

HOLIDAY SHORES SANITARY DISTRICT
EDWARDSVILLE, ILLINOIS

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, 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, 2024, 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 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 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.

Report on Summarized Comparative Information

We have previously audited Holiday Shores Sanitary District's June 30, 2023, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Alton, Illinois
November 8, 2024

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	<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	\$ 145,871	\$ 351,035	\$ 496,906
Receivables (Net, Where Applicable of Allowance for Uncollectibles):			
Accounts Receivable		169,331	169,331
Grants Receivable		3,880	3,880
Property Taxes Receivable	216,456		216,456
Inventory		68,634	68,634
Prepaid Insurance	1,293	14,272	15,565
Due from Other Funds	4,190		4,190
Total Current Assets	<u>\$ 367,810</u>	<u>\$ 607,152</u>	<u>\$ 974,962</u>
RESTRICTED ASSETS:			
Cash and Cash Equivalents		1,356,610	1,356,610
CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)		<u>6,351,637</u>	<u>6,351,637</u>
 TOTAL ASSETS	 <u>\$ 367,810</u>	 <u>\$ 8,315,399</u>	 <u>\$ 8,683,209</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>			
CURRENT LIABILITIES:			
Accrued Expenses & Compensated Absences	\$ 4,417	\$ 10,172	\$ 14,589
Accounts Payable	6,423	22,563	28,986
Customer Deposits		106,510	106,510
Accrued Interest Payable		5,919	5,919
Due to Other Funds		4,190	4,190
Notes Payable-Current Portion		347,072	347,072
Total Current Liabilities	<u>\$ 10,840</u>	<u>\$ 496,426</u>	<u>\$ 507,266</u>
LONG-TERM DEBT:			
Compensated Absences		21,361	21,361
Note Payable-Water Plant		1,552,282	1,552,282
I.E.P.A. Loan Agreements Payable		95,089	95,089
Total Liabilities	<u>\$ 10,840</u>	<u>\$ 2,165,158</u>	<u>\$ 2,175,998</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>			
Property Taxes	<u>\$ 223,812</u>	<u>\$ 0</u>	<u>\$ 223,812</u>
 NET POSITION:			
Invested in Capital Assets, Net of Related Debt		\$ 4,357,194	\$ 4,357,194
Restricted for Debt Retirement		398,980	398,980
Restricted for Capital Projects		957,630	957,630
Unrestricted	\$ 133,158	436,437	569,595
Total Net Position	<u>\$ 133,158</u>	<u>\$ 6,150,241</u>	<u>\$ 6,283,399</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 367,810</u>	 <u>\$ 8,315,399</u>	 <u>\$ 8,683,209</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, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
General Government	\$ 311,702			\$ (311,702)		\$ (311,702)
Business-Type Activities:						
Water	\$ 668,244	\$ 897,949		\$ 229,705	\$ 229,705	\$ 229,705
Sewer	438,836	604,247		165,411	165,411	165,411
Total Business-Type Activities	<u>\$ 1,107,080</u>	<u>\$ 1,502,196</u>	<u>\$ 0</u>	<u>\$ 395,116</u>	<u>\$ 395,116</u>	<u>\$ 395,116</u>
Total Primary Government	<u>\$ 1,418,782</u>	<u>\$ 1,502,196</u>	<u>\$ 0</u>	<u>\$ (311,702)</u>	<u>\$ 395,116</u>	<u>\$ 83,414</u>
General Revenues:						
Taxes:						
Property Taxes, Levied For General Purposes				\$ 213,498	\$ 213,498	
Interest Income				56,271	56,271	56,271
Grant Revenue					3,880	3,880
Miscellaneous				5,954	14,370	20,324
Total General Revenues				<u>\$ 275,723</u>	<u>\$ 18,250</u>	<u>\$ 293,973</u>
Transfers				77,140	(77,140)	0
Total General Revenues and Transfers				<u>\$ 352,863</u>	<u>\$ (58,890)</u>	<u>\$ 293,973</u>
CHANGE IN NET POSITION				\$ 41,161	\$ 336,226	\$ 377,387
NET POSITION, BEGINNING OF YEAR				91,997	5,814,015	5,906,012
NET POSITION, END OF YEAR				<u>\$ 133,158</u>	<u>\$ 6,150,241</u>	<u>\$ 6,283,399</u>

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

HOLIDAY SHORES SANITARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>GENERAL FUND</u>
<u>ASSETS</u>	<u>2024</u>
Cash	\$ 145,871
Property Taxes Receivable	216,456
Prepaid Insurance	1,293
Due from Other Funds	<u>4,190</u>
TOTAL ASSETS	<u>\$ 367,810</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>	
<u>LIABILITIES:</u>	
Accounts Payable	\$ 6,423
Accrued Expenses	<u>4,417</u>
TOTAL LIABILITIES	<u>\$ 10,840</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Property Taxes	<u>\$ 223,812</u>
<u>FUND BALANCE:</u>	
Nonspendable	\$ 1,293
Unassigned	<u>131,865</u>
Total Fund Balance	<u>\$ 133,158</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 367,810</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, 2024

	<u>GENERAL FUND</u>
	<u>2024</u>
REVENUES:	
Tax Levy:	
General Fund	\$ 213,498
Personal Property Replacement Tax	4,226
Interest Income	56,271
Miscellaneous Revenue	1,728
Total Revenues	<u>\$ 275,723</u>
EXPENDITURES:	
Office Wages	\$ 187,658
Employee Insurance	21,663
Pension Contribution	4,400
Transportation Equipment Expense	667
Mowing	3,795
Facility Building Expense	13,124
Office Postage	355
Office Expense	14,322
O/S Contractor	1,449
Trustee Compensation	17,500
Insurance-Property, Commerical	5,450
Unemployment Tax	827
Miscellaneous Expense	45
Payroll Tax Expense	16,031
Legal Fees	5,841
Audit and Accounting	18,575
Total Expenditures	<u>\$ 311,702</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (35,979)
OTHER FINANCING SOURCES (USES):	
Transfers In	77,140
Total Other Financing Sources (Uses)	<u>\$ 77,140</u>
NET CHANGE IN FUND BALANCE	\$ 41,161
FUND BALANCE, BEGINNING OF YEAR	<u>91,997</u>
FUND BALANCE, END OF YEAR	<u>\$ 133,158</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	
	<u>FUND</u>	<u>FUND</u>	<u>(Memorandum Only)</u>	
			<u>2024</u>	<u>2023</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 75,494	\$ 275,541	\$ 351,035	\$ 294,231
Accounts Receivable Net of Doubtful				
Accounts of \$1,346 Water and \$1,089 Sewer	97,470	71,861	169,331	145,869
Grants Receivable	1,940	1,940	3,880	
Inventory	16,655	51,979	68,634	64,656
Prepaid Insurance	7,136	7,136	14,272	12,383
Total Current Assets	<u>\$ 198,695</u>	<u>\$ 408,457</u>	<u>\$ 607,152</u>	<u>\$ 517,139</u>
RESTRICTED ASSETS:				
Cash and Cash Equivalents	<u>\$ 398,980</u>	<u>\$ 957,630</u>	<u>\$ 1,356,610</u>	<u>\$ 1,372,417</u>
Total Restricted Assets	<u>\$ 398,980</u>	<u>\$ 957,630</u>	<u>\$ 1,356,610</u>	<u>\$ 1,372,417</u>
CAPITAL ASSETS:				
Costs	\$ 7,676,735	\$ 8,718,223	\$ 16,394,958	\$ 16,121,356
Accumulated Depreciation	(3,142,872)	(6,900,449)	(10,043,321)	(9,699,591)
Net Capital Assets	<u>\$ 4,533,863</u>	<u>\$ 1,817,774</u>	<u>\$ 6,351,637</u>	<u>\$ 6,421,765</u>
TOTAL ASSETS	<u>\$ 5,131,538</u>	<u>\$ 3,183,861</u>	<u>\$ 8,315,399</u>	<u>\$ 8,311,321</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accrued Expenses & Compensated Absences	\$ 5,408	\$ 4,764	\$ 10,172	\$ 28,959
Accounts Payable	12,574	9,989	22,563	24,092
Customer Deposits	106,510		106,510	105,170
Accrued Interest Payable	5,919		5,919	6,863
Due to Other Funds	1,185	3,005	4,190	
Notes Payable-Current Portion	347,072		347,072	337,447
Total Current Liabilities	<u>\$ 478,668</u>	<u>\$ 17,758</u>	<u>\$ 496,426</u>	<u>\$ 502,531</u>
LONG-TERM DEBT:				
Compensated Absences	10,680	10,681	21,361	
Note Payable-Water Plant	1,552,282		1,552,282	1,838,233
I.E.P.A. Loan Agreements	95,089		95,089	156,542
Total Liabilities	<u>\$ 2,136,719</u>	<u>\$ 28,439</u>	<u>\$ 2,165,158</u>	<u>\$ 2,497,306</u>
NET POSITION:				
Invested in Capital Assets, Net of Related Debt	\$ 2,539,420	\$ 1,817,774	\$ 4,357,194	\$ 4,089,543
Restricted for Debt Retirement	398,980		398,980	404,765
Restricted for Capital Projects		957,630	957,630	967,652
Unrestricted	56,419	380,018	436,437	352,055
Total Net Position	<u>\$ 2,994,819</u>	<u>\$ 3,155,422</u>	<u>\$ 6,150,241</u>	<u>\$ 5,814,015</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 5,131,538</u>	<u>\$ 3,183,861</u>	<u>\$ 8,315,399</u>	<u>\$ 8,311,321</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, 2024

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u> <u>(Memorandum Only)</u>	
			<u>2024</u>	<u>2023</u>
OPERATING REVENUES:				
Charges for Sales and Service	\$ 585,771	\$ 499,871	\$ 1,085,642	\$ 883,034
Connection Fees	11,800	70,150	81,950	36,424
Capitalization Reserve Fee	28,854	31,826	60,680	60,623
Debt Service Charges	262,430		262,430	262,402
Miscellaneous Revenues	9,094	2,400	11,494	7,430
Total Operating Revenues	<u>\$ 897,949</u>	<u>\$ 604,247</u>	<u>\$ 1,502,196</u>	<u>\$ 1,249,913</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 131,157	\$ 117,624	\$ 248,781	\$ 252,371
Office Wages	2,860	2,861	5,721	3,432
Payroll Taxes	10,602	9,572	20,174	20,508
Employee Insurance	21,093	21,093	42,186	38,226
Pension Contribution	4,321	4,321	8,642	8,676
Total Personnel Services and Benefits	<u>\$ 170,033</u>	<u>\$ 155,471</u>	<u>\$ 325,504</u>	<u>\$ 323,213</u>
Materials and Supplies:				
Chemicals	\$ 20,934	\$ 2,754	\$ 23,688	\$ 24,475
Lab and Safety Expense	14,203	2,021	16,224	20,643
I.E.P.A Discharge Fee		2,500	2,500	2,500
Parts for Grinder Pumps		43,255	43,255	55,651
Elevated Tank	29,452		29,452	27,581
Meters, Lids, Parts	4,720		4,720	5,334
Mains and Lines Repair	7,986	14,393	22,379	8,629
Plant Tools and Equipment	1,542	1,797	3,339	3,258
Mains and Line Locate Expenses	600	695	1,295	1,900
Plant Maintenance	8,259	12,817	21,076	19,243
Uniform Clothing Expense	408	408	816	1,476
Plant Miscellaneous	10,480	1,133	11,613	15,388
Operational Contracted Services	43,480		43,480	60,435
Transportation Equipment Expenses	5,826	5,826	11,652	12,180
Mowing and Miscellaneous Expense	5,254	3,591	8,845	7,360
Facility Building Expense	2,047	3,500	5,547	7,744
Office Supplies	1,503	1,028	2,531	2,896
Miscellaneous Office Expense	2,278	2,450	4,728	3,913
Backhoe, Vacuum Excavator, & Skidsteer	1,723	1,723	3,446	2,656
Total Materials and Supplies	<u>\$ 160,695</u>	<u>\$ 99,891</u>	<u>\$ 260,586</u>	<u>\$ 283,262</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, 2024

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u> <u>(Memorandum Only)</u>	
			<u>2024</u>	<u>2023</u>
OPERATING EXPENSES (Continued):				
Contractual and Other Services:				
Plant Utilities	\$ 31,975	\$ 7,205	\$ 39,180	\$ 42,526
Cellular Expense	1,557	1,557	3,114	2,928
Facility Telephone Expense	1,753		1,753	1,426
Office Postage	3,316	2,919	6,235	5,922
Collections and Recording	163	379	542	454
Property Insurance	13,346	13,346	26,692	26,952
O/S Contractor	6,999	16,039	23,038	17,432
Engineering Expense	1,068	636	1,704	9,844
Legal Expense	920	1,867	2,787	
Total Contractual and Other Services	<u>\$ 61,097</u>	<u>\$ 43,948</u>	<u>\$ 105,045</u>	<u>\$ 107,484</u>
Total Operating Expenses Other Than Depreciation	<u>\$ 391,825</u>	<u>\$ 299,310</u>	<u>\$ 691,135</u>	<u>\$ 713,959</u>
OPERATING INCOME BEFORE DEPRECIATION	\$ 506,124	\$ 304,937	\$ 811,061	\$ 535,954
DEPRECIATION	<u>(215,356)</u>	<u>(139,526)</u>	<u>(354,882)</u>	<u>(353,081)</u>
OPERATING INCOME	<u>\$ 290,768</u>	<u>\$ 165,411</u>	<u>\$ 456,179</u>	<u>\$ 182,873</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, 2024

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u> <u>(Memorandum Only)</u>	
			<u>2024</u>	<u>2023</u>
NON-OPERATING REVENUES:				
Investment Income			\$ 0	\$ 34,722
Delayed Payment Charge	\$ 7,874	\$ 4,966	12,840	11,457
Grant Revenue	1,940	1,940	3,880	
Gain/(Loss) on Disposal of Equipment	1,530		1,530	9,144
Total Non-Operating Revenues	<u>\$ 11,344</u>	<u>\$ 6,906</u>	<u>\$ 18,250</u>	<u>\$ 55,323</u>
NON-OPERATING EXPENSES:				
Interest Expense:				
Carrollton Bank Loan	\$ (56,647)		\$ (56,647)	\$ (64,270)
IEPA Loan	(4,416)		(4,416)	(5,902)
Total Interest Expense	<u>\$ (61,063)</u>	<u>\$ 0</u>	<u>\$ (61,063)</u>	<u>\$ (70,172)</u>
Total Non-Operating Expenses	<u>\$ (61,063)</u>	<u>\$ 0</u>	<u>\$ (61,063)</u>	<u>\$ (70,172)</u>
Net Non-Operating Revenues (Expenses)	<u>\$ (49,719)</u>	<u>\$ 6,906</u>	<u>\$ (42,813)</u>	<u>\$ (14,849)</u>
INCOME (LOSS) BEFORE TRANSFERS	\$ 241,049	\$ 172,317	\$ 413,366	\$ 168,024
TRANSFERS IN (OUT)	<u>\$ (45,320)</u>	<u>\$ (31,820)</u>	<u>\$ (77,140)</u>	<u>\$ 0</u>
NET INCREASE (DECREASE) IN NET POSITION	\$ 195,729	\$ 140,497	\$ 336,226	\$ 168,024
NET POSITION, BEGINNING OF YEAR	<u>2,799,090</u>	<u>3,014,925</u>	<u>5,814,015</u>	<u>5,645,991</u>
NET POSITION, END OF YEAR	<u>\$ 2,994,819</u>	<u>\$ 3,155,422</u>	<u>\$ 6,150,241</u>	<u>\$ 5,814,015</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, 2024

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u> <u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 893,176	\$ 585,558	\$ 1,478,734
Cash Payments to Suppliers for Goods and Services	(223,088)	(147,367)	(370,455)
Cash Payments to Employees for Services	(170,033)	(155,471)	(325,504)
Payments to Other Funds	1,185	3,005	4,190
Net Cash Provided by Operating Activities	<u>\$ 501,240</u>	<u>\$ 285,725</u>	<u>\$ 786,965</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to Other Funds	\$ (45,320)	\$ (31,820)	\$ (77,140)
Net Cash (Used) by Noncapital Activities	<u>\$ (45,320)</u>	<u>\$ (31,820)</u>	<u>\$ (77,140)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest Paid on Notes	\$ (62,007)		\$ (62,007)
Retirement of Notes	(337,778)		(337,778)
Customer Deposits/Other	1,340		1,340
Proceeds from Sale of Capital Assets	1,530		1,530
Acquisition of Capital Assets	(80,833)	(203,920)	(284,753)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (477,748)</u>	<u>\$ (203,920)</u>	<u>\$ (681,668)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment Income on Cash			
Delayed Payments	\$ 7,874	\$ 4,966	\$ 12,840
Net Cash Provided by Investing Activities	<u>\$ 7,874</u>	<u>\$ 4,966</u>	<u>\$ 12,840</u>
NET INCREASE (DECREASE) IN CASH	\$ (13,954)	\$ 54,951	\$ 40,997
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	488,428	1,178,220	1,666,648
CASH AND RESTRICTED CASH, END OF YEAR	<u><u>\$ 474,474</u></u>	<u><u>\$ 1,233,171</u></u>	<u><u>\$ 1,707,645</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income	\$ 290,768	\$ 165,411	\$ 456,179
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Depreciation	215,356	139,526	354,882
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(4,773)	(18,689)	(23,462)
(Increase) Decrease in Inventory	4,776	(8,755)	(3,979)
(Increase) Decrease in Prepaid Expenses	(789)	(1,100)	(1,889)
Increase (Decrease) in Accounts Payable	(6,775)	5,245	(1,530)
Increase (Decrease) in Accrued Expenses	1,492	1,082	2,574
Increase (Decrease) in Due to Other Funds	1,185	3,005	4,190
Net Cash Provided by Operating Activities	<u><u>\$ 501,240</u></u>	<u><u>\$ 285,725</u></u>	<u><u>\$ 786,965</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, 2024

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, 2024

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.

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, 2024

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 \$23,000 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, 2024

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, excluding the General Manager, 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. The General Manager vacation time is determined on an individual basis.

No more than two (2) years of earned paid vacation may be accumulated and carried forward to any future year(s). The Board, however, will purchase any additional hours beyond the allowed two (2) year accumulation if the employee was unable to use those hours due to staffing concerns of the District. The District purchased vacation hours for the year ended June 30, 2024 resulting in an expense of \$739 charged to the Sewer Fund and \$739 charged to the Water Fund. All vacation time to be taken by employees must be approved in advance by the District Trustees.

Total Columns - The basic financial statements include total columns that are 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, 2024

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. The General Fund has a nonspendable fund balance of \$1,293 as of June 30, 2024.

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, 2024.

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, 2024.

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, 2024.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund has an unassigned fund balance of \$131,865 as of June 30, 2024.

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, 2024

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, 2024 are classified in the accompanying financial statement as follows:

Governmental Funds:	
Cash and Cash Equivalents	\$ 145,871
Proprietary Funds:	
Cash and Cash Equivalents	351,035
Cash and Cash Equivalents - Restricted	<u>1,356,610</u>
Total Cash and Cash Equivalents	<u>\$ 1,853,516</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. The District has no deposits subject to interest rate risk.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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 a letter of credit held by the respective financial institution for the District as of June 30, 2024.

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 2023 property tax levy has been deferred.

NOTE 5. FUND BALANCE AND NET POSITION

No funds showed deficit fund balances or deficit net position at June 30, 2024.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 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, 2024

NOTE 6. CAPITAL ASSETS (CONTINUED)

A summary of business-type activities at June 30, 2024 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
Construction in Progress	29,539	\$ 29,285		58,824
Subtotal	<u>\$ 201,527</u>	<u>\$ 29,285</u>	<u>\$ 0</u>	<u>\$ 230,812</u>
Depreciable Capital Assets				
Water Tower	\$ 1,052,671			\$ 1,052,671
Building and Improvements	642,702	\$ 4,850		647,552
Water Plant	5,552,988	49,478		5,602,466
Treatment Equipment	216,200			216,200
Office Equipment	21,517			21,517
Vehicles/Mobile Equipment	161,609			161,609
Tools	131,092	2,197		133,289
Waste Water Collection and Treatment System	8,141,048	198,944	\$ 11,150	8,328,842
Subtotal	<u>\$ 15,919,827</u>	<u>\$ 255,469</u>	<u>\$ 11,150</u>	<u>\$ 16,164,146</u>
Accumulated Depreciation				
Water Tower	\$ 352,552	\$ 21,054		\$ 373,606
Building and Improvements	513,703	12,758		526,461
Water Plant	1,781,037	160,412		1,941,449
Treatment Equipment	148,846	7,069		155,915
Office Equipment	21,517			21,517
Vehicles/Mobile Equipment	131,176	9,364		140,540
Tools	114,632	3,214		117,846
Waste Water Collection and Treatment System	6,636,126	141,011	\$ 11,150	6,765,987
Subtotal	<u>\$ 9,699,589</u>	<u>\$ 354,882</u>	<u>\$ 11,150</u>	<u>\$ 10,043,321</u>
Net Depreciable Capital Assets	<u>\$ 6,220,238</u>	<u>\$ (99,413)</u>	<u>\$ 0</u>	<u>\$ 6,120,825</u>
Net Capital Assets	<u>\$ 6,421,765</u>	<u>\$ (70,128)</u>	<u>\$ 0</u>	<u>\$ 6,351,637</u>

Depreciation was charged to functions as follows:

Business-type Activities:	
Water	\$ 215,356
Sewer	<u>139,526</u>
Total Business-type Activities Depreciation Expense	<u>\$ 354,882</u>

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 7. INTERFUND BALANCES AND TRANSFERS

Interfund balances include a due to the General Fund from Water Fund and Sewer Fund for interest earned in June.

Interfund receivable and payable balances at June 30, 2024, are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
General Fund	\$ 1,185	\$ 3,005	\$ 4,190
	\$ 1,185	\$ 3,005	\$ 4,190

Transfers are used to move revenues from the fund that State statute or the budget requires to collect them to the fund that State statute or budget requires them to be expended.

Fund transfers for the year ended June 30, 2024, are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
General Fund	\$ 45,320	\$ 31,820	\$ 77,140
	\$ 45,320	\$ 31,820	\$ 77,140

NOTE 8. CHANGES IN LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2024:

<u>Proprietary Fund Types</u>	<u>Balance June 30, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Direct Borrowings:					
I.E.P.A Loan Agreement -					
Water Tower	\$ 216,487		\$ 59,945	\$ 156,542	\$ 61,453
Carrollton Bank - Water Plant	2,115,735		277,834	1,837,901	285,619
Total Direct Borrowings	\$ 2,332,222	\$ 0	\$ 337,778	\$ 1,994,444	\$ 347,072
Compensated Absences	\$ 29,021	\$23,216	\$ 24,461	\$ 27,776	\$ 6,415
Proprietary Fund Types					
Long-Term Liabilities	\$ 2,361,243	\$23,216	\$ 362,239	\$ 2,022,220	\$ 353,487

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 8. CHANGES IN LONG-TERM DEBT (CONTINUED)

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, 2024 for long-term debt are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 347,072	\$ 52,713	\$ 399,785
2026	356,813	42,972	399,785
2027	334,335	32,957	367,292
2028	310,853	23,947	334,800
2029	319,835	14,965	334,800
2030	<u>325,536</u>	<u>8,393</u>	<u>333,929</u>
Total	<u>\$ 1,994,444</u>	<u>\$ 175,947</u>	<u>\$ 2,170,391</u>

NOTE 9. 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.

NOTE 10. NEW ACCOUNTING PRONOUNCEMENTS

The District implemented the following accounting pronouncement for fiscal year ended June 30, 2024:

Effective July 1, 2023, the District adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*, issued June 2022. The objective of this Statement is to improve consistency and clarity in reporting accounting changes and error corrections. It also establishes disclosure requirements for financial statement notes. For the year ended June 30, 2024, this new standard had no impact on the financial statements of Holiday Shores Sanitary District.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events through November 8, 2024. From this evaluation, one event was identified that met the criteria to be classified as a subsequent event subject to disclosure. During the year, the District applied for a loan with Illinois Environmental Protection Agency (IEPA) for Sewage Treatment Plant Upgrades for \$1,776,250. The funds have been reserved for the project; however, there will be no official loan agreement until the State finishes the bid process. Additionally, the District may be subject to fines or assessments from the IEPA due to delays in project completion although nothing is determinable at this time.

HOLIDAY SHORES SANITARY DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
REVENUES:				
Tax Levy:				
General Fund	\$ 213,162	\$ 213,162	\$ 213,498	\$ 336
Personal Property Replacement Tax	4,500	4,500	4,226	(274)
Interest Income	33,000	33,000	56,271	23,271
Miscellaneous Revenue	1,000	1,000	1,728	728
Total Revenues	<u>\$ 251,662</u>	<u>\$ 251,662</u>	<u>\$ 275,723</u>	<u>\$ 24,061</u>
EXPENDITURES:				
Office Wages	\$ 192,837	\$ 192,837	\$ 187,658	\$ 5,179
Employee Insurance	23,000	23,000	21,663	1,337
Pension Contribution	9,475	9,475	4,400	5,075
Transportation Equipment Expense	1,000	1,000	667	333
Mowing	5,000	5,000	3,795	1,205
Facility Building Expense	19,700	18,200	13,124	5,076
Office Postage	500	500	355	145
Office Expense	17,500	18,000	14,322	3,678
O/S Contractor	1,500	1,500	1,449	51
Trustee Compensation	18,000	18,000	17,500	500
Insurance-Property, Commerical	5,000	6,000	5,450	550
Unemployment Tax	1,000	1,000	827	173
Miscellaneous Expense	300	300	45	255
Payroll Tax Expense	14,752	14,752	16,031	(1,279)
Legal Fees	5,000	5,000	5,841	(841)
Audit and Accounting	18,250	18,250	18,575	(325)
Total Expenditures	<u>\$ 332,814</u>	<u>\$ 332,814</u>	<u>\$ 311,702</u>	<u>\$ 21,112</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (81,152)</u>	<u>\$ (81,152)</u>	<u>\$ (35,979)</u>	<u>\$ 45,173</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>\$ 81,100</u>	<u>\$ 81,100</u>	<u>\$ 77,140</u>	<u>\$ 3,960</u>
NET CHANGE IN FUND BALANCES			\$ 41,161	
FUND BALANCE, BEGINNING OF YEAR			<u>91,997</u>	
FUND BALANCE, END OF YEAR			<u>\$ 133,158</u>	

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024.

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.

E. Expenditures in Excess of Budget

No funds had expenditures in excess of the budget for the year ended June 30, 2024.

HOLIDAY SHORES SANITARY DISTRICT

SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2024

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	WATER FUND			
	Budgeted Amounts		Actual Amounts	Variance
	Original Budget	Final Budget		
OPERATING REVENUES:				
Charges for Sales and Service	\$ 594,340	\$ 594,340	\$ 585,771	\$ (8,569)
Connection Fees	11,800	11,800	11,800	0
Capitalization Reserve Fee	28,824	28,824	28,854	30
Debt Service Charge	262,154	262,154	262,430	276
Miscellaneous Revenues	3,000	3,000	9,094	6,094
Total Operating Revenues	<u>\$ 900,118</u>	<u>\$ 900,118</u>	<u>\$ 897,949</u>	<u>\$ (2,169)</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 113,957	\$ 119,957	\$ 131,157	\$ (11,200)
Office Wages			2,860	(2,860)
Payroll Taxes	8,718	8,718	10,602	(1,884)
Employee Insurance	19,843	19,843	21,093	(1,250)
Pension Contribution	4,448	4,448	4,321	127
Total Personnel Services and Benefits	<u>\$ 146,966</u>	<u>\$ 152,966</u>	<u>\$ 170,033</u>	<u>\$ (17,067)</u>
Materials and Supplies:				
Chemicals	\$ 22,000	\$ 22,000	\$ 20,934	\$ 1,066
Lab and Safety Expense	16,000	16,000	14,203	1,797
Elevated Tank	30,000	30,000	29,452	548
Meters, Lids, Parts	6,500	4,000	4,720	(720)
Plant Tools and Equipment	2,700	2,700	1,542	1,158
Mains and Line Repairs	4,500	8,000	7,986	14
Mains and Line Locate Expenses	800	800	600	200
Plant Maintenance	11,000	8,500	8,259	241
Uniform Clothing Expense	1,000	1,000	408	592
Plant Miscellaneous	6,000	6,000	10,480	(4,480)
Operational Contracted Services	34,000	34,000	43,480	(9,480)
Transportation Equipment Expenses	8,000	8,000	5,826	2,174
Mowing and Miscellaneous Expense	5,000	5,000	5,254	(254)
Facility Building Expense	2,000	3,000	2,047	953
Office Supplies	1,500	1,500	1,503	(3)
Miscellaneous Office Expense	4,000	4,000	2,278	1,722
Backhoe, Vacuum Excavator, & Skidsteer	2,000	2,000	1,723	277
Total Materials and Supplies	<u>\$ 157,000</u>	<u>\$ 156,500</u>	<u>\$ 160,695</u>	<u>\$ (4,195)</u>

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	WATER FUND			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
OPERATING EXPENSES (Continued)				
Contractual and Other Services:				
Plant Utilities	\$ 36,000	\$ 36,000	\$ 31,975	\$ 4,025
Cellular Expense	2,000	2,000	1,557	443
Facility Telephone Expense	2,000	2,000	1,753	247
Office Postage	4,000	4,000	3,316	684
Collections and Recording	500	500	163	337
Property Insurance	12,500	13,500	13,346	154
O/S Contractor	8,000	8,000	6,999	1,001
Engineering Expense	5,000	2,500	1,068	1,432
Legal Expense	5,000	1,000	920	80
Total Contractual and Other Services	<u>\$ 75,000</u>	<u>\$ 69,500</u>	<u>\$ 61,097</u>	<u>\$ 8,403</u>
Total Operating Expenses Other Than Depreciation	<u>\$ 378,966</u>	<u>\$ 378,966</u>	<u>\$ 391,825</u>	<u>\$ (12,859)</u>
OPERATING INCOME	<u>\$ 521,152</u>	<u>\$ 521,152</u>	<u>\$ 506,124</u>	<u>\$ (15,028)</u>
NON-OPERATING REVENUES (EXPENSES):				
Delayed Payment Charge	\$ 5,000	\$ 5,000	\$ 7,874	\$ (2,874)
Grant Revenue			1,940	(1,940)
Gain on Disposal of Equipment			1,530	(1,530)
Capitalized Equipment	(40,000)	(40,000)	(80,833)	40,833
Principal Payments	(337,462)	(337,462)	(337,778)	316
Interest Expense	(62,323)	(62,323)	(61,063)	(1,260)
Total Non-Operating Revenues (Expenses)	<u>\$ (434,785)</u>	<u>\$ (434,785)</u>	<u>\$ (468,330)</u>	<u>\$ 33,545</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 86,367</u>	<u>\$ 86,367</u>	<u>\$ 37,794</u>	<u>\$ 48,573</u>
TRANSFERS IN (OUT)	<u>\$ (47,300)</u>	<u>\$ (47,300)</u>	<u>\$ (45,320)</u>	<u>\$ (1,980)</u>
NET INCREASE (DECREASE) IN NET ASSETS, BUDGETARY BASIS	<u>\$ 39,067</u>	<u>\$ 39,067</u>	<u>\$ (7,526)</u>	<u>\$ 46,593</u>
RECONCILING ITEMS				
Capitalized Equipment			\$ 80,833	
Principal Payments			337,778	
Depreciation			(215,356)	
Total Reconciling Items			<u>\$ 203,255</u>	
NET INCREASE (DECREASE) IN NET ASSETS			\$ 195,729	
NET POSITION, BEGINNING OF YEAR,			<u>2,799,090</u>	
NET POSITION, END OF YEAR			<u>\$ 2,994,819</u>	

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	<u>SEWER FUND</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
	<u>Budget</u>	<u>Budget</u>	<u>Budgetary Basis</u>	
OPERATING REVENUES:				
Charges for Sales and Service	\$ 505,148	\$ 505,148	\$ 499,871	\$ (5,277)
Connection Fees	14,400	14,400	70,150	55,750
Capitalization Reserve Fee	31,848	31,848	31,826	(22)
Miscellaneous Revenues	2,400	2,400	2,400	0
Total Operating Revenues	<u>\$ 553,796</u>	<u>\$ 553,796</u>	<u>\$ 604,247</u>	<u>\$ 50,451</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 122,265	\$ 122,265	\$ 117,624	\$ 4,641
Office Wages			2,861	(2,861)
Payroll Taxes	9,353	9,353	9,572	(219)
Employee Insurance	24,597	24,597	21,093	3,504
Pension Contribution	5,513	5,513	4,321	1,192
Total Personnel Services and Benefits	<u>\$ 161,728</u>	<u>\$ 161,728</u>	<u>\$ 155,471</u>	<u>\$ 6,257</u>
Materials and Supplies:				
Chemicals	\$ 4,000	\$ 4,000	\$ 2,754	\$ 1,246
Lab and Safety Expense	2,000	2,000	2,021	(21)
I.E.P.A Discharge Fee	2,500	2,500	2,500	0
Parts for Grinder Pumps	66,000	66,000	43,255	22,745
Mains and Lines Repairs	5,500	15,500	14,393	1,107
Plant Tools and Equipment	2,700	2,700	1,797	903
Mains and Line Locate Expenses	800	800	695	105
Plant Maintenance	9,500	13,500	12,817	683
Uniform Clothing Expense	1,000	1,000	408	592
Plant Miscellaneous	30,000	10,000	1,133	8,867
Transportation Equipment Expenses	8,000	8,000	5,826	2,174
Mowing and Miscellaneous Expense	4,000	4,000	3,591	409
Facility Building Expense	4,000	4,000	3,500	500
Office Supplies	1,500	1,500	1,028	472
Miscellaneous Office Expense	4,000	4,000	2,450	1,550
Backhoe, Vacuum Excavator, & Skidsteer	2,000	2,000	1,723	277
Total Materials and Supplies	<u>\$ 147,500</u>	<u>\$ 141,500</u>	<u>\$ 99,891</u>	<u>\$ 41,609</u>

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	<u>SEWER FUND</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
	<u>Budget</u>	<u>Budget</u>	<u>Budgetary Basis</u>	
OPERATING EXPENSES (Continued)				
Contractual and Other Services:				
Plant Utilities	\$ 8,000	\$ 8,000	\$ 7,205	\$ 795
Cellular Expense	2,000	2,000	1,557	443
Office Postage	3,000	3,000	2,919	81
Collections and Recording	800	800	379	421
Property Insurance	12,500	13,500	13,346	154
O/S Contractor	10,000	15,000	16,039	(1,039)
Engineering Expense	3,000	3,000	636	2,364
Legal Expense	5,000	5,000	1,867	3,133
Total Contractual and Other Services	<u>\$ 44,300</u>	<u>\$ 50,300</u>	<u>\$ 43,948</u>	<u>\$ 6,352</u>
Total Operating Expenses				
Other Than Depreciation	<u>\$ 353,528</u>	<u>\$ 353,528</u>	<u>\$ 299,310</u>	<u>\$ 54,218</u>
OPERATING INCOME	<u>\$ 200,268</u>	<u>\$ 200,268</u>	<u>\$ 304,937</u>	<u>\$ 104,669</u>
NON-OPERATING REVENUES (EXPENSES):				
Delayed Payment Charge	\$ 3,000	\$ 3,000	\$ 4,966	\$ (1,966)
Grant Revenue			1,940	(1,940)
Capitalized Equipment	(130,000)	(130,000)	(203,920)	73,920
Total Non-Operating Revenues (Expenses)	<u>\$ (127,000)</u>	<u>\$ (127,000)</u>	<u>\$ (197,014)</u>	<u>\$ 70,014</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 73,268</u>	<u>\$ 73,268</u>	<u>\$ 107,923</u>	<u>\$ (34,655)</u>
TRANSFERS IN (OUT)	<u>\$ (33,800)</u>	<u>\$ (33,800)</u>	<u>\$ (31,820)</u>	<u>\$ (1,980)</u>
NET INCREASE (DECREASE) IN NET ASSETS, BUDGETARY BASIS	<u>\$ 39,468</u>	<u>\$ 39,468</u>	<u>\$ 76,103</u>	<u>\$ (36,635)</u>
RECONCILING ITEMS				
Capitalized Equipment			\$ 203,920	
Depreciation			(139,526)	
Total Reconciling Items			<u>\$ 64,394</u>	
NET INCREASE (DECREASE) IN NET ASSETS			\$ 140,497	
NET POSITION, BEGINNING OF YEAR,			<u>3,014,925</u>	
NET POSITION END OF YEAR			<u>\$ 3,155,422</u>	

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>
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	201,980	99.45%
2022	99,528,485	0.2142	213,190	213,498	100.14%
2023	110,469,818	0.2026	223,812	7,355	3.29%