

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



October 6, 2025

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

We have audited the financial statements of the governmental activities and each major fund of the Downers Grove Sanitary District (the District), Illinois for the year ended April 30, 2025. 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 October 6, 2025. 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, 2025, except for the implementation of GASB Statement No. 101, *Compensated Absences*. We noted no transactions entered into by the District 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 estimates affecting the governmental activities' financial statements are noted below.

Management's estimates of the:

- Depreciation expense on capital assets is based on estimated useful lives of the underlying capital assets
- Compensated absences are based on management assumptions and estimates related to benefit time usage
- Net pension related accounts are based on estimated assumptions used by the actuary
- Total OPEB related accounts are based on estimated assumptions used by the actuary

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. Any material misstatements detected as a result of audit procedures were corrected by management.

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 October 6, 2025.

Management Consultations with Other Independent Accountants

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), as listed in the table of contents, 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 other supplementary information, as listed in the table of contents, which accompanies the financial statements but is 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, 2025

2710 Curtiss Street
Downers Grove, IL 60515
Phone: 630.353.3642
Fax: 630.969.0827
www.dgsd.org



October 6, 2025

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), Illinois, for the year ended April 30, 2025, 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 Members 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

CURRENT RECOMMENDATION

1. **FUND OVER BUDGET**

Comment

During our current year-end audit procedures, we noted that the following fund had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
Improvement	\$ 58,613

Recommendation

We recommend the District investigate the causes of the fund over budget and adopt appropriate future funding measures.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

UPCOMING STANDARDS

1. GASB STATEMENT NO. 102 CERTAIN RISK DISCLOSURES

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, Certain Risk Disclosures, which establishes the requirements for disclosing, in the notes to the financial statements, the risks related to a government's vulnerabilities due to certain concentrations or constraints that are essential to their analyses for making decisions or assessing accountability. Governments may be vulnerable to risks from certain concentrations or constraints that limit their ability to acquire resources or control spending. Concentration risk is a lack of diversity related to an aspect of a significant inflow of resources (revenues) or outflow of resources (expenses). Constraint risk is a limitation that is imposed by an external party or by formal action of a government's highest level of decision-making authority. GASB Statement No. 102, Certain Risk Disclosures is applicable to the District's financial statements for the year ended April 30, 2026.

2. GASB STATEMENT NO. 103 FINANCIAL REPORTING MODEL IMPROVEMENTS

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, Financial Reporting Model Improvements, which establishes improvements to key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement addresses application issues related to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. GASB Statement No. 103, Financial Reporting Model Improvements is applicable to the District's financial statements for the year ended April 30, 2027.

Representation Letter

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

Board of Trustees

Amy E. Sejnost
President

Jeremy M. Wang
Vice President

Mark Eddington, P.E.
Clerk

Downers Grove
Sanitary District

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General Manager

Amy R. Underwood, P.E.

Legal Counsel

Daniel McCormick, P.C.

Providing a Better Environment for South Central DuPage County

October 6, 2025

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 and each major fund as of April 30, 2025, and the respective changes in financial position and the disclosures (collectively, 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 the 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 October 6, 2025, 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 in accordance with U.S. GAAP 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. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
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 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 (including information obtained from outside of the general and subsidiary ledgers), 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 waste 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 names of the District's related parties and all the related party relationships and transactions, including any side agreements.

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. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit, if applicable.
21. The District has no plans or intentions that may materially affect the carrying value or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
22. 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.
23. We have appropriately identified, recorded, and disclosed all leases in accordance with GASB Statement No. 87, if applicable.
24. We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASB Statement No. 91, if applicable.
25. We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASB Statement No. 96, if applicable.
26. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
27. 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.
28. As part of your audit, you assisted with preparation of the financial statements and disclosures. 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 disclosures.
29. 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.
30. 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.
31. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if applicable.
32. The financial statements include all fiduciary activities required by GASB Statement No. 84, if applicable.

33. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
34. 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.
35. Components of net position (net investment in capital assets; restricted; unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
36. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
37. Provisions for uncollectible receivables have been properly identified and recorded.
38. 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.
39. 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.
40. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
41. Deposits and investment securities are properly classified as to risk and are properly disclosed.
42. Capital assets, including infrastructure and intangible assets, as applicable, are properly capitalized, reported, and, if applicable, depreciated or amortized.
43. 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.
44. 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.
45. 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.
46. With respect to the other supplementary information:
 - a. We acknowledge our responsibility for presenting the other supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the 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 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.
 - b. If the other supplementary information is 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.

47. In regard to the financial statement preparation and actuarial services, performed by your firm, we have:
- a. Assumed all management responsibilities.
 - b. Designated the Director and Accountant, who has suitable skill, knowledge, or experience to oversee the services.
 - c. Evaluated the adequacy and result of the services performed.
 - d. Accepted responsibility for the results of the services.
 - e. Ensured that the District's data and records are complete and received sufficient information to oversee the services.

Signed: 

Title: General Manager

Signed: 

Title: Administrative Supervisor

DOWNERS GROVE SANITARY DISTRICT

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2025

2710 Curtiss Street
Downers Grove, IL 60515
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Fax: 630.969.0827
www.dgsd.org

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT

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



INDEPENDENT AUDITOR'S REPORT

October 6, 2025

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

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Downers Grove Sanitary District (the District), Illinois as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Downers Grove Sanitary District, Illinois, as of April 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Downers Grove Sanitary District, Illinois
October 6, 2025

Supplementary 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 other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2025

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, 2025. Please read it in conjunction with the District's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The District's net position totaled \$86,290,220 on April 30, 2025, which includes \$72,562,620 net investment in capital assets, \$3,263,748 subject to external restrictions, and \$10,463,852 unrestricted net position that may be used to meet the ongoing obligations of the District.
- During the year, government-wide revenues totaled \$13,228,426, while government-wide expenses totaled \$11,206,546, resulting in an increase to net position of \$2,021,880. While the District budgeted for a decrease in net position for FY2024-25, an increase in net position was realized due to budgeted projects being delayed to future fiscal years and bids for two construction projects coming in lower than the budgeted expenses.
- The user charge was increased from \$2.75 to \$3.25 per 1,000 gallons of consumption and the monthly fee was increased from \$20.00 to \$21.00, both effective April 2025. Billable flows for FY2024-25 were 4.80 million gallons per day, a 1.9% decrease from the FY2023-24 billable flows.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Government-Wide Financial Statements

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

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2025

USING THIS ANNUAL FINANCIAL REPORT - Continued

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. The District only maintains governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District presents four 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 (had no activity this fiscal year), Improvement Fund, and Construction Fund, all of which are considered to be major funds. Not presented in this audit report is the Sewer Extensions Escrow Fund which has not had any activity for several years.

The District adopts an annual working budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F. employee pension obligations, retiree benefit plan, and budgetary comparison schedules for the General Fund and major special revenue fund. The budgetary comparison schedules are presented immediately following the required supplementary information, in addition to a supplemental schedule detailing the District's long-term debt requirements.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2025

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 \$86,290,220.

	Net Position	
	4/30/2025	4/30/2024
Current/Other Assets	\$ 15,297,099	14,688,388
Capital Assets	74,417,558	73,343,023
Total Assets	89,714,657	88,031,411
Deferred Outflows	1,321,650	1,697,249
Total Assets/Deferred Outflows	91,036,307	89,728,660
Long-Term Debt	2,642,345	3,139,792
Other Liabilities	1,325,817	1,560,898
Total Liabilities	3,968,162	4,700,690
Deferred Inflows	777,925	759,630
Total Liabilities/Deferred Inflows	4,746,087	5,460,320
Net Position		
Net Investment in Capital Assets	72,562,620	71,369,690
Restricted	3,263,748	2,807,898
Unrestricted	10,463,852	10,090,752
Total Net Position	86,290,220	84,268,340

A large portion of the District's net position, \$72,562,620 or 84.1 percent, reflects its net investment in capital assets (for example, land, construction in progress, buildings and equipment, and sanitary sewers infrastructure), 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, \$3,263,748 or 3.8 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$10,463,852, or 12.1 percent, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position	
	4/30/2025	4/30/2024
Revenues		
Program Revenues		
Charges for Services	\$ 11,076,194	9,199,408
Operating Grants/Incentives	60,367	1,637,903
General Revenues		
Property Taxes	1,527,068	1,515,100
Replacement Taxes	125,115	203,775
Interest Income	434,489	463,811
Miscellaneous	5,193	3,767
Total Revenues	13,228,426	13,023,764
Expenses		
General Government	11,206,546	10,110,970
Change in Net Position	2,021,880	2,912,794
Net Position - Beginning	84,268,340	81,355,546
Net Position - Ending	86,290,220	84,268,340

Net position of the District's governmental activities increased by 2.4 percent (restated \$84,268,340 in 2024, compared to \$86,290,220 in 2025). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$10,463,852 on April 30, 2025.

Governmental Activities

Revenues for governmental activities of \$13,228,426 exceeded expenses of \$11,206,546, resulting in an increase to net position in the current year of \$2,021,880.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

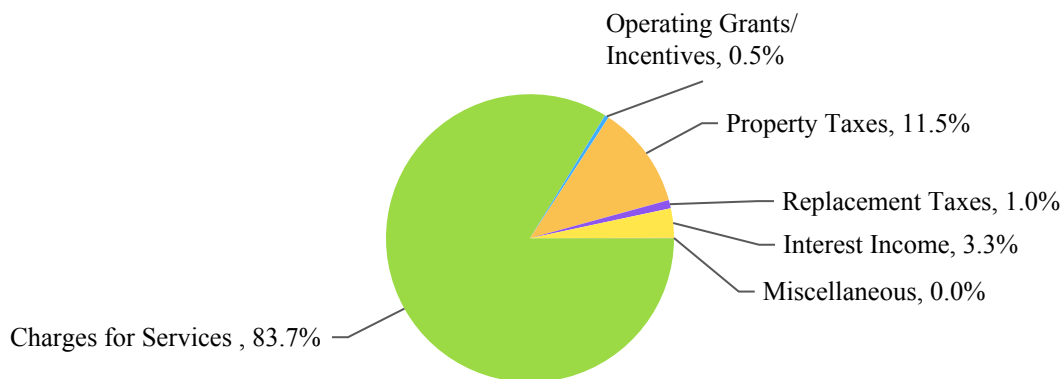
April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

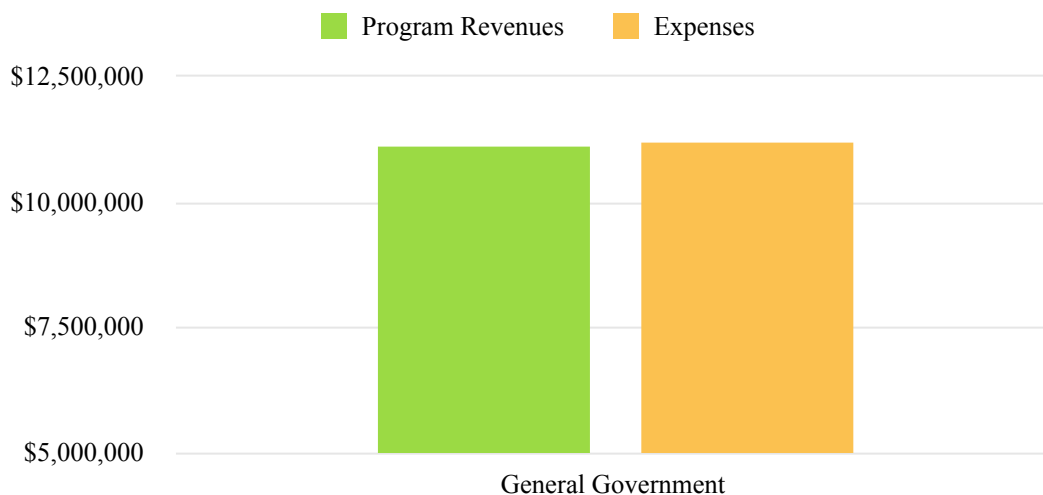
The following figure graphically presents the major revenue sources of the District in 2025. It depicts very clearly the reliance on charges for services and property taxes to fund governmental activities. It also clearly identifies the less significant percentage the District receives from grants and incentives, replacement taxes, interest income and miscellaneous income.

Revenues by Source - Governmental Activities



The 'Expenses and Program Revenues' Figure summarizes the revenue and expenses of the governmental activities and identifies those governmental functions where program expenses exceed revenues.

Expenses and Program Revenues - Governmental Activities



DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2025

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.

In the course of closing this fiscal year, the District continued its year-end accrual practices that it began in the fiscal year ending 2020.

The District's governmental funds reported combining ending fund balances of \$13,595,545, which is \$870,854 or 6.8 percent, more than last year's total of \$12,724,691. Of the \$13,595,545 total, \$8,944,282, or approximately 66 percent, of the combined fund balances constitutes unassigned fund balance.

The General Fund reported an increase of \$651,812 or 6.4 percent. A reduction in fund balance of \$2,644,750 was budgeted to restore the ending fund balance to 25 percent of annual expenditures. The actual decrease in fund balance was less than budgeted due to District staff completing less equipment maintenance and replacements than anticipated. Another contributing factor was the bid on the annual sewer project coming in below budget. These variances are further outlined in the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the District. On April 30, 2025, unassigned fund balance in the General Fund was \$8,944,282, which represents 88.0 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 80.3 percent of total General Fund expenditures.

The Public Benefit Fund reported no change in fund balance for the year.

The Improvement Fund reported a decrease in fund balance for the year of \$177,952 or 15.2 percent. A reduction of \$109,300 in fund balance was budgeted for fiscal year 2024-25. The greater reduction in fund balance than planned was due to the final payment on Centex Lift Station project, which was budgeted and expected in a previous fiscal year, being delayed until fiscal year 2024-25. These variances are further outlined on the Improvement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Construction Fund reported an increase in fund balance for the year of \$396,994, or 17.9 percent. A decrease in fund balance of \$982,300 was budgeted. Due to a delay in completion of the Gas Detection and Alarming System project, cancellation of the Biosolids Processing/Storage Improvements project and the digester gas safety equipment project being moved back one to two years, the planned reduction of fund balance did not occur. Another contributing factor was the bid on the Gas Detection and Alarming System project coming in below budget. These variances are further outlined on the Construction Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2025

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$12,843,069, compared to budgeted revenues of \$12,137,650. This is primarily due to property taxes and charges for services being \$53,468 and \$364,964, respectively, over budget for the fiscal year.

The General Fund actual expenditures for the year were \$2,581,249 less than budgeted expenditures. Actual expenditures totaled \$11,143,151, while budgeted expenditures totaled \$13,724,400. This is primarily due to planned equipment replacements and overhauls being delayed to future fiscal years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of April 30, 2025 was \$74,417,558 (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 Accumulated Depreciation	
	4/30/2025	4/30/2024
Land	\$ 2,496,725	2,496,725
Construction in Progress	2,343,529	3,503,106
Buildings and Equipment	26,462,023	25,313,372
Sanitary Sewer Infrastructure	43,115,281	42,029,820
Total	<u>74,417,558</u>	<u>73,343,023</u>

This year's major additions to capital assets included the following:

Construction in Progress	\$ 1,971,791
Buildings and Equipment	<u>1,397,514</u>
	<u>3,369,305</u>

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2025

DEBT ADMINISTRATION

At year-end, the District had total outstanding debt of \$1,669,744 as compared to \$1,973,333 the previous year, a decrease of 15.4 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	4/30/2025	4/30/2024
IEPA Loan Payable	\$ 1,669,744	1,973,333

This debt will be paid in full in 2031. Additional information on the District's long-term debt can be found in Note 3 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 2025-26 budget and fees that will be charged for its governmental activities. An increase in the user charge from \$2.75 to \$3.25 per 1,000 gallons of consumption and the monthly service fees from \$20.00 to \$21.00 were 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. Increases in inspection fees and sampling and monitoring charges were established to match salary increases. Surcharge rates were increased to be closer to the actual cost of treatment.

The District anticipates an increase in tax revenues, budgeting \$1.551 million for 2025-26 as compared to the 2024-25 budget of \$1.473 million, an increase of 5.3 percent. The District's 2025-26 budget continues with previous equipment and infrastructure investments that help control long-term operating costs and sustain the infrastructure.

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

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, ILLINOIS

Statement of Net Position

April 30, 2025

See Following Page

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Statement of Net Position

April 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 12,216,630
Receivables - Net of Allowances	<u>3,080,469</u>
Total Current Assets	<u>15,297,099</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	4,840,254
Depreciable	131,033,763
Accumulated Depreciation	<u>(61,456,459)</u>
Total Noncurrent Assets	<u>74,417,558</u>
Total Assets	<u>89,714,657</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>1,321,650</u>
Total Assets and Deferred Outflows of Resources	<u>91,036,307</u>

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

	Governmental Activities
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LIABILITIES

Current Liabilities	
Accounts Payable	\$ 610,925
Retainage Payable	160,956
Accrued Payroll	170,758
Other Payables	1,063
Current Portion of Long-Term Debt	382,115
Total Current Liabilities	<u>1,325,817</u>
Noncurrent Liabilities	
Compensated Absences Payable	10,396
Net Pension Liability - IMRF	708,634
Total OPEB Liability - RBP	557,160
IEPA Loans Payable	1,366,155
Total Noncurrent Liabilities	<u>2,642,345</u>
Total Liabilities	<u>3,968,162</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	757,852
Deferred Items - IMRF	20,073
Total Deferred Inflows of Resources	<u>777,925</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,746,087</u>

NET POSITION

Net Investment in Capital Assets	72,562,620
Restricted	
Public Benefit	37,818
Capital Projects	3,225,930
Unrestricted	<u>10,463,852</u>
Total Net Position	<u>86,290,220</u>

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

For the Fiscal Year Ended April 30, 202517

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Balance Sheet

April 30, 2025

See Following Page

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Balance Sheet

April 30, 2025

	General
ASSETS	
Cash and Investments	\$ 8,729,927
Receivables - Net of Allowances	
Property Taxes	1,578,859
Accounts	1,501,610
Total Assets	11,810,396
LIABILITIES	
Accounts Payable	586,687
Accrued Payroll	170,758
Retainage Payable	126,576
Other Payables	1,063
Total Liabilities	885,084
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	757,852
Total Liabilities and Deferred Inflows of Resources	1,642,936
FUND BALANCES	
Restricted	—
Assigned	1,223,178
Unassigned	8,944,282
Total Fund Balances	10,167,460
Total Liabilities, Deferred Inflows of Resources and Fund Balances	11,810,396

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

Special Revenue	Capital Projects		Totals
	Improvement	Construction	
Public Benefit			
37,818	1,195,119	2,253,766	12,216,630
—	—	—	1,578,859
—	—	—	1,501,610
37,818	1,195,119	2,253,766	15,297,099
	10,377	13,861	610,925
—	—	—	170,758
—	12,682	21,698	160,956
—	—	—	1,063
—	23,059	35,559	943,702
—	—	—	757,852
—	23,059	35,559	1,701,554
37,818	1,124,441	2,101,489	3,263,748
—	47,619	116,718	1,387,515
—	—	—	8,944,282
37,818	1,172,060	2,218,207	13,595,545
37,818	1,195,119	2,253,766	15,297,099

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Reconciliation of the Total Fund Balance to the Statement of Net Position April 30, 2025

Total Governmental Fund Balances	\$ 13,595,545
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	74,417,558
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	1,301,577
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(12,995)
Net Pension Liability - IMRF	(708,634)
Total OPEB Liability - RBP	(633,087)
IEPA Loans Payable	<u>(1,669,744)</u>
Net Position of Governmental Activities	<u>86,290,220</u>

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2025**

See Following Page

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2025

	<u>General</u>
Revenues	
Taxes	\$ 1,527,068
Intergovernmental	185,482
Charges for Services	10,797,514
Interest Income	327,812
Miscellaneous	5,193
Total Revenues	<u>12,843,069</u>
Expenditures	
General Government	10,961,560
Capital Outlay	—
Debt Service	
Principal Retirement	181,591
Total Expenditures	<u>11,143,151</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,699,918</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	101,894
Transfers In	—
Transfers Out	<u>(1,150,000)</u>
	<u>(1,048,106)</u>
Net Change in Fund Balances	651,812
Fund Balance - Beginning	<u>9,515,648</u>
Fund Balances - Ending	<u><u>10,167,460</u></u>

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

Special Revenue	Capital Projects		Totals
	Improvement	Construction	
Public Benefit			
—	—	—	1,527,068
—	—	—	185,482
—	59,664	219,016	11,076,194
—	35,697	70,980	434,489
—	—	—	5,193
—	95,361	289,996	13,228,426
—	—	—	10,961,560
—	930,122	264,195	1,194,317
—	93,191	28,807	303,589
—	1,023,313	293,002	12,459,466
—	(927,952)	(3,006)	768,960
—	—	—	101,894
—	750,000	400,000	1,150,000
—	—	—	(1,150,000)
—	750,000	400,000	101,894
—	(177,952)	396,994	870,854
37,818	1,350,012	1,821,213	12,724,691
37,818	1,172,060	2,218,207	13,595,545

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

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

For the Fiscal Year Ended April 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 870,854
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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	3,369,305
Depreciation Expense	(2,205,212)
Disposals - Cost	(676,321)
Disposals - Accumulated Depreciation	586,763

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

Change in Deferred Items - IMRF	(344,893)
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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.

Change in Compensated Absences	(680)
Change in Net Pension Liability - IMRF	156,130
Change in Total OPEB Liability - RBP	(37,655)
Retirement of Long-Term Debt	303,589

Changes in Net Position of Governmental Activities	<u>2,021,880</u>
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DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

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

BASIS OF PRESENTATION

Government-Wide Statements 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) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The 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.

Governmental Funds

The following fund types are used by the District:

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:

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements and Fund Financial Statements - Continued

Governmental Funds - Continued

General Fund is the general operating fund of the District. It accounts for all financial resources of the District which are not accounted for in other funds. 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 two 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.

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 is 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.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

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

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

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

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/NET POSITION

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and 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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more (depending on asset class) are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. 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 funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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	20 - 100 Years

Compensated Absences

The District's policy allows full and part time employees to earn varying amounts of vacation pay and sick pay for each year employed.

Full employees accrue hours of paid vacation of 80 hours to 200 hours depending on their years of service. Vacation time is not accrued or paid out when an employee leaves the District. Full time employees earn a maximum of 96 hours of sick time a year and may accrue 1,040 hours. Part time employees accrue 48 to 140 hours of paid vacation depending on their schedule hours and years of service. Part time employees can also earn a maximum of 48 hours of sick leave each year and accrue 520 hours.

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 a consumption/acquisition of net assets 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, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - 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 balances that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The 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. There were no supplemental appropriations for the year-ended April 30, 2025.

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	\$ 58,613

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the 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.

Deposits. At year-end, the carrying amount of the District's deposits totaled \$4,035,233 and the bank balances totaled \$3,807,998.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	\$ 2,357,658	—	2,357,658	—	—
Illinois Funds	5,823,739	5,823,739	—	—	—
Totals	8,181,397	5,823,739	2,357,658	—	—

The District has the following recurring fair value measurements as of year-end:

- U.S. Treasury Securities of \$2,357,658 are valued using quoted market prices (Level 1 inputs)
- Illinois Funds of \$5,823,739 are valued using the net asset value per share determined by the pool

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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 policy does not specifically address credit risk. The District's investment in the Illinois Funds was rated AAmmf by Fitch.

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.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not address concentration of credit risk. At year-end, the District does not have any investments over 5 percent of 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 2024 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by 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.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****April 30, 2025****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Improvement	General	\$ 750,000
Construction	General	400,000
		<u>1,150,000</u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,496,725	—	—	2,496,725
Construction in Progress	3,503,106	2,343,529	3,503,106	2,343,529
	<u>5,999,831</u>	<u>2,343,529</u>	<u>3,503,106</u>	<u>4,840,254</u>
Depreciable Capital Assets				
Buildings and Equipment	60,325,054	2,568,464	673,252	62,220,266
Sanitary Sewer Infrastructure	66,856,148	1,960,418	3,069	68,813,497
	<u>127,181,202</u>	<u>4,528,882</u>	<u>676,321</u>	<u>131,033,763</u>
Less Accumulated Depreciation				
Buildings and Improvements	35,011,682	1,331,138	584,577	35,758,243
Sanitary Sewer Infrastructure	24,826,328	874,074	2,186	25,698,216
	<u>59,838,010</u>	<u>2,205,212</u>	<u>586,763</u>	<u>61,456,459</u>
Total Net Depreciable Capital Assets	<u>67,343,192</u>	<u>2,323,670</u>	<u>89,558</u>	<u>69,577,304</u>
Total Net Capital Assets	<u>73,343,023</u>	<u>4,667,199</u>	<u>3,592,664</u>	<u>74,417,558</u>

Depreciation expense of \$2,205,212 was charged to the general government function.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****April 30, 2025****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 \$303,589, non-interest bearing, through November 2, 2031.	\$ 1,973,333	—	303,589	1,669,744

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	\$ 12,315	1,360	680	12,995	2,599
Net Pension Liability - IMRF	864,764	—	156,130	708,634	—
Total OPEB Liability - RBP	595,432	37,655	—	633,087	75,927
IEPA Loan Payable	1,973,333	—	303,589	1,669,744	303,589
	3,445,844	39,015	460,399	3,024,460	382,115

The General Fund makes payments on the compensated absences, the net pension liability, and the total OPEB liability. Payments on the IEPA loans payable are made by the General, Improvement, and Construction Funds.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

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
2026	\$ 303,589	—
2027	303,589	—
2028	303,589	—
2029	303,589	—
2030	303,589	—
2031	151,799	—
Totals	1,669,744	—

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2025:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 74,417,558
Less Capital Related Debt:	
IEPA Loan Payable 2010	(1,669,744)
Retainage Payable	(160,956)
Capital Related Accounts Payable	(24,238)
Net Investment in Capital Assets	72,562,620

FUND BALANCE CLASSIFICATIONS

In the governmental fund 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.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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 Members of 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.

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

		Special Revenue			
	General	Public Benefit	Capital Projects		Totals
			Improvement	Construction	
Fund Balances					
Restricted					
Public Benefits	\$ —	37,818	—	—	37,818
Capital Projects	—	—	1,124,441	2,101,489	3,225,930
	—	37,818	1,124,441	2,101,489	3,263,748
Assigned					
Construction Projects	1,223,178	—	47,619	116,718	1,387,515
Unassigned	8,944,282	—	—	—	8,944,282
Total Fund Balances	10,167,460	37,818	1,172,060	2,218,207	13,595,545

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the District's employees. The District 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.

CONTINGENT LIABILITIES

Litigation

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

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 3,785 billion gallons of waste water from 20,335 users (of which 610 are nonmetered). The District billed users for 1,741 billion gallons. Of the 20,335 users of the system, the following discharge nondomestic waste:

User	Volume (Gallons Per Day)
Good Samaritan Hospital	86,203
Bales Mold Service	1,816
Rexnord, Inc.	6,598
Lovejoy	5,084
Arrow Gear	5,862

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

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 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, ILLINOIS

Notes to the Financial Statements

April 30, 2025

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, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	35
Inactive Plan Members Entitled to but not yet Receiving Benefits	19
Active Plan Members	<u>38</u>
Total	<u><u>92</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2025, the District's contribution was 6.11% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2024. 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, ILLINOIS

Notes to the Financial Statements

April 30, 2025

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, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

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

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	5.20%
Domestic Equities	33.50%	4.35%
International Equities	18.00%	5.40%
Real Estate	10.50%	6.40%
Blended	12.50%	4.85% - 6.25%
Cash and Cash Equivalents	1.00%	3.60%

Discount Rate

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

Discount Rate Sensitivity

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****April 30, 2025****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Discount Rate Sensitivity - Continued**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 3,152,350	708,634	(1,230,646)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 21,236,218	20,371,454	864,764
Changes for the Year:			
Service Cost	271,412	—	271,412
Interest on the Total Pension Liability	1,504,867	—	1,504,867
Difference Between Expected and Actual Experience of the Total Pension Liability	490,096	—	490,096
Changes of Assumptions	—	—	—
Contributions - Employer	—	179,302	(179,302)
Contributions - Employees	—	140,045	(140,045)
Net Investment Income	—	1,978,498	(1,978,498)
Benefit Payments, Including Refunds of Employee Contributions	(1,230,288)	(1,230,288)	—
Other (Net Transfer)	—	124,660	(124,660)
Net Changes	1,036,087	1,192,217	(156,130)
Balances at December 31, 2024	22,272,305	21,563,671	708,634

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****April 30, 2025****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, 2025, the District recognized pension expense of \$380,032. At April 30, 2025, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 761,484	—	761,484
Change in Assumptions	—	(20,073)	(20,073)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	491,068	—	491,068
Total Pension Expense to be Recognized in Future Periods	1,252,552	(20,073)	1,232,479
Pension Contributions Made Subsequent to the Measurement Date	69,098	—	69,098
Total Deferred Amounts Related to IMRF	1,321,650	(20,073)	1,301,577

\$69,098 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ 523,247
2027	867,084
2028	(51,838)
2029	(106,014)
2030	—
Thereafter	—
Total	1,232,479

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The District's defined benefit OPEB plan, Retiree Benefit Plan (RBP), provides OPEB for all permanent full-time general employees of the District. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare, dental, and vision benefits for retirees and their dependents. Retirees and their dependents pay the full cost of the coverage. Coverage ends when the retiree stops paying for the coverage.

Plan Membership. As of April 30, 2025, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>32</u>
Total	<u>36</u>

Total OPEB Liability

The District's total OPEB liability was measured as of April 30, 2025, and was determined by an actuarial valuation as of April 30, 2024.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	5.24%
Healthcare Cost Trend Rates	The initial trend rate is based on the 2025 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on The Bond Buyer 20-Bond GO Index.

Mortality rates were based on PubG-2010(B) improved generationally using MP-2021 improvement rates, weighted per IMRF Experience Study Report dated January 4, 2024; Age 83 for males, Age 87 for females.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2024	<u>\$ 595,432</u>
Changes for the Year:	
Service Cost	43,863
Interest on the Total OPEB Liability	22,689
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	17,768
Changes of Assumptions or Other Inputs	29,262
Benefit Payments	<u>(75,927)</u>
Net Changes	<u>37,655</u>
Balance at April 30, 2025	<u><u>633,087</u></u>

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 5.24%, while the prior valuation used 4.07%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (4.24%)	Current Discount Rate (5.24%)	1% Increase (6.24%)
Total OPEB Liability	\$ 673,931	633,087	594,770

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using varied Healthcare Trend Rates as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 573,657	633,087	703,343

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2025, the District recognized OPEB expense of \$113,582. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. At April 30, 2025, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to the Required Supplementary Information

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule Employer Contributions - Last Ten Fiscal Years

April 30, 2025

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%
2019	310,019	310,019	—	2,793,762	11.10%
2020	285,261	285,261	—	2,973,772	9.59%
2021	293,539	293,539	—	2,829,875	10.37%
2022	286,739	286,739	—	2,928,485	9.79%
2023	256,235	256,235	—	3,054,434	8.39%
2024	196,370	196,370	—	3,131,529	6.27%
2025	191,269	191,269	—	3,130,091	6.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Fiscal Years

April 30, 2025

	12/31/2015	12/31/2016	12/31/2017
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 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/(Asset)	\$ 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/(Asset) as a Percentage of Covered Payroll	79.98%	85.89%	8.67%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014, 2017 and 2023.

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
261,182	294,834	305,510	259,796	272,061	286,610	271,412
1,139,708	1,195,585	1,257,591	1,311,792	1,371,158	1,420,258	1,504,867
116,384	159,402	181,350	177,114	40,136	642,747	490,096
476,076	—	(115,046)	—	—	(35,753)	—
(655,619)	(775,302)	(824,498)	(893,404)	(978,567)	(1,048,212)	(1,230,288)
1,337,731	874,519	804,907	855,298	704,788	1,265,650	1,036,087
15,393,325	16,731,056	17,605,575	18,410,482	19,265,780	19,970,568	21,236,218
16,731,056	17,605,575	18,410,482	19,265,780	19,970,568	21,236,218	22,272,305
340,584	255,585	306,188	299,722	269,080	208,264	179,302
125,869	128,794	130,354	135,961	143,238	140,088	140,045
(752,348)	2,633,242	2,379,190	3,205,318	(2,670,592)	2,009,737	1,978,498
(655,619)	(775,302)	(824,498)	(893,404)	(978,567)	(1,048,212)	(1,230,288)
267,304	194,388	(15,190)	2,342	79,727	558,577	124,660
(674,210)	2,436,707	1,976,044	2,749,939	(3,157,114)	1,868,454	1,192,217
15,171,634	14,497,424	16,934,131	18,910,175	21,660,114	18,503,000	20,371,454
14,497,424	16,934,131	18,910,175	21,660,114	18,503,000	20,371,454	21,563,671
2,233,632	671,444	(499,693)	(2,394,334)	1,467,568	864,764	708,634
86.65%	96.19%	102.71%	112.43%	92.65%	95.93%	96.82%
2,793,956	2,862,096	2,896,760	2,976,382	2,950,442	3,113,080	3,179,120
79.95%	23.46%	(17.25%)	(80.44%)	49.74%	27.78%	22.29%

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2025

	<u>4/30/2019</u>
Total OPEB Liability	
Service Cost	\$ 11,813
Interest	31,615
Differences Between Expected and Actual Experience	14,372
Change of Assumptions or Other Inputs	—
Benefit Payments	<u>(46,136)</u>
Net Change in Total OPEB Liability	11,664
Total OPEB Liability - Beginning	<u>819,443</u>
Total OPEB Liability - Ending	<u>831,107</u>
Covered-Employee Payroll	\$ 2,804,694
Total OPEB Liability as a Percentage of Covered-Employee Payroll	29.63%

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 through 2025.

4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024	4/30/2025
12,508	14,521	11,580	8,733	44,949	43,863
30,685	23,461	21,109	22,570	20,504	22,689
—	—	—	(92,045)	—	17,768
108,439	31,589	(196,000)	3,043	(17,270)	29,262
(42,662)	(47,241)	(64,997)	(61,951)	(67,200)	(75,927)
108,970	22,330	(228,308)	(119,650)	(19,017)	37,655
831,107	940,077	962,407	734,099	614,449	595,432
940,077	962,407	734,099	614,449	595,432	633,087
2,903,364	2,975,948	2,877,989	3,096,054	3,302,736	3,280,212
32.38%	32.34%	25.51%	19.85%	18.03%	19.30%

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,473,600	1,473,600	1,527,068
Charges for Services			
User Billings	4,922,200	4,922,200	5,178,457
Inspection and Review Fees	20,150	20,150	18,097
Monthly Service Fees	4,860,200	4,860,200	4,946,253
Surcharges	474,000	474,000	470,416
Sampling and Monitoring	116,000	116,000	144,097
Property Lease Payments	40,000	40,000	40,194
Intergovernmental			
Replacement Taxes	120,000	120,000	125,115
Grants and Incentives	30,000	30,000	60,367
Interest Income	77,500	77,500	327,812
Miscellaneous	4,000	4,000	5,193
Total Revenues	12,137,650	12,137,650	12,843,069
Expenditures			
General Government	13,724,400	13,724,400	10,961,560
Debt Service			
Principal Retirement	—	—	181,591
Total Expenditures	13,724,400	13,724,400	11,143,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,586,750)	(1,586,750)	1,699,918
Other Financing Sources (Uses)			
Disposal of Capital Assets	92,000	92,000	101,894
Transfers Out	(1,150,000)	(1,150,000)	(1,150,000)
	(1,058,000)	(1,058,000)	(1,048,106)
Net Change in Fund Balance	(2,644,750)	(2,644,750)	651,812
Fund Balance - Beginning			9,515,648
Fund Balance - Ending			10,167,460

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 DESCRIPTIONS

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.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended April 30, 2025**

	Budget		Actual
	Original	Final	
General Government			
Salaries and Wages			
Plant	\$ 1,513,100	1,513,100	1,447,152
Administrative	1,014,700	1,014,700	995,491
Sewer System	563,000	563,000	556,146
Laboratory	298,900	298,900	284,954
Lift Station	31,200	31,200	52,601
Office Expenditures	574,600	574,600	326,241
Insurance	829,500	829,500	814,678
Operations			
Plant	3,370,800	3,370,800	2,165,023
Sewer System	3,211,700	3,211,700	2,503,583
Laboratory	181,600	181,600	124,538
Lift Station	627,100	627,100	291,898
Motor Vehicles	324,100	324,100	302,662
Professional Services	733,600	733,600	643,748
Retirement Contributions	450,500	450,500	452,845
Total General Government	13,724,400	13,724,400	10,961,560
Debt Service			
Principal Retirement	—	—	181,591
Total Expenditures	13,724,400	13,724,400	11,143,151

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Improvement - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Connection Charges	\$ 90,000	90,000	59,664
Interest Income	15,400	15,400	35,697
Total Revenues	105,400	105,400	95,361
Expenditures			
Capital Outlay	964,700	964,700	930,122
Debt Service			
Principal Retirement	—	—	93,191
Total Expenditures	964,700	964,700	1,023,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	(859,300)	(859,300)	(927,952)
Other Financing Sources			
Transfers In	750,000	750,000	750,000
Net Change in Fund Balances	(109,300)	(109,300)	(177,952)
Fund Balances - Beginning			1,350,012
Fund Balances - Ending			1,172,060

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Construction - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Connection Charges	\$ —	—	219,016
Interest Income	273,100	273,100	70,980
Total Revenues	273,100	273,100	289,996
Expenditures			
Capital Outlay	1,255,400	1,255,400	264,195
Debt Service			
Principal Retirement	—	—	28,807
Total Expenditures	1,255,400	1,255,400	293,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	(982,300)	(982,300)	(3,006)
Other Financing Sources			
Transfers In	—	—	400,000
Net Change in Fund Balances	(982,300)	(982,300)	396,994
Fund Balances - Beginning			1,821,213
Fund Balances - Ending			2,218,207