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.

DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The District maintains five individual governmental funds. 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, Public Benefit Fund, Improvement Fund, Construction Fund, and Special Assessment Fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for all of the governmental funds, except the Special Assessment Fund. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 6 - 11 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 12 of this report.

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. The notes to the financial statements can be found on pages 13 - 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's other post-employment benefit plan, I.M.R.F. employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue fund. Required supplementary information can be found on pages 36 - 40 of this report. The budgetary comparison schedules are presented immediately following the required supplementary information on pages 41 - 45 of this report. A supplemental schedule detailing the District's long-term debt requirements on page 46 of this report.

DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

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 \$73,726,640.

	Net Position	
	2018	2017
Current/Other Assets	\$ 7,177,737	7,463,787
Capital Assets	73,725,746	72,561,929
Total Assets	80,903,483	80,025,716
Deferred Outflows	629,524	842,433
Total Assets/Deferred Outflows	81,533,007	80,868,149
Long-Term Debt	4,855,054	6,971,428
Other Liabilities	667,924	957,804
Total Liabilities	5,522,978	7,929,232
Deferred Inflows	2,283,389	619,320
Total Liabilities/Deferred Inflows	7,806,367	8,548,552
Net Position		
Net Investment in Capital Assets	69,930,878	68,463,471
Restricted	1,460,522	1,881,210
Unrestricted	2,335,240	1,974,916
Total Net Position	73,726,640	72,319,597

A large portion of the District's net position, \$69,930,878 or 94.9 percent, reflects its investment in capital assets (for example, land, sewers, buildings, and equipment), 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, \$1,460,522 or 2.0 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 3.1 percent, or \$2,335,240, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2018	2017
Revenues		
Program Revenues		
Charges for Services	\$ 8,032,900	7,777,205
Operating Grants/Contributions	197,876	49,000
General Revenues		
Property Taxes	1,163,093	1,144,410
Replacement Taxes	72,184	88,559
Miscellaneous	19,661	29,070
Investment Income	31,621	27,664
Total Revenues	<u>9,517,335</u>	<u>9,115,908</u>
Expenses		
General Government	8,109,878	9,263,159
Interest on Long-Term Debt	414	1,628
Total Expenses	<u>8,110,292</u>	<u>9,264,787</u>
Change in Net Position	1,407,043	(148,879)
Net Position - Beginning	<u>72,319,597</u>	<u>72,468,476</u>
Net Position - Ending	<u><u>73,726,640</u></u>	<u><u>72,319,597</u></u>

Net position of the District increased by 1.9 percent (\$72,319,597 in 2017 compared to \$73,726,640 in 2018). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$2,335,240 at April 30, 2018.

Governmental Activities

Revenues for governmental activities totaled \$9,517,335, while the cost of all governmental functions totaled \$8,110,292. This results in a surplus of \$1,407,043.

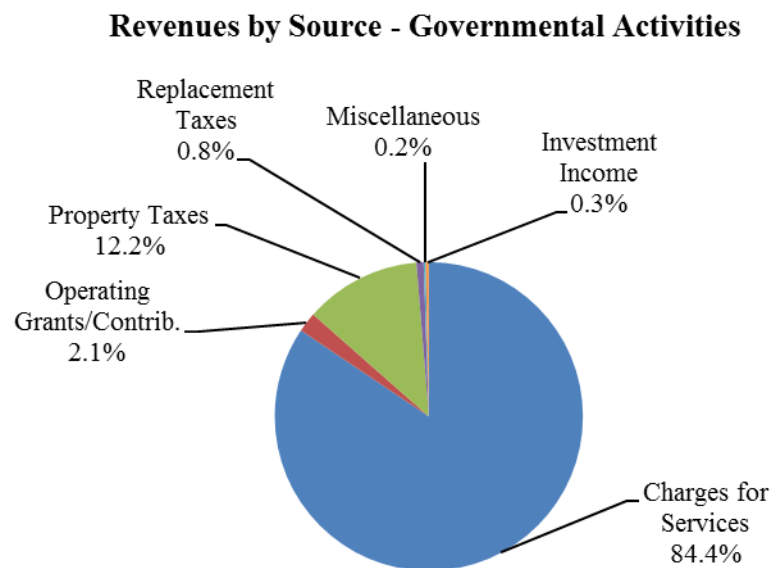
DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

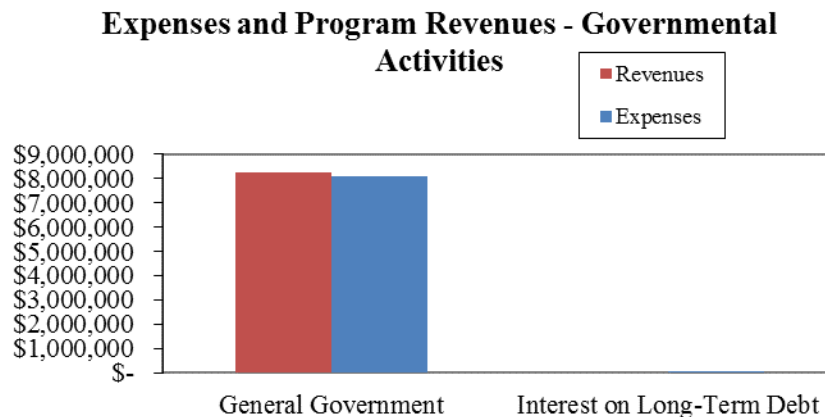
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The following figure graphically depicts the major revenue sources of the District. It depicts very clearly the reliance on charges for services and property taxes to fund governmental activities. It also clearly identifies the less significant percentage the District receives from grants and contributions, replacement taxes, investment and miscellaneous income.



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



DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

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 funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned 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 governmental funds reported combining ending fund balances of \$6,266,806, which is \$11,049, or less than one percent, less than last year's total of \$6,277,855. Of the \$6,266,806 total, \$4,497,345, or approximately 71.8 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$679,188, an increase of 16.8 percent. A reduction in fund balance of \$98,500 was budgeted to restore the ending fund balance to 25% of annual expenses. 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 of the District. At April 30, 2018, unassigned fund balance in the General Fund was \$4,497,345, which represents 95.2 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 58.4 percent of total General Fund expenditures.

The Improvement Fund reported a negative change in fund balance for the year of \$610,057, a decrease of 32.3 percent. This change reflects project expenditures in excess of fund revenues for the year, with some variances from budgeted amounts. These variances are further outlined on the Improvement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Construction Fund reported a negative change in fund balance for the year of \$82,320, a decrease of 34.9 percent. A reduction in fund balance of \$461,100 was budgeted to construct improvements at the wastewater treatment center. These variances are further outlined on the Construction Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Trustees made no budget adjustment to the General Fund during the year. General Fund actual revenues for the year totaled \$8,890,296, compared to budgeted revenues of \$8,697,700.

The General Fund actual expenditures for the year were \$1,096,880 lower than budgeted (\$7,699,320 actual compared to \$8,796,200 budgeted). Operation and maintenance costs were generally lower than anticipated. Funds were transferred from the General Fund to the Improvement and Construction Funds with a portion of the remaining balance, to restore costs of major replacements financed from those Funds in previous years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental and business type activities as of April 30, 2018 was \$73,725,746 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and equipment, and sanitary sewer infrastructure.

	Capital Assets - Net of Depreciation	
	2018	2017
Land	\$ 2,455,790	2,455,790
Construction in Progress	936,895	1,371,099
Buildings and Equipment	27,527,702	25,588,841
Sanitary Sewer Infrastructure	42,805,359	43,146,199
Total	<u>73,725,746</u>	<u>72,561,929</u>

This year's major additions included:

Construction in Progress	\$ 936,895
Buildings and Equipment	1,665,213
Sanitary Sewer Infrastructure	<u>523,666</u>
	<u>3,125,774</u>

Additional information on the District's capital assets can be found in note 3 on page 21 of this report.

DOWNERS GROVE SANITARY DISTRICT

Management's Discussion and Analysis April 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the District had total outstanding debt of \$3,794,868 as compared to \$4,098,458 the previous year, a decrease of 7.4 percent. The following is a comparative statement of outstanding debt:

	<u>Long-Term Debt Outstanding</u>	
	<u>2018</u>	<u>2017</u>
IEPA Loans	<u>\$ 3,794,868</u>	<u>4,098,458</u>

Additional information on the District's long-term debt can be found in Note 3 on pages 22 - 23 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Trustees considered many factors when setting the fiscal-year 2018-19 budget, tax rate, and fees that will be charged for its governmental and business-type activities. An increase in monthly sewer service fees from \$15.00 to \$16.00 per month was established to match the increasing costs of operation, maintenance and replacement of infrastructure. Increases in connection fees were established to match increases in the cost of construction.

The District anticipates a modest increase in tax revenues, budgeting \$1.167 million for 2018-19 as compared to the 2017-18 budget of \$1.149 million, an increase of 1.6 percent. The District's 2018-19 budget continues with previous equipment and infrastructure investments that help control long-term operating costs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the General Manager or Treasurer, Downers Grove Sanitary District, 2710 Curtiss Street, Downers Grove, IL 60515.

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 Funds

Fiduciary 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.

DOWNERS GROVE SANITARY DISTRICT

Statement of Net Position

April 30, 2018

See Following Page

DOWNERS GROVE SANITARY DISTRICT

Statement of Net Position

April 30, 2018

ASSETS	
Current Assets	
Cash and Investments	\$ 4,194,784
Receivables - Net of Allowances	2,943,455
Prepays	<u>39,498</u>
Total Current Assets	<u>7,177,737</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	3,392,685
Depreciable Capital Assets	118,883,450
Accumulated Depreciation	<u>(48,550,389)</u>
Total Noncurrent Assets	<u>73,725,746</u>
Total Assets	80,903,483
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>629,524</u>
Total Assets and Deferred Outflows of Resources	<u>81,533,007</u>

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

LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 202,979
Retainage Payable	42,529
Accrued Payroll	73,363
Current Portion of Long-Term Debt	349,053
Total Current Liabilities	<u>667,924</u>
Noncurrent Liabilities	
Compensated Absences	181,852
Net Pension Liability - IMRF	221,691
Net Other Post-Employment Benefit Obligation Payable	960,233
IEPA Loans Payable	3,491,278
Total Noncurrent Liabilities	<u>4,855,054</u>
Total Liabilities	<u>5,522,978</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	592,060
Deferred Items - IMRF	1,691,329
Total Deferred Inflows of Resources	<u>2,283,389</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,806,367</u>
NET POSITION	
Net Investment in Capital Assets	69,930,878
Restricted	
Public Benefit	35,927
Capital Projects	1,424,595
Unrestricted	<u>2,335,240</u>
Total Net Position	<u>73,726,640</u>

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

DOWNERS GROVE SANITARY DISTRICT

Statement of Activities

For the Fiscal Year Ended April 30, 2018

	Expenses	Program Revenues Charges for Services	Operating Grants	Net (Expenses) Revenues and Change in Net Position
Functions/Programs				
Governmental Activities				
General Government	\$ 8,109,878	8,032,900	197,876	120,898
Interest on Long-Term Debt	414	-	-	(414)
Total Governmental Activities	8,110,292	8,032,900	197,876	120,484
General Revenues				
Taxes				
Property Taxes				1,163,093
Replacement Taxes				72,184
Miscellaneous				19,661
Investment Income				31,621
				1,286,559
Change in Net Position				1,407,043
Net Position - Beginning				72,319,597
Net Position - Ending				73,726,640

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

DOWNERS GROVE SANITARY DISTRICT

Balance Sheet

April 30, 2018

See Following Page

DOWNERS GROVE SANITARY DISTRICT

Balance Sheet

April 30, 2018

	<u>General</u>
ASSETS	
Cash and Investments	\$ 2,606,031
Receivables - Net of Allowances	
Property Taxes	1,184,119
Accounts	1,738,077
Special Assessments	-
Other	-
Due from Other Funds	1,322
Prepays	<u>39,498</u>
Total Assets	<u><u>5,569,047</u></u>
LIABILITIES	
Accounts Payable	179,292
Retainage Payable	-
Accrued Payroll	73,363
Due to Other Funds	<u>-</u>
Total Liabilities	<u>252,655</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>592,060</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>844,715</u></u>
FUND BALANCES	
Nonspendable	39,498
Restricted	-
Assigned	187,489
Unassigned	<u>4,497,345</u>
Total Fund Balances	<u><u>4,724,332</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>5,569,047</u></u>

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

Special Revenue	Capital Projects			Totals
	Improvement	Construction	Special Assessment	
Public Benefit				
35,927	1,316,398	153,271	83,157	4,194,784
-	-	-	-	1,184,119
-	-	-	-	1,738,077
-	-	-	17,729	17,729
-	3,530	-	-	3,530
-	22,326	-	-	23,648
-	-	-	-	39,498
35,927	1,342,254	153,271	100,886	7,201,385
-	23,687	-	-	202,979
-	42,529	-	-	42,529
-	-	-	-	73,363
-	-	-	23,648	23,648
-	66,216	-	23,648	342,519
-	-	-	-	592,060
-	66,216	-	23,648	934,579
-	-	-	-	39,498
35,927	1,194,086	153,271	77,238	1,460,522
-	81,952	-	-	269,441
-	-	-	-	4,497,345
35,927	1,276,038	153,271	77,238	6,266,806
35,927	1,342,254	153,271	100,886	7,201,385

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

DOWNERS GROVE SANITARY DISTRICT

Reconciliation of Total Fund Balances to the Statement of Net Position April 30, 2018

Total Fund Balances	\$ 6,266,806
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Amounts reported in the Statement of Net Position
are different because:

Capital assets are not financial resources and therefore, are not reported in the funds.	73,725,746
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(1,061,805)
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Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences	(227,315)
Net Pension Liability - IMRF	(221,691)
Net Other Post-Employment Benefit Obligation	(960,233)
IEPA Loans Payable	<u>(3,794,868)</u>

Net Position	<u><u>73,726,640</u></u>
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The notes to the financial statements are an integral part of this statement.

DOWNERS GROVE SANITARY DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018**

See Following Page

DOWNERS GROVE SANITARY DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended April 30, 2018

	<u>General</u>
Revenues	
Taxes	\$ 1,235,277
Charges for Services	7,620,797
Grants and Donations	-
Investment Income	14,561
Miscellaneous	19,661
Total Revenues	<u>8,890,296</u>
Expenditures	
General Government	7,517,729
Capital Outlay	-
Debt Service	
Principal Retirement	181,591
Interest and Fiscal Charges	-
Total Expenditures	<u>7,699,320</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,190,976</u>
Other Financing Sources (Uses)	
Transfer In	-
Transfer Out	(511,788)
	<u>(511,788)</u>
Net Change in Fund Balance	679,188
Fund Balances - Beginning	<u>4,045,144</u>
Fund Balances - Ending	<u><u>4,724,332</u></u>

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

Special Revenue	Capital Projects			Totals
	Improvement	Construction	Special Assessment	
Public Benefit				
-	-	-	-	1,235,277
-	115,496	296,607	-	8,032,900
-	-	197,876	-	197,876
349	14,183	323	2,205	31,621
-	-	-	-	19,661
349	129,679	494,806	2,205	9,517,335
-	-	-	-	7,517,729
-	963,744	742,907	-	1,706,651
-	93,192	28,807	-	303,590
-	-	-	414	414
-	1,056,936	771,714	414	9,528,384
349	(927,257)	(276,908)	1,791	(11,049)
-	317,200	194,588	-	511,788
-	-	-	-	(511,788)
-	317,200	194,588	-	-
349	(610,057)	(82,320)	1,791	(11,049)
35,578	1,886,095	235,591	75,447	6,277,855
35,927	1,276,038	153,271	77,238	6,266,806

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

DOWNERS GROVE SANITARY DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended April 30, 2018

Net Change in Fund Balances	\$ (11,049)
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Amounts reported 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.

Capital Outlays	3,125,774
Depreciation Expense	(1,823,176)
Disposals - Cost	(380,482)
Disposals - Accumulated Depreciation	241,701

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	(1,858,352)
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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.

(Increase) to Compensated Absences	(18,734)
Decrease to Net Pension Liability - IMRF	1,882,349
(Increase) to Net Other Post-Employment Benefit Obligation	(54,578)
Retirement of Debt	<u>303,590</u>

Changes in Net Position	<u><u>1,407,043</u></u>
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The notes to the financial statements are in integral part of this statement.

DOWNERS GROVE SANITARY DISTRICT

Statement of Fiduciary Net Position
April 30, 2018

	<u>Agency</u> <u>Sewer</u> <u>Extension</u> <u>Escrow</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 7,152</u>
LIABILITIES	
Due to Bondholders	<u>7,152</u>

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

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Downers Grove Sanitary District (the District) was incorporated to provide and maintain economical treatment of the domestic and industrial wastes collected at its sewage treatment plant so that the wastes are given the degree of treatment necessary to prevent pollution of the water of the State of Illinois.

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

REPORTING ENTITY

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. This report represents the financial activity of the District for the year.

BASIS OF PRESENTATION

Government-Wide and Fund Financial Statements

The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The District's activities are supported by taxes and charges for services revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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 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 comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The District accounts for all of its activities in governmental funds, with the emphasis in the fund financial statements being on the major funds.

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds.

The following fund types are used by the District:

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government–Wide and Fund Financial Statements – Continued

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

Special revenues funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains one major special revenue fund. The Public Benefit Fund is used to account for the payment of sewer extensions or sewer special assessments which the District Board of Trustees deems to be of benefit to an area larger than the immediate service area.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District reports three capital projects funds. The Improvement Fund, a major fund, is used to account for sewer system, pump station improvements, and repayment of loans to the Illinois Environmental Protection Agency. The Construction Fund, a major fund, is used to account for improvements and expansions to the Wastewater Treatment Center and repayment of loans to the Illinois Environmental Protection Agency. The Special Assessment Fund, also a major fund, is used to account for the installation of the public sanitary sewers in special assessment areas.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Agency funds are used to account for assets held by the District in a purely custodial capacity. The Sewer Extension Escrow Fund is used to account for developer deposits to be used for future sewer projects.

The District's agency fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, this fund is not incorporated into the government-wide statements.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

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.

On the government-wide Statement of Net Position and the Statement of Activities, 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.

The District’s funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities 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.

The accounting objectives of the “economic resources” 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.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, 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 inflows 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, 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 fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability/deferred inflow is incurred, except for general obligation bond principal and interest which are recognized when due.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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 agency 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.

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

Cash and Investments

For the purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

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. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

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 include property taxes.

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. Prepaids 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.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements

April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets

Capital assets purchased, or acquired with an original cost of \$5,000, or more, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Upgrades or rehabilitation that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed 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 fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

Buildings and Equipment	5 - 75 Years
Sanitary Sewer Infrastructure and Associated Rehabilitation	20 - 100 Years

Compensated Absences

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

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

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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, as applicable.

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 that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budget, levy and appropriation is prepared on the same basis and uses the same accounting practices as are used in the fund financial statements. Unexpended budget amounts lapse at the end of the budget year. Spending controls for the fund is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line level items. Expenditures may not exceed appropriations. During the fiscal year one supplemental appropriation was necessary. The District does not budget for the Special Assessment Fund.

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>
Improvement	\$ 56,236

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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 financial statements as "cash and investments."

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, commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

Deposits. At year-end, the carrying amount of the District's deposits totaled \$2,705,277 and the bank balances totaled \$2,724,351. In addition, the District had \$1,489,507 invested in the Illinois Funds, which has an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy does not address interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy does not address credit risk. The District's investment in the Illinois Funds was rated AAAm by Standard & Poor's.

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 does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, 2018, 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 DuPage County and are payable in two installments, on or about June 1, and September 1. The County collects such taxes and remits them periodically.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Improvement	General	\$ 317,200
Construction	General	194,588
		<u>511,788</u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance construction and improvement projects accounted for in the Improvement Fund and in the Construction Fund in accordance with budgetary authorizations.

INTERFUND BALANCES

The composition of interfund balances as of the date of this report, is as follows:

Due to	Due from	Amount
General	Special Assessment	\$ 1,322
Improvement	Special Assessment	22,326
		<u>23,648</u>

Interfund balances are advances in anticipation of receipts.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,455,790	-	-	2,455,790
Construction in Progress	1,371,099	936,895	1,371,099	936,895
	<u>3,826,889</u>	<u>936,895</u>	<u>1,371,099</u>	<u>3,392,685</u>
Depreciable Capital Assets				
Buildings and Equipment	53,423,385	3,036,312	282,453	56,177,244
Sanitary Sewer Infrastructure	62,280,569	523,666	98,029	62,706,206
	<u>115,703,954</u>	<u>3,559,978</u>	<u>380,482</u>	<u>118,883,450</u>
Less Accumulated Depreciation				
Buildings and Equipment	27,834,544	1,027,800	212,802	28,649,542
Sanitary Sewer Infrastructure	19,134,370	795,376	28,899	19,900,847
	<u>46,968,914</u>	<u>1,823,176</u>	<u>241,701</u>	<u>48,550,389</u>
Total Net Depreciable Capital Assets	<u>68,735,040</u>	<u>1,736,802</u>	<u>138,781</u>	<u>70,333,061</u>
Total Net Capital Assets	<u>72,561,929</u>	<u>2,673,697</u>	<u>1,509,880</u>	<u>73,725,746</u>

Depreciation expense of \$1,823,176 was charged to the general government function.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

IEPA Loans Payable

The District has entered into loan agreements with the IEPA to provide no interest financing for waterworks and sewerage improvements. IEPA loans currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Loan of 2010, due in annual installments of \$303,590, non-interest bearing, through November 2, 2030.	\$ 4,098,458	-	303,590	3,794,868

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					
Compensated Absences	\$ 208,581	37,468	18,734	227,315	45,463
Net Pension Liability - IMRF	2,104,040	-	1,882,349	221,691	-
Net Other Post-Employment Benefit Obligation	905,655	54,578	-	960,233	-
IEPA Loans Payable	4,098,458	-	303,590	3,794,868	303,590
	7,316,734	92,046	2,204,673	5,204,107	349,053

The General Fund makes payments on the compensated absences, the net pension liability, and the net other post-employment benefit obligation. Payments on the IEPA loans payable are made by the General, Improvement and Construction Funds.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities	
	IEPA Loans	
	Payable	
	Principal	Interest
2019	\$ 303,590	-
2020	303,590	-
2021	303,590	-
2022	303,590	-
2023	303,590	-
2024	303,590	-
2025	303,590	-
2026	303,590	-
2027	303,590	-
2028	303,590	-
2029	303,590	-
2030	303,590	-
2031	151,788	-
Totals	3,794,868	-

NET POSITION/FUND BALANCE

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 73,725,746
Less Capital Related Debt:	
IEPA Loan of 2010	<u>(3,794,868)</u>
Net Investment in Capital Assets	<u>69,930,878</u>

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classification

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

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

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

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

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

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

Minimum Fund Balance Policy. The District's policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of annual operating expenditures.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classification – Continued

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

	General	Special Revenue Public Benefit	Improvement	Capital Projects Construction	Special Assessment	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 39,498	-	-	-	-	39,498
Restricted						
Public Benefits	-	35,927	-	-	-	35,927
Capital Projects	-	-	1,194,086	153,271	77,238	1,424,595
	-	35,927	1,194,086	153,271	77,238	1,460,522
Assigned						
Construction Projects	187,489	-	81,952	-	-	269,441
Unassigned	4,497,345	-	-	-	-	4,497,345
Total Fund Balances	4,724,332	35,927	1,276,038	153,271	77,238	6,266,806

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; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss including worker's compensation and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material, adverse effect on the financial condition of the District.

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.

NONDOMESTIC WASTE

The District received 3.637 billion gallons of waste water from 20,150 users (of which 653 are nonmetered). The District billed users for 2.096 billion gallons. Of the 20,150 users of the system, the following discharge nondomestic waste:

User	Volume (Gallons Per Day)
Good Samaritan Hospital	259,639
Rexnord, Inc.	19,068
Bales Mold Service	3,781
Mar Cor Services	2,800
Valid USA	31

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

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. 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 employees 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 has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

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, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	23
Inactive Plan Members Entitled to but not yet Receiving Benefits	17
Active Plan Members	<u>37</u>
Total	<u><u>77</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2018, the District's contribution was 11.92% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements

April 30, 2018

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, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements

April 30, 2018

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. 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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	8.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, 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.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate as well as what the District's net pension liability 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset) \$	2,186,228	221,691	(1,401,368)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 15,366,431	13,262,391	2,104,040
Changes for the Year:			
Service Cost	261,468	-	261,468
Interest on the Total Pension Liability	1,140,308	-	1,140,308
Difference Between Expected and Actual Experience of the Total Pension Liability	(292,511)	-	(292,511)
Changes of Assumptions	(496,265)	-	(496,265)
Contributions - Employer	-	301,021	(301,021)
Contributions - Employees	-	115,089	(115,089)
Net Investment Income	-	2,246,061	(2,246,061)
Benefit Payments, including Refunds of Employee Contributions	(586,106)	(586,106)	-
Other (Net Transfer)	-	(166,822)	166,822
Net Changes	26,894	1,909,243	(1,882,349)
Balances at December 31, 2017	15,393,325	15,171,634	221,691

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

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 April 30, 2018, the District recognized pension expense of \$287,457. At April 30, 2018, the District reported deferred outflows of 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	\$ 102,912	(251,093)	(148,181)
Change in Assumptions	16,332	(429,026)	(412,694)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	396,057	(1,011,210)	(615,153)
Total Pension Expense to be Recognized in Future Periods	515,301	(1,691,329)	(1,176,028)
Pension Contributions Made Subsequent to the Measurement Date	114,223	-	114,223
Total Deferred Amounts Related to IMRF	629,524	(1,691,329)	(1,061,805)

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 (Inflows) of Resources
2019	\$ (179,858)
2020	(179,859)
2021	(356,045)
2022	(387,035)
2023	(73,231)
Thereafter	-
Total	(1,176,028)

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the District provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District's General Fund.

The District provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the District's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the District's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the District's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2018, retirees contributed \$6,659. Active employees do not contribute to the plan until retirement.

At April 30, 2016, the date of the most recent actuarial report, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	2
Active Employees	<u>34</u>
Total	<u><u>36</u></u>
Participating Employers	1

The District does not currently have a funding policy. This plan is funded on a pay-as-you-go basis.

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2018, was calculated as follows:

Annual Required Contribution	\$ 135,779
Interest on the NOPEBO	27,170
Adjustment to the ARC	<u>(46,206)</u>
Annual OPEB Cost	116,743
Actual Contribution	<u>62,165</u>
Change in the NOPEBO	54,578
NOPEBO - Beginning	<u>905,655</u>
NOPEBO - Ending	<u><u>960,233</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Trend Information

The District's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 120,157	\$ 38,309	31.88%	\$ 825,070
2017	118,437	37,852	31.96%	905,655
2018	116,743	62,165	53.25%	960,233

DOWNERS GROVE SANITARY DISTRICT

Notes to the Financial Statements April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2016, the date of the most recent actuarial report, was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,026,567
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,026,567
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 2,576,526
UAAL as a Percentage of Covered Payroll	39.84%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.0% investment rate of return (including a 2.5% inflation assumption) and an annual healthcare cost trend rate of 7.8%, with an ultimate rate of 5.0%. The actuarial value of assets was not determined as the District has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis. The remaining amortization period at April 30, 2018, was 30 years.

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 of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund
Public Benefit – Special Revenue Fund

Notes to the Required Supplementary Information

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

DOWNERS GROVE SANITARY DISTRICT

Other Post-Employment Benefit Plan

Required Supplementary Information Schedule of Funding Progress and Employer Contributions April 30, 2018

Schedule of Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2013	\$ -	\$ 1,329,659	0.00%	\$ 1,329,659	\$ -	0.00%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	1,026,567	0.00%	1,026,567	2,576,526	39.84%
2017	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2013	\$ 34,419	\$ 177,430	19.40%
2014	32,362	177,430	18.24%
2015	45,236	177,430	25.50%
2016	38,309	135,779	28.21%
2017	37,852	135,779	27.88%
2018	62,165	135,779	45.78%

N/A - Not Available

The District is required to have an actuarial valuation performed triennially.

DOWNERS GROVE SANITARY DISTRICT

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2018

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	\$ 314,598	\$ 314,598	\$ -	\$ 2,475,195	12.71%
2017	291,750	291,750	-	2,449,621	11.91%
2018	315,598	315,598	-	2,647,939	11.92%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2014 (base year 2012)

Note:

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

DOWNERS GROVE SANITARY DISTRICT

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2018

	12/31/15	12/31/16	12/31/17
Total Pension Liability			
Service Cost	\$ 269,423	268,172	261,468
Interest	1,014,911	1,070,538	1,140,308
Differences Between Expected and Actual Experience	(25,684)	163,916	(292,511)
Change of Assumptions	35,991	(36,313)	(496,265)
Benefit Payments, Including Refunds of Member Contributions	(472,715)	(555,597)	(586,106)
Net Change in Total Pension Liability	821,926	910,716	26,894
Total Pension Liability - Beginning	13,633,789	14,455,715	15,366,431
Total Pension Liability - Ending	14,455,715	15,366,431	15,393,325
Plan Fiduciary Net Position			
Contributions - Employer	\$ 314,598	291,750	301,021
Contributions - Members	111,384	110,233	115,089
Net Investment Income	63,049	857,080	2,246,061
Benefit Payments, Including Refunds of Member Contributions	(472,715)	(555,597)	(586,106)
Other (Net Transfer)	(173,299)	82,784	(166,822)
Net Change in Plan Fiduciary Net Position	(156,983)	786,250	1,909,243
Plan Net Position - Beginning	12,633,124	12,476,141	13,262,391
Plan Net Position - Ending	12,476,141	13,262,391	15,171,634
Employer's Net Pension Liability	\$ 1,979,574	2,104,040	221,691
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.31%	86.31%	98.56%
Covered Payroll	\$ 2,475,195	2,449,621	2,557,519
Employer's Net Pension Liability as a Percentage of Covered Payroll	79.98%	85.89%	8.67%

Note:

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

DOWNERS GROVE SANITARY DISTRICT

General Fund

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

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,149,800	1,149,800	1,163,093
Replacement Taxes	79,800	79,800	72,184
Charges for Services			
User Billings	3,443,100	3,443,100	3,476,425
Inspection and Review Fees	23,650	23,650	30,142
Monthly Service Fees	3,553,200	3,553,200	3,640,310
Surcharges	310,000	310,000	345,843
Sampling and Monitoring	65,000	65,000	94,702
Property Lease Payments	33,500	33,500	33,375
Investment Income	9,650	9,650	14,561
Miscellaneous	30,000	30,000	19,661
Total Revenues	8,697,700	8,697,700	8,890,296
Expenditures			
General Government	8,796,200	8,796,200	7,517,729
Debt Service			
Principal Retirement	-	-	181,591
Total Expenditures	8,796,200	8,796,200	7,699,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,500)	(98,500)	1,190,976
Other Financing (Uses)			
Transfer Out	-	-	(511,788)
Net Change in Fund Balance	(98,500)	(98,500)	679,188
Fund Balance - Beginning			4,045,144
Fund Balance - Ending			4,724,332

DOWNERS GROVE SANITARY DISTRICT

Public Benefit - Special Revenue Fund

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

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 200	200	349
Expenditures			
Capital Outlay	-	-	-
Net Change in Fund Balance	200	200	349
Fund Balance - Beginning			35,578
Fund Balance - Ending			35,927

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 schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUND

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Public Benefit Fund

The Public Benefit Fund is used to account for the payment of sewer extensions or sewer special assessments which the District Board of Trustees deems to be of benefit to an area larger than the immediate service area.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Improvement Fund

The Improvement Fund is used to account for sewer system, pump station improvements and repayment of loans to the Illinois Environmental Protection Agency.

Construction Fund

The Construction Fund is used to account for improvements and expansions to the Wastewater Treatment Center and repayment of loans to the Illinois Environmental Protection Agency.

Special Assessment Fund

The Special Assessment Fund is used to account for the installation of the public sanitary sewers in special assessment areas.

AGENCY FUND

Sewer Extension Escrow Fund

The Sewer Extension Escrow Fund is used to account for developer deposits to be used for future sewer projects.

DOWNERS GROVE SANITARY DISTRICT

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2018

	Budget		Actual
	Original	Final	
General Government			
Salaries and Wages			
Plant	\$ 1,240,200	1,240,200	1,187,563
Administrative	825,550	825,550	794,081
Sewer System	441,700	441,700	448,570
Laboratory	215,900	215,900	210,560
Lift Station	62,650	62,650	95,209
Office Expenditures	301,450	301,450	288,532
Insurance	681,300	681,300	639,597
Operations			
Plant	1,785,950	1,785,950	1,116,846
Sewer System	1,972,600	1,972,600	1,550,340
Laboratory	94,400	94,400	68,027
Lift Station	265,350	265,350	262,563
Motor Vehicles	40,000	40,000	41,093
Professional Services	344,200	344,200	285,357
Retirement Contributions	524,950	524,950	529,391
Total General Government	8,796,200	8,796,200	7,517,729
Debt Service			
Principal Retirement	-	-	181,591
Total Expenditures	8,796,200	8,796,200	7,699,320

DOWNERS GROVE SANITARY DISTRICT

Improvement - Capital Projects Fund

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

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Connection Charges	\$ 90,000	90,000	115,496
Investment Income	7,550	7,550	14,183
Total Revenues	97,550	97,550	129,679
Expenditures			
Capital Outlay	907,500	907,500	963,744
Debt Service			
Principal Retirement	93,200	93,200	93,192
Total Expenditures	1,000,700	1,000,700	1,056,936
Excess (Deficiency) of Revenues Over (Under) Expenditures	(903,150)	(903,150)	(927,257)
Other Financing Sources			
Transfer In	167,400	167,400	317,200
Net Change in Fund Balance	(735,750)	(735,750)	(610,057)
Fund Balance - Beginning			1,886,095
Fund Balance - Ending			1,276,038

DOWNERS GROVE SANITARY DISTRICT

Construction - Capital Projects Fund

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

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Connection Charges	\$ 250,000	175,000	296,607
Grants and Donations	25,000	197,900	197,876
Investment Income	1,650	300	323
Total Revenues	276,650	373,200	494,806
Expenditures			
Capital Outlay	710,000	1,000,000	742,907
Debt Service			
Principal Retirement	28,900	28,900	28,807
Total Expenditures	738,900	1,028,900	771,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	(462,250)	(655,700)	(276,908)
Other Financing Sources			
Transfer In	262,850	194,600	194,588
Net Change in Fund Balance	(199,400)	(461,100)	(82,320)
Fund Balance - Beginning			235,591
Fund Balance - Ending			153,271

DOWNERS GROVE SANITARY DISTRICT

Special Assessment - Capital Projects Fund

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

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	2,205
Expenditures			
Debt Service			
Interest and Fiscal Charges	-	-	414
Net Change in Fund Balance	-	-	1,791
Fund Balance - Beginning			75,447
Fund Balance - Ending			77,238

DOWNERS GROVE SANITARY DISTRICT

Sewer Extension Escrow - Agency Fund

**Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2018**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 7,083	69	-	7,152
LIABILITIES				
Due to Bondholders	7,083	69	-	7,152

SUPPLEMENTAL SCHEDULE

DOWNERS GROVE SANITARY DISTRICT

Long-Term Debt Requirements

IEPA Loan Payable of 2010

April 30, 2018

Date of Issue	July 29, 2011
Date of Maturity	November 2, 2030
Authorized Issue	\$8,847,011
Interest Rate	Non-Interest Bearing
Principal Maturity Date	November 2
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	\$ 303,590	-	303,590
2020	303,590	-	303,590
2021	303,590	-	303,590
2022	303,590	-	303,590
2023	303,590	-	303,590
2024	303,590	-	303,590
2025	303,590	-	303,590
2026	303,590	-	303,590
2027	303,590	-	303,590
2028	303,590	-	303,590
2029	303,590	-	303,590
2030	303,590	-	303,590
2031	151,788	-	151,788
	3,794,868	-	3,794,868