

HOLIDAY SHORES SANITARY DISTRICT
EDWARDSVILLE, ILLINOIS

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2022

HOLIDAY SHORES SANITARY DISTRICT
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Holiday Shores Sanitary District
Edwardsville, IL 62025

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Holiday Shores Sanitary District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Holiday Shores Sanitary District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Holiday Shores Sanitary District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Holiday Shores Sanitary District and to meet our 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 Holiday Shores Sanitary 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 profession 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 Holiday Shores Sanitary 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 Holiday Shores Sanitary 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 budgetary comparison information and related notes on pages 23-24 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 inquires 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Holiday Shores Sanitary District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Alton, Illinois
October 31, 2022

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTALS</u>
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 90,311	\$ 313,896	\$ 404,207
Receivables (Net, Where Applicable of Allowance for Uncollectibles):			
Accounts Receivable		124,420	124,420
Property Taxes Receivable	202,350		202,350
Inventory		56,914	56,914
Prepaid Insurance		6,120	6,120
Total Current Assets	<u>\$ 292,661</u>	<u>\$ 501,350</u>	<u>\$ 794,011</u>
RESTRICTED ASSETS:			
Cash and Cash Equivalents		1,375,027	1,375,027
FIXED ASSETS (NET OF ACCUMULATED DEPRECIATION)		<u>6,575,913</u>	<u>6,575,913</u>
 TOTAL ASSETS	 <u>\$ 292,661</u>	 <u>\$ 8,452,290</u>	 <u>\$ 8,744,951</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>			
CURRENT LIABILITIES:			
Accrued Expenses		\$ 24,946	\$ 24,946
Accounts Payable	\$ 2,438	10,082	12,520
Customers' Deposits		102,574	102,574
Accrued Interest Payable		8,430	8,430
Notes Payable-Current Portion		328,386	328,386
Total Current Liabilities	<u>\$ 2,438</u>	<u>\$ 474,418</u>	<u>\$ 476,856</u>
LONG TERM DEBT:			
Note Payable-Water Plant		2,115,394	2,115,394
I.E.P.A. Loan Agreements Payable		216,487	216,487
Total Liabilities	<u>\$ 2,438</u>	<u>\$ 2,806,299</u>	<u>\$ 2,808,737</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>			
Property Taxes	<u>\$ 203,104</u>	<u>\$ 0</u>	<u>\$ 203,104</u>
 NET POSITION:			
Restricted for Debt Retirement		\$ 412,373	\$ 412,373
Restricted for Capital Projects		962,654	962,654
Invested in Fixed Assets, net of related debt		3,915,646	3,915,646
Unrestricted	\$ 87,119	355,318	442,437
Total Net Position	<u>\$ 87,119</u>	<u>\$ 5,645,991</u>	<u>\$ 5,733,110</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 292,661</u>	 <u>\$ 8,452,290</u>	 <u>\$ 8,744,951</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants And Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Functions/Programs						
Primary Government:						
General Activities						
General Government	\$ 183,748			\$ (183,748)		\$ (183,748)
Business-Type Activities:						
Water	\$ 681,536	\$ 765,278			\$ 83,742	\$ 83,742
Sewer	462,311	469,467			7,156	7,156
Total Business-Type Activities	\$ 1,143,847	\$ 1,234,745	\$ 0		\$ 90,898	\$ 90,898
Total Primary Government	\$ 1,327,595	\$ 1,234,745	\$ 0	\$ (183,748)	\$ 90,898	\$ (92,850)
General Revenues:						
Taxes:						
Property Taxes, Levied For General Purposes				\$ 193,248		\$ 193,248
Miscellaneous				7,635	\$ 20,793	28,428
Total General Revenues				\$ 200,883	\$ 20,793	\$ 221,676
CHANGE IN NET POSITION				\$ 17,135	\$ 111,691	\$ 128,826
NET POSITION, BEGINNING OF YEAR				69,984	5,534,300	5,604,284
NET POSITION, END OF YEAR				\$ 87,119	\$ 5,645,991	\$ 5,733,110

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

HOLIDAY SHORES SANITARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>GENERAL FUND</u>	
	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 90,311	\$ 79,882
Property Taxes Receivable	202,350	183,979
Prepaid Insurance		805
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 292,661</u>	<u>\$ 264,666</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
<u>LIABILITIES:</u>		
Accounts Payable	<u>\$ 2,438</u>	<u>\$ 1,247</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>		
Property Taxes	<u>\$ 203,104</u>	<u>\$ 193,435</u>
 <u>FUND BALANCE:</u>		
Nonspendable		\$ 805
Unassigned	\$ 87,119	69,179
Total Fund Balance	<u>\$ 87,119</u>	<u>\$ 69,984</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 292,661</u>	 <u>\$ 264,666</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>GENERAL FUND</u>	
	<u>2022</u>	<u>2021</u>
REVENUES:		
Tax Levy:		
General Fund	\$ 193,248	\$ 183,916
Personal Property Replacement Tax	5,677	2,604
Interest Income	755	246
Miscellaneous Revenue	1,203	972
Total Revenues	<u>\$ 200,883</u>	<u>\$ 187,738</u>
EXPENDITURES:		
Office Wages	\$ 89,567	\$ 84,499
Employee Insurance	9,585	8,835
Pension Contribution	3,244	2,769
Transportation Equipment Expense	622	811
Mowing	3,780	2,984
Facility Building Expense	19,330	13,256
Office Postage	425	256
Office Expense	13,309	12,482
O/S Contractor	535	3,377
Trustee Compensation	18,000	18,000
Miscellaneous Expense	125	877
Payroll Tax Expense	8,398	7,973
Legal Fees	1,233	2,190
Audit and Accounting	15,595	15,275
Total Expenditures	<u>\$ 183,748</u>	<u>\$ 173,584</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 17,135	\$ 14,154
FUND BALANCE, BEGINNING OF YEAR	<u>69,984</u>	<u>55,830</u>
FUND BALANCE, END OF YEAR	<u>\$ 87,119</u>	<u>\$ 69,984</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	<u>WATER</u> <u>FUND</u>	<u>SEWER</u> <u>FUND</u>	<u>TOTALS</u> <u>(Memorandum Only)</u>	
			<u>2022</u>	<u>2021</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 80,061	\$ 233,835	\$ 313,896	\$ 349,352
Accounts Receivable Net of Doubtful				
Accounts of \$1,816 water and \$1,211 sewer	79,760	44,660	124,420	118,444
Inventory	17,635	39,279	56,914	53,470
Prepaid Insurance	3,060	3,060	6,120	8,538
Total Current Assets	<u>\$ 180,516</u>	<u>\$ 320,834</u>	<u>\$ 501,350</u>	<u>\$ 529,804</u>
<u>RESTRICTED ASSETS:</u>				
Cash and Cash Equivalents	\$ 412,373	\$ 962,654	\$ 1,375,027	\$ 1,329,318
Total Restricted Assets	<u>\$ 412,373</u>	<u>\$ 962,654</u>	<u>\$ 1,375,027</u>	<u>\$ 1,329,318</u>
<u>PROPERTY, PLANT AND EQUIPMENT:</u>				
Costs	\$ 7,602,483	\$ 8,348,346	\$ 15,950,829	\$ 15,809,668
Accumulated Depreciation	(2,735,140)	(6,639,776)	(9,374,916)	(9,003,615)
Net Book Value	<u>\$ 4,867,343</u>	<u>\$ 1,708,570</u>	<u>\$ 6,575,913</u>	<u>\$ 6,806,053</u>
<u>TOTAL ASSETS</u>	<u>\$ 5,460,232</u>	<u>\$ 2,992,058</u>	<u>\$ 8,452,290</u>	<u>\$ 8,665,175</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES:</u>				
Accrued Expenses	\$ 12,586	\$ 12,360	\$ 24,946	\$ 23,597
Accounts Payable	6,652	3,430	10,082	18,920
Deposits Customers	102,574		102,574	99,018
Accrued Interest Payable	8,430		8,430	10,253
Notes Payable-Current Portion	328,386		328,386	319,423
Total Current Liabilities	<u>\$ 458,628</u>	<u>\$ 15,790</u>	<u>\$ 474,418</u>	<u>\$ 471,211</u>
<u>LONG TERM DEBT:</u>				
Note Payable-Water Plant	2,115,394		2,115,394	2,384,704
I.E.P.A. Loan Agreements	216,487		216,487	274,960
Total Liabilities	<u>\$ 2,790,509</u>	<u>\$ 15,790</u>	<u>\$ 2,806,299</u>	<u>\$ 3,130,875</u>
<u>NET POSITION:</u>				
Restricted for Debt Retirement	\$ 412,373		\$ 412,373	\$ 429,715
Restricted for Capital Projects		\$ 962,654	962,654	899,603
Invested in Fixed Assets, net of related debt	2,207,076	1,708,570	3,915,646	3,826,966
Unrestricted	50,274	305,044	355,318	378,016
Total Net Position	<u>\$ 2,669,723</u>	<u>\$ 2,976,268</u>	<u>\$ 5,645,991</u>	<u>\$ 5,534,300</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 5,460,232</u>	<u>\$ 2,992,058</u>	<u>\$ 8,452,290</u>	<u>\$ 8,665,175</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

			<u>TOTALS</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>(Memorandum Only)</u>	
			<u>2022</u>	<u>2021</u>
OPERATING REVENUES:				
Charges for Sales and Service	\$ 476,094	\$ 363,871	\$ 839,965	\$ 850,581
Connection Fees	14,750	67,100	81,850	75,655
Capitalization Reserve Fee	28,816	31,634	60,450	60,119
Debt Service Charges	240,487		240,487	232,593
Miscellaneous Revenues	5,131	6,862	11,993	9,925
Total Operating Revenues	<u>\$ 765,278</u>	<u>\$ 469,467</u>	<u>\$ 1,234,745</u>	<u>\$ 1,228,873</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 125,850	\$ 103,254	\$ 229,104	\$ 219,310
Payroll Taxes	9,947	8,233	18,180	17,279
Employee Insurance	18,947	18,947	37,894	35,356
Pension Contribution	3,211	3,211	6,422	5,464
Total Personnel Services and Benefits	<u>\$ 157,955</u>	<u>\$ 133,645</u>	<u>\$ 291,600</u>	<u>\$ 277,409</u>
Materials and Supplies:				
Chemicals	\$ 16,875	8,076	\$ 24,951	\$ 16,464
Lab and Safety Expense	10,211	\$ 1,432	11,643	10,268
I.E.P.A Discharge Fee		2,500	2,500	2,500
Parts for Grinder Pumps		44,171	44,171	51,399
Elevated Tank	48,557		48,557	55,549
Meters, Lids, Parts	4,340		4,340	2,615
Mains and Lines Repair	4,565	6,441	11,006	2,029
Plant Tools and Equipment	1,596	1,738	3,334	1,844
Line Locate Expenses	706	698	1,404	1,095
Plant Maintenance	8,913	9,497	18,410	15,679
Uniform Clothing Expense	367	367	734	1,326
Plant Miscellaneous	4,619	7,367	11,986	7,557
Operational Contracted Services	41,093	41,094	82,187	86,687
Transportation Equipment Expenses	9,742	9,875	19,617	8,562
Mowing and Miscellaneous Expense	4,720	3,205	7,925	7,191
Facility Building Expense	4,293	4,312	8,605	7,972
Office Supplies	1,398	1,173	2,571	2,458
Miscellaneous Office Expense	1,063	1,321	2,384	2,912
Backhoe & Skidsteer Expense	3,890	3,890	7,780	880
Total Materials and Supplies	<u>\$ 166,948</u>	<u>\$ 147,157</u>	<u>\$ 314,105</u>	<u>\$ 284,987</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	
			<u>2022</u>	<u>2021</u>
OPERATING EXPENSES (Continued):				
Contractual and Other Services:				
Plant Utilities	\$ 33,883	\$ 5,947	\$ 39,830	\$ 38,707
Cellular Expense	1,311	1,311	2,622	2,006
Facility Telephone Expense	1,561		1,561	1,045
Office Postage	2,722	2,541	5,263	5,217
Collections and Recording	203	382	585	825
Property Insurance	11,903	11,903	23,806	23,206
O/S Contractor	5,187	7,524	12,711	17,770
Engineering Expense	810	512	1,322	6,279
Legal Expense				15,500
Total Contractual and Other Services	<u>\$ 57,580</u>	<u>\$ 30,120</u>	<u>\$ 87,700</u>	<u>\$ 110,555</u>
Total Operating Expenses				
Other Than Depreciation	<u>\$ 382,483</u>	<u>\$ 310,922</u>	<u>\$ 693,405</u>	<u>\$ 672,951</u>
OPERATING INCOME				
BEFORE DEPRECIATION	\$ 382,795	\$ 158,545	\$ 541,340	\$ 555,922
DEPRECIATION	<u>(219,912)</u>	<u>(151,389)</u>	<u>(371,301)</u>	<u>(382,305)</u>
OPERATING INCOME	<u>\$ 162,883</u>	<u>\$ 7,156</u>	<u>\$ 170,039</u>	<u>\$ 173,617</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	
			<u>(Memorandum Only)</u>	
			<u>2022</u>	<u>2021</u>
NON-OPERATING REVENUES:				
Investment Income	\$ 2,877	\$ 6,984	\$ 9,861	\$ 5,487
Delayed Payment Charge	7,069	3,863	10,932	9,806
Total Non-Operating Revenues	<u>\$ 9,946</u>	<u>\$ 10,847</u>	<u>\$ 20,793</u>	<u>\$ 15,293</u>
NON-OPERATING EXPENSES:				
Interest Expense:				
Carrollton Bank Loan	\$ (71,789)		\$ (71,789)	\$ (93,590)
IEPA Loan	(7,352)		(7,352)	(8,766)
Total Interest Expense	<u>\$ (79,141)</u>	<u>\$ 0</u>	<u>\$ (79,141)</u>	<u>\$ (102,356)</u>
Total Non-Operating Expenses	<u>\$ (79,141)</u>	<u>\$ 0</u>	<u>\$ (79,141)</u>	<u>\$ (102,356)</u>
Total Non-Operating Revenues (Expenses)	<u>\$ (69,195)</u>	<u>\$ 10,847</u>	<u>\$ (58,348)</u>	<u>\$ (87,063)</u>
NET INCREASE				
IN NET POSITION	\$ 93,688	\$ 18,003	\$ 111,691	\$ 86,554
NET POSITION, BEGINNING OF YEAR	<u>2,576,035</u>	<u>2,958,265</u>	<u>5,534,300</u>	<u>5,447,746</u>
NET POSITION, END OF YEAR	<u>\$ 2,669,723</u>	<u>\$ 2,976,268</u>	<u>\$ 5,645,991</u>	<u>\$ 5,534,300</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	
			<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 760,733	\$ 468,038	\$ 1,228,771	\$ 1,234,748
Cash Payments to Suppliers for Goods and Services	(225,312)	(185,009)	(410,321)	(399,755)
Cash Payments to Employees for Services	(157,955)	(133,645)	(291,600)	(277,409)
Net Cash Provided by Operating Activities	<u>\$ 377,466</u>	<u>\$ 149,384</u>	<u>\$ 526,850</u>	<u>\$ 557,584</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest Paid on Bonds/Notes	\$ (80,964)		\$ (80,964)	\$ (103,909)
Retirement of Bonds/Notes	(318,820)		(318,820)	(3,023,167)
Proceeds from Bonds/Notes				2,721,475
Customer Deposits/Other	3,555		3,555	4,892
Acquisition of Capital Assets	(26,056)	\$ (115,105)	(141,161)	(124,609)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (422,285)</u>	<u>\$ (115,105)</u>	<u>\$ (537,390)</u>	<u>\$ (525,318)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Income on Cash	\$ 2,877	\$ 6,984	\$ 9,861	\$ 5,487
Delayed Payments	7,069	3,863	10,932	9,806
Net Cash Provided by Investing Activities	<u>\$ 9,946</u>	<u>\$ 10,847</u>	<u>\$ 20,793</u>	<u>\$ 15,293</u>
NET INCREASE (DECREASE) IN CASH	\$ (34,873)	\$ 45,126	\$ 10,253	\$ 47,559
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	527,307	1,151,363	1,678,670	1,631,111
CASH AND RESTRICTED CASH, END OF YEAR	<u><u>\$ 492,434</u></u>	<u><u>\$ 1,196,489</u></u>	<u><u>\$ 1,688,923</u></u>	<u><u>\$ 1,678,670</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income	\$ 162,883	\$ 7,156	\$ 170,039	\$ 173,617
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Depreciation	219,912	151,389	371,301	382,305
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(4,545)	(1,429)	(5,974)	5,876
(Increase) Decrease in Inventory	794	(4,239)	(3,445)	(4,320)
(Increase) Decrease in Prepaid Expenses	1,209	1,209	(2,418)	442
Increase (Decrease) in Accounts Payable	(3,576)	(5,261)	(8,837)	(5,540)
Increase (Decrease) in Accrued Expenses	789	559	1,348	6,088
Net Cash Provided by Operating Activities	<u><u>\$ 377,466</u></u>	<u><u>\$ 149,384</u></u>	<u><u>\$ 526,850</u></u>	<u><u>\$ 557,584</u></u>

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

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Holiday Shores Sanitary District provides water and sewer to approximately 1,200 users in the rural area surrounding Holiday Shores Lake. The District is located in North West Madison County, Illinois, and was established by the County Board on October 4, 1972 under the Sanitary Act of 1936. The basic operations are financed by charging fees for water and sewer. The District is also supplemented by local tax levies and federal and state grants. Operations are under the direct supervision of three appointed trustees and a district clerk.

The accounting methods and procedures adopted by the Holiday Shores Sanitary District, conform to generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant policies.

REPORTING ENTITY

The Holiday Shores Sanitary District is the basic level of government, which has financial accountability, and control over all activities related to sanitary district. The District receives funding from local and state government sources and must comply with the requirements of these funding source entities. The District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement. The District has decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units included in the District's reporting entity.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the District and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Net position should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The following Funds are used by the District:

1. Governmental Funds

General Fund - This fund is established to account for resources devoted to financing the general services that the District performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

2. Proprietary Funds

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

BASIS OF ACCOUNTING

The District uses the modified accrual basis of accounting for the governmental fund types. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes, and investment earnings are recorded when earned (when they are measurable and available). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations which are recognized when paid. The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP).

All proprietary funds are accounted for using the accrual basis of accounting. The accrual basis of accounting recognizes revenue when earned. Expenses are recorded when incurred. Interest on revenue bonds, proceeds of which are used in financing the construction of certain assets, is capitalized during the construction period net of interest on the investment of unexpended bond proceeds.

Cash - All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and at the day of purchase, have a maturity date no longer than three months.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is not expected to be collectible. Estimated unbilled revenues from the water fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

BASIS OF ACCOUNTING (Continued)

Inventories - Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

Other Assets - Other assets held are recorded and accounted for at cost.

Restricted Assets - Enterprise Funds, based on certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt, customer deposits, and District's capital projects.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are 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. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 10 to 40 years; 5 to 20 years for furniture, fixtures, and equipment; 30 years for water and sewerage plant; 50 years for lagoon and interceptor force main. It is the District's policy to capitalize fixed assets in excess of \$1,500.

Pensions - The District has established an employee deferred pension plan under Section 457 of the Internal Revenue Code. The maximum contribution by each participant may not exceed the lesser of \$20,500 or 33 1/3 percent of compensation. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for this plan. All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants and are not subject to claims of the District's creditors. Accordingly, those plan assets are not reported as part of these financial statements.

Fund Equity - The unrestricted fund balances for governmental funds represent the amount available for budgeting future operations. The restricted fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unrestricted net position for proprietary funds represents the net assets available for future operations or distribution. Restricted net position for proprietary funds represents the net assets that have been legally identified for specific purposes.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

BASIS OF ACCOUNTING (Continued)

Personal Leave - Employees of the District shall receive personal leave equal to one average work week with pay per calendar year. Personal leave shall be used for personal or immediate family medical, illness, or child care needs; or for family funeral needs; and shall be taken in minimum two (2) hour increments. Personal leave shall be used in major or minor emergency situations only and not in lieu of vacation, with no accumulation.

Vacation - District employees shall receive one week of paid vacation as follows: One (1) week of vacation during the first year of employment, to be taken only after the first six (6) months of employment; two (2) weeks of vacation each year during the second (2nd) through fifth (5th) years of employment; three (3) weeks of vacation during the sixth (6th) through tenth (10th) years of employment; and, four (4) weeks of vacation each year during the eleventh (11th) year of employment and each year thereafter.

No more than two (2) years of earned paid vacation may be accumulated and carried forward to any future year(s). All vacation time to be taken by employees must be approved in advance by the District Trustees.

Total Columns - The basic financial statements include a total column that is described as memorandum only. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of each financial statement.

Comparative Data - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since its inclusion would make the statements unduly complex and difficult to read.

Net Position - Net position is the difference between assets, liabilities, and deferred inflows. Net position invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by legislation or external restrictions by other governments, creditors or grantors.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. FUND BALANCE REPORTING

According to Government Accounting Standards, governmental fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the classifications and how these balances are reported:

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2. FUND BALANCE REPORTING (CONTINUED)

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. There were no nonspendable fund balances for the District as of June 30, 2022.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by an entity, such as restrictions imposed by creditors, grantors, contributors, or law and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specific purposes. The District has no Special Revenue Funds or revenue sources that fall into this category as of June 30, 2022.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the District’s Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The District’s Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. There were no committed fund balances for the District as of June 30, 2022.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the District’s Board itself or (b) the finance committee, if applicable, to assign amounts to be used for specific purposes. There were no assigned fund balances for the District as of June 30, 2022.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund showed an unassigned fund balance of \$87,119 as of June 30, 2022.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2. FUND BALANCE REPORTING (CONTINUED)

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one type of item that qualifies for reporting in this category, property taxes levied during the current fiscal year but not to be received until the next fiscal year. These amounts are recognized as an inflow of resources in the period that the amounts were budgeted.

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2022 are classified in the accompanying financial statement as follows:

Governmental Funds:	
Cash and Cash Equivalents	\$ 90,311
Proprietary Funds:	
Cash and Cash Equivalents	<u>1,688,923</u>
Total Cash and Cash Equivalents	<u>\$ 1,779,234</u>

A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing short term certificates of deposit and by timing cash flows maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market rate interest rate fluctuations is provided in the following table that shows the distribution of the District's investments by maturity.

	<u>Total</u>	<u>Remaining Maturity</u>	
		<u>12 Months or less</u>	<u>Greater than 12 Months</u>
Savings Deposit	\$ 1,779,234	\$ 1,779,234	<u> </u>
	<u>\$ 1,779,234</u>	<u>\$ 1,779,234</u>	<u>\$ 0</u>

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 3. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's deposits are fully collateralized with securities held by the respective financial institutions in the District's name as of June 30, 2022.

NOTE 4. PROPERTY TAX

Property taxes are levied in August, based on assessed value of property listed as of January 1. Assessed values are an approximation of market value. Taxes are payable in four installments. Madison County bills the taxes and collections are remitted to the County Collector. The County Collector disburses the tax. Property tax levy has been recorded as a receivable, net of any collections received prior to the year end. In addition, the revenue from the 2021 property tax levy has been deferred.

NOTE 5. FUND BALANCE AND NET POSITION AND EXPENDITURES OVER BUDGET

No funds showed deficit fund balances or deficit net position at June 30, 2022.

No funds had expenditures over budget for the year ended June 30, 2022.

NOTE 6. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Depreciable Capital Assets:				
Equipment	\$ 3,933			\$ 3,933
Accumulated Depreciation				
Equipment	<u>3,933</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,933</u>
Net Depreciable Capital Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 6. PROPERTY AND EQUIPMENT (CONTINUED)

A summary of business-type activities at June 30, 2022 follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Business-type Activities				
Non-depreciable Capital Assets				
Land	\$ 171,988			\$ 171,988
Depreciable Capital Assets				
Water Tower	1,052,671			1,052,671
Building and Improvements	631,852			631,852
Water Plant	5,550,345	\$ 2,646		5,552,991
Treatment Equipment	189,398			189,398
Office Equipment	21,517			21,517
Vehicles/Mobile Equipment	114,789	46,820		161,609
Tools	144,605	2,917		147,522
Waste Water Collection and Treatment System	7,932,503	88,778	\$ 0	8,021,281
Subtotal	<u>\$ 15,637,680</u>	<u>\$ 141,161</u>	<u>\$ 0</u>	<u>\$ 15,778,841</u>
Accumulated Depreciation				
Water Tower	\$ 310,445	\$ 21,053		\$ 331,498
Building and Improvements	488,672	12,426		501,098
Water Plant	1,464,423	158,335		1,622,758
Treatment Equipment	116,440	17,351		133,791
Office Equipment	21,517			21,517
Vehicles/Mobile Equipment	114,133	7,649		121,782
Tools	139,133	1,346		140,479
Waste Water Collection and Treatment System	6,348,852	153,141	\$ 0	6,501,993
Subtotal	<u>\$ 9,003,615</u>	<u>\$ 371,301</u>	<u>\$ 0</u>	<u>\$ 9,374,916</u>
Net Depreciable Capital Assets	<u>\$ 6,634,065</u>	<u>\$ (230,140)</u>	<u>\$ 0</u>	<u>\$ 6,403,925</u>
Net Capital Assets	<u>\$ 6,806,053</u>	<u>\$ (230,140)</u>	<u>\$ 0</u>	<u>\$ 6,575,913</u>

Depreciation was charged to functions as follows:

Business-type Activities:	
Water	\$ 219,912
Sewer	<u>151,389</u>
Total Business-type Activities	
Depreciation Expense	<u>\$ 371,301</u>

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 7. CHANGES IN LONG TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2022:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2022</u>
Direct Borrowings:				
Proprietary Fund Types -				
I.E.P.A. Loan Agreement -				
Water Tower	\$ 331,999		\$ 57,038	\$ 274,961
Carrollton Bank-Water Plant	<u>2,647,088</u>	_____	<u>261,782</u>	<u>2,385,306</u>
Total Proprietary				
Fund Types	<u>\$ 2,979,087</u>	<u>\$ _____</u>	<u>\$ 318,820</u>	<u>\$ 2,660,267</u>

The District financed the water tower for \$996,674 through the Illinois Environmental Protection Agency Loan Agreement. The agreement calls for 40 semi-annual payments starting July 31, 2007 with a rate of 2.5%. The final payment is due July 31, 2026.

The District refinanced the water plant through Carrollton Bank on April 14, 2021. The District signed a debt certificate with a maximum principal amount of \$2,721,475. The certificate bears interest at the annual rate of 2.80% and is payable in 36 consecutive quarterly installment payments, principal and interest of \$83,700, with all principal and interest not previously paid to be paid in the 37th quarterly installment payment. The final payment is due June 2, 2030.

The principal and interest payments for the years subsequent to June 30, 2022 for long term debt are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 328,386	\$ 71,399	\$ 399,785
2024	337,446	62,339	399,785
2025	347,071	52,714	399,785
2026	356,812	42,973	399,785
2027	334,335	32,957	367,292
2028-2030	<u>956,217</u>	<u>46,181</u>	<u>1,002,398</u>
	<u>\$ 2,660,267</u>	<u>\$ 308,563</u>	<u>\$ 2,968,830</u>

NOTE 8. RISK MANAGEMENT

Significant losses are covered by commercial insurance for all funds for which the District retains risk of loss. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded coverage for the current year or the prior year.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9. NEW ACCOUNTING PRONOUNCEMENTS

The District implemented the following accounting pronouncement for fiscal year ended June 30, 2022:

Effective July 1, 2021, the District adopted the provisions of GASB Statement No. 87, *Leases*. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 established a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the leased asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties. The implementation of GASB Statement No. 87 had no material impact on the financial statements of the District for the year ended June 30, 2022.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events through October 31, 2022. From this evaluation, no events were identified that met the criteria to be classified as a subsequent event subject to disclosure.

HOLIDAY SHORES SANITARY DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
REVENUES:				
Tax Levy:				
General Fund	\$ 193,435	\$ 193,435	\$ 193,248	\$ (187)
Personal Property Replacement Tax	2,500	2,500	5,677	3,177
Interest Income	420	420	755	335
Miscellaneous Revenue	1,000	1,000	1,203	203
Total Revenues	<u>\$ 197,355</u>	<u>\$ 197,355</u>	<u>\$ 200,883</u>	<u>\$ 3,528</u>
EXPENDITURES:				
Office Wages	\$ 94,000	\$ 94,000	\$ 89,567	\$ 4,433
Employee Insurance	10,500	10,500	9,585	915
Pension Contribution	3,800	3,800	3,244	556
Transportation Equipment Expense	1,000	1,000	622	378
Mowing	4,000	4,000	3,780	220
Facility Building Expense	16,400	20,400	19,330	1,070
Office Postage	500	500	425	75
Office Expense	17,000	16,000	13,309	2,691
O/S Contractor	1,500	1,500	535	965
Trustee Compensation	18,000	18,000	18,000	
Miscellaneous Expense	500	500	125	375
Payroll Tax Expense	9,000	9,000	8,398	602
Legal Fees	5,000	2,000	1,233	767
Audit and Accounting	16,300	16,300	15,595	705
Total Expenditures	<u>\$ 197,500</u>	<u>\$ 197,500</u>	<u>\$ 183,748</u>	<u>\$ 13,752</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (145)</u>	<u>\$ (145)</u>	\$ 17,135	<u>\$ 17,280</u>
FUND BALANCE, BEGINNING OF YEAR			<u>69,984</u>	
FUND BALANCE, END OF YEAR			<u>\$ 87,119</u>	

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Budgets and Budgetary Basis of Accounting:

A. Budgetary Process

The budget is prepared by the Board of Trustees. The annual budget and the related budget hearing are acted upon no later than July each year.

B. Amendments to the Budget

The Sanitary District had amendments to the general fund budget for the fiscal year ended June 30, 2022.

C. Budgetary Basis of Accounting

Budgets are prepared and adopted using the accrual basis method of accounting.

D. Encumbrances

Encumbrance accounting is not used by the Sanitary District.

HOLIDAY SHORES SANITARY DISTRICT

SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	WATER FUND			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
OPERATING REVENUES:				
Charges for Sales and Service	\$ 549,971	\$ 549,971	\$ 476,094	\$ (73,877)
Connection Fees	20,650	20,650	14,750	(5,900)
Capitalization Reserve Fee	28,896	28,896	28,816	(80)
Debt Service Charge	233,913	233,913	240,487	6,574
Miscellaneous Revenues	4,400	4,400	5,131	731
Total Operating Revenues	<u>\$ 837,830</u>	<u>\$ 837,830</u>	<u>\$ 765,278</u>	<u>\$ (72,552)</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 123,500	\$ 123,500	\$ 125,850	\$ (2,350)
Payroll Taxes	10,200	10,200	9,947	253
Employee Insurance	21,000	21,000	18,947	2,053
Pension Contribution	4,500	4,500	3,211	1,289
Total Personnel Services and Benefits	<u>\$ 159,200</u>	<u>\$ 159,200</u>	<u>\$ 157,955</u>	<u>\$ 1,245</u>
Materials and Supplies:				
Chemicals	\$ 17,000	\$ 18,000	\$ 16,875	\$ 1,125
Lab and Safety Expense	10,000	10,000	10,211	(211)
Elevated Tank	48,560	48,560	48,557	3
Meters, Lids, Parts	6,500	6,500	4,340	2,160
Plant Tools and Equipment	1,000	2,000	1,596	404
Mains and Line Repairs	4,000	5,000	4,565	435
Line Locate Expenses	600	600	706	(106)
Plant Maintenance	11,000	9,000	8,913	87
Uniform Clothing Expense	1,000	1,000	367	633
Plant Miscellaneous	5,000	5,000	4,619	381
Operational Contracted Services	45,500	45,500	41,093	4,407
Boring Machine Expense	1,000	1,000		1,000
Transportation Equipment Expenses	5,500	9,500	9,742	(242)
Mowing and Miscellaneous Expense	5,000	5,000	4,720	280
Facility Building Expense	4,000	4,000	4,293	(293)
Office Supplies	1,500	1,500	1,398	102
Miscellaneous Office Expense	4,000	4,000	1,063	2,937
Backhoe & Skidsteer Expense	1,000	4,000	3,890	110
Total Materials and Supplies	<u>\$ 172,160</u>	<u>\$ 180,160</u>	<u>\$ 166,948</u>	<u>\$ 13,212</u>

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	WATER FUND			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
OPERATING EXPENSES (Continued)				
Contractual and Other Services:				
Plant Utilities	\$ 32,000	\$ 32,000	\$ 33,883	\$ (1,883)
Cellular Expense	2,200	2,200	1,311	889
Facility Telephone Expense	1,500	1,500	1,561	(61)
Office Postage	3,500	3,500	2,722	778
Collections and Recording	500	500	203	297
Property Insurance	12,500	12,500	11,903	597
O/S Contractor	9,000	9,000	5,187	3,813
Engineering Expense	3,000	3,000	810	2,190
Total Contractual and Other Services	<u>\$ 64,200</u>	<u>\$ 64,200</u>	<u>\$ 57,580</u>	<u>\$ 6,620</u>
Total Operating Expenses Other Than Depreciation	<u>\$ 395,560</u>	<u>\$ 403,560</u>	<u>\$ 382,483</u>	<u>\$ 21,077</u>
OPERATING INCOME BEFORE DEPRECIATION	\$ 442,270	\$ 434,270	\$ 382,795	<u>\$ (51,475)</u>
DEPRECIATION			(219,912)	
OPERATING INCOME	<u>\$ 442,270</u>	<u>\$ 434,270</u>	<u>\$ 162,883</u>	
NON-OPERATING REVENUES (EXPENSES):				
Investment Income	\$ 2,500	\$ 2,500	\$ 2,877	
Delayed Payment Charge	7,000	7,000	7,069	
Capitalized Equipment	(36,000)	(28,000)		
Principal Payments	(319,423)	(319,423)		
Interest Expense	(80,362)	(80,362)	(79,141)	
Total Non-Operating Revenues (Expenses)	<u>\$ (426,285)</u>	<u>\$ (418,285)</u>	<u>\$ (69,195)</u>	
NET INCREASE (DECREASE) IN NET ASSETS	<u>\$ 15,985</u>	<u>\$ 15,985</u>	\$ 93,688	
NET POSITION, BEGINNING OF YEAR,			<u>2,576,035</u>	
NET POSITION, END OF YEAR			<u>\$ 2,669,723</u>	

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	SEWER FUND			
	Budgeted Amounts		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>		
	<u>Budget</u>	<u>Budget</u>		
OPERATING REVENUES:				
Charges for Sales and Service	\$ 428,545	\$ 428,545	\$ 363,871	\$ (64,674)
Connection Fees	66,000	66,000	67,100	1,100
Capitalization Reserve Fee	31,824	31,824	31,634	(190)
Miscellaneous Revenues	6,964	6,964	6,862	(102)
Total Operating Revenues	\$ 533,333	\$ 533,333	\$ 469,467	\$ (63,866)
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 100,800	\$ 100,800	\$ 103,254	\$ (2,454)
Payroll Taxes	8,900	8,900	8,233	667
Employee Insurance	21,000	21,000	18,947	2,053
Pension Contribution	4,500	4,500	3,211	1,289
Total Personnel Services and Benefits	\$ 135,200	\$ 135,200	\$ 133,645	\$ 1,555
Materials and Supplies:				
Chemicals	\$ 1,000	\$ 8,000	\$ 8,076	\$ (76)
Lab and Safety Expense	2,000	2,000	1,432	568
I.E.P.A Discharge Fee	2,500	2,500	2,500	0
Parts for Grinder Pumps	62,000	59,000	44,171	14,829
Mains and Lines Repairs	6,000	7,000	6,441	559
Plant Tools and Equipment	1,000	2,000	1,738	262
Line Locate Expenses	600	600	698	(98)
Plant Maintenance	10,000	10,000	9,497	503
Uniform Clothing Expense	1,000	1,000	367	633
Plant Miscellaneous	8,000	8,000	7,367	633
Operational Contracted Services	45,500	45,500	41,094	4,406
Boring Machine Expense	1,000	1,000		1,000
Transportation Equipment Expenses	5,500	10,500	9,875	625
Mowing and Miscellaneous Expense	5,000	5,000	3,205	1,795
Facility Building Expense	6,700	6,700	4,312	2,388
Office Supplies	1,500	1,500	1,173	327
Miscellaneous Office Expense	4,000	4,000	1,321	2,679
Backhoe & Skidsteer Expense	1,000	4,000	3,890	110
Total Materials and Supplies	\$ 164,300	\$ 178,300	\$ 147,157	\$ 31,143

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	SEWER FUND			
	Budgeted Amounts		Actual Amounts	Variance
	Original Budget	Final Budget		
OPERATING EXPENSES (Continued)				
Contractual and Other Services:				
Plant Utilities	\$ 7,500	\$ 7,500	\$ 5,947	\$ 1,553
Cellular Expense	2,200	2,200	1,311	889
Office Postage	3,500	3,500	2,541	959
Collections and Recording	800	800	382	418
Property Insurance	12,500	12,500	11,903	597
O/S Contractor	10,000	10,000	7,524	2,476
Engineering Expense	5,000	5,000	512	4,488
Total Contractual and Other Services	\$ 41,500	\$ 41,500	\$ 30,120	\$ 11,380
Total Operating Expenses Other Than Depreciation	\$ 341,000	\$ 355,000	\$ 310,922	\$ 44,078
OPERATING INCOME BEFORE DEPRECIATION	\$ 192,333	\$ 178,333	\$ 158,545	\$ (19,788)
DEPRECIATION			(151,389)	
OPERATING INCOME (LOSS)	\$ 192,333	\$ 178,333	\$ 7,156	
NON-OPERATING REVENUES (EXPENSES):				
Investment Income	\$ 5,000	\$ 5,000	\$ 6,984	
Delayed Payment Charge	4,000	4,000	3,863	
Capitalized Equipment	(190,000)	(176,000)		
Total Non-Operating Revenues (Expenses)	\$ (181,000)	\$ (167,000)	\$ 10,847	
NET INCREASE (DECREASE) IN NET ASSETS	\$ 11,333	\$ 11,333	\$ 18,003	
NET POSITION, BEGINNING OF YEAR,			2,958,265	
NET POSITION END OF YEAR			\$ 2,976,268	

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES,
EXTENSIONS AND COLLECTIONS

TAX RATES

<u>LEVY YEAR</u>	<u>ASSESSED VALUATION</u>	<u>GENERAL</u>	<u>TOTAL EXTENSION</u>	<u>TOTAL TAXES COLLECTED</u>	<u>PERCENT COLLECTED</u>
2012	76,150,923	0.1720	131,056	130,771	99.78%
2013	76,656,168	0.1795	137,598	137,318	99.80%
2014	76,131,216	0.1897	144,421	144,097	99.78%
2015	76,790,603	0.1975	151,661	151,374	99.81%
2016	77,472,860	0.2055	159,207	158,509	99.56%
2017	80,841,160	0.2067	167,099	166,418	99.59%
2018	82,801,241	0.2119	175,456	175,284	99.90%
2019	86,538,820	0.2129	184,241	183,916	99.82%
2020	88,407,310	0.2188	193,435	193,248	99.90%
2021	94,247,620	0.2155	203,104	753	0.37%