

HOLIDAY SHORES SANITARY DISTRICT
EDWARDSVILLE, ILLINOIS

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2023

HOLIDAY SHORES SANITARY DISTRICT
TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
 <u>BASIC FINANCIAL STATEMENTS:</u>	
<u>Exhibit</u>	
<u>Government-Wide Financial Statements</u>	
A Statement of Net Position	4
B Statement of Activities	5
<u>Fund Financial Statements</u>	
C Balance Sheet - Governmental Funds	6
D Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
E Statement of Net Position - Proprietary Funds	8
F Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	9-11
G Statement of Cash Flows - Proprietary Funds	12
<u>NOTES TO THE FINANCIAL STATEMENTS</u>	13-22
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
1 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Governmental Funds: General Fund	23
Notes to the Required Supplementary Information	24
<u>OTHER INFORMATION</u>	
2 Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual - Major Proprietary Funds: Water Fund	25-26
3 Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual - Major Proprietary Funds: Sewer Fund	27-28
4 Schedule of Assessed Valuations, Tax Rates, Extensions and Collections	29



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, 2023, 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, 2023, 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.

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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Alton, Illinois
November 2, 2023

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	<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	\$ 106,185	\$ 294,231	\$ 400,416
Receivables (Net, Where Applicable of Allowance for Uncollectibles):			
Accounts Receivable		145,869	145,869
Property Taxes Receivable	199,962		199,962
Inventory		64,656	64,656
Prepaid Insurance	1,107	12,383	13,490
Total Current Assets	<u>\$ 307,254</u>	<u>\$ 517,139</u>	<u>\$ 824,393</u>
RESTRICTED ASSETS:			
Cash and Cash Equivalents		1,372,417	1,372,417
FIXED ASSETS (NET OF ACCUMULATED DEPRECIATION)			
		<u>6,421,765</u>	<u>6,421,765</u>
 TOTAL ASSETS	 <u><u>\$ 307,254</u></u>	 <u><u>\$ 8,311,321</u></u>	 <u><u>\$ 8,618,575</u></u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>			
CURRENT LIABILITIES:			
Accrued Expenses		\$ 28,959	\$ 28,959
Accounts Payable	\$ 2,067	24,092	26,159
Customers' Deposits		105,170	105,170
Accrued Interest Payable		6,863	6,863
Notes Payable-Current Portion		337,447	337,447
Total Current Liabilities	<u>\$ 2,067</u>	<u>\$ 502,531</u>	<u>\$ 504,598</u>
LONG TERM DEBT:			
Note Payable-Water Plant		1,838,233	1,838,233
I.E.P.A. Loan Agreements Payable		156,542	156,542
Total Liabilities	<u>\$ 2,067</u>	<u>\$ 2,497,306</u>	<u>\$ 2,499,373</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>			
Property Taxes	<u>\$ 213,190</u>	<u>\$ 0</u>	<u>\$ 213,190</u>
 NET POSITION:			
Restricted for Debt Retirement		\$ 404,765	\$ 404,765
Restricted for Capital Projects		967,652	967,652
Restricted - Nonspendable	\$ 1,107		1,107
Invested in Fixed Assets, net of related debt		4,089,543	4,089,543
Unrestricted	90,890	352,055	442,945
Total Net Position	<u>\$ 91,997</u>	<u>\$ 5,814,015</u>	<u>\$ 5,906,012</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 307,254</u></u>	 <u><u>\$ 8,311,321</u></u>	 <u><u>\$ 8,618,575</u></u>

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

EXHIBIT "B"

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and</u>		
	<u>Expenses</u>	<u>Operating</u>		<u>Changes in Net Position</u>		
		<u>Charges for</u>	<u>Grants And</u>	<u>Governmental</u>	<u>Primary Government</u>	<u>Total</u>
		<u>Services</u>	<u>Contributions</u>	<u>Activities</u>	<u>Business-Type</u>	
Primary Government:						
Governmental Activities						
General Government	\$ 207,985			\$ (207,985)		\$ (207,985)
Business-Type Activities:						
Water	\$ 694,583	\$ 801,793			\$ 107,210	\$ 107,210
Sewer	442,629	448,120			5,491	5,491
Total Business-Type Activities	\$ 1,137,212	\$ 1,249,913	\$ 0		\$ 112,701	\$ 112,701
Total Primary Government	\$ 1,345,197	\$ 1,249,913	\$ 0	\$ (207,985)	\$ 112,701	\$ (95,284)
General Revenues:						
Taxes:						
Property Taxes, Levied For General Purposes				\$ 201,980		\$ 201,980
Miscellaneous				10,883	\$ 55,323	66,206
Total General Revenues				\$ 212,863	\$ 55,323	\$ 268,186
CHANGE IN NET POSITION				\$ 4,878	\$ 168,024	\$ 172,902
NET POSITION, BEGINNING OF YEAR				87,119	5,645,991	5,733,110
NET POSITION, END OF YEAR				\$ 91,997	\$ 5,814,015	\$ 5,906,012

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

HOLIDAY SHORES SANITARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>GENERAL FUND</u>	
	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 106,185	\$ 90,311
Property Taxes Receivable	199,962	202,350
Prepaid Insurance	<u>1,107</u>	<u></u>
TOTAL ASSETS	<u>\$ 307,254</u>	<u>\$ 292,661</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
<u>LIABILITIES:</u>		
Accounts Payable	<u>\$ 2,067</u>	<u>\$ 2,438</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>		
Property Taxes	<u>\$ 213,190</u>	<u>\$ 203,104</u>
 <u>FUND BALANCE:</u>		
Nonspendable	\$ 1,107	
Unassigned	<u>90,890</u>	<u>\$ 87,119</u>
Total Fund Balance	<u>\$ 91,997</u>	<u>\$ 87,119</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 307,254</u>	<u>\$ 292,661</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, 2023

	<u>GENERAL FUND</u>	
	<u>2023</u>	<u>2022</u>
REVENUES:		
Tax Levy:		
General Fund	\$ 201,980	\$ 193,248
Personal Property Replacement Tax	6,417	5,677
Interest Income	3,074	755
Miscellaneous Revenue	1,392	1,203
Total Revenues	<u>\$ 212,863</u>	<u>\$ 200,883</u>
EXPENDITURES:		
Office Wages	\$ 104,552	\$ 89,567
Employee Insurance	10,183	9,585
Pension Contribution	4,287	3,244
Transportation Equipment Expense	636	622
Mowing	3,433	3,780
Facility Building Expense	17,960	19,330
Office Postage	331	425
Office Expense	13,720	13,309
O/S Contractor	559	535
Trustee Compensation	17,500	18,000
Miscellaneous Expense	175	125
Payroll Tax Expense	9,585	8,398
Legal Fees	8,214	1,233
Audit and Accounting	16,850	15,595
Total Expenditures	<u>\$ 207,985</u>	<u>\$ 183,748</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 4,878	\$ 17,135
FUND BALANCE, BEGINNING OF YEAR	<u>87,119</u>	<u>69,984</u>
FUND BALANCE, END OF YEAR	<u>\$ 91,997</u>	<u>\$ 87,119</u>

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>WATER</u> <u>FUND</u>	<u>SEWER</u> <u>FUND</u>	<u>TOTALS</u> (Memorandum Only)	
			<u>2023</u>	<u>2022</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 83,663	\$ 210,568	\$ 294,231	\$ 313,896
Accounts Receivable Net of Doubtful				
Accounts of \$1,346 Water and \$1,089 Sewer	92,698	53,171	145,869	124,420
Inventory	21,431	43,225	64,656	56,914
Prepaid Insurance	6,347	6,036	12,383	6,120
Total Current Assets	<u>\$ 204,139</u>	<u>\$ 313,000</u>	<u>\$ 517,139</u>	<u>\$ 501,350</u>
RESTRICTED ASSETS:				
Cash and Cash Equivalents	\$ 404,765	\$ 967,652	\$ 1,372,417	\$ 1,375,027
Total Restricted Assets	<u>\$ 404,765</u>	<u>\$ 967,652</u>	<u>\$ 1,372,417</u>	<u>\$ 1,375,027</u>
PROPERTY, PLANT AND EQUIPMENT:				
Costs	\$ 7,607,051	\$ 8,514,305	\$ 16,121,356	\$ 15,950,829
Accumulated Depreciation	(2,938,666)	(6,760,925)	(9,699,591)	(9,374,916)
Net Book Value	<u>\$ 4,668,385</u>	<u>\$ 1,753,380</u>	<u>\$ 6,421,765</u>	<u>\$ 6,575,913</u>
TOTAL ASSETS	<u>\$ 5,277,289</u>	<u>\$ 3,034,032</u>	<u>\$ 8,311,321</u>	<u>\$ 8,452,290</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accrued Expenses	\$ 14,596	\$ 14,363	\$ 28,959	\$ 24,946
Accounts Payable	19,348	4,744	24,092	10,082
Deposits Customers	105,170		105,170	102,574
Accrued Interest Payable	6,863		6,863	8,430
Notes Payable-Current Portion	337,447		337,447	328,386
Total Current Liabilities	<u>\$ 483,424</u>	<u>\$ 19,107</u>	<u>\$ 502,531</u>	<u>\$ 474,418</u>
LONG TERM DEBT:				
Note Payable-Water Plant	1,838,233		1,838,233	2,115,394
I.E.P.A. Loan Agreements	156,542		156,542	216,487
Total Liabilities	<u>\$ 2,478,199</u>	<u>\$ 19,107</u>	<u>\$ 2,497,306</u>	<u>\$ 2,806,299</u>
NET POSITION:				
Restricted for Debt Retirement	\$ 404,765		\$ 404,765	\$ 412,373
Restricted for Capital Projects		\$ 967,652	967,652	962,654
Invested in Fixed Assets,				
Net of Related Debt	2,336,163	1,753,380	4,089,543	3,915,646
Unrestricted	58,162	293,893	352,055	355,318
Total Net Position	<u>\$ 2,799,090</u>	<u>\$ 3,014,925</u>	<u>\$ 5,814,015</u>	<u>\$ 5,645,991</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 5,277,289</u>	<u>\$ 3,034,032</u>	<u>\$ 8,311,321</u>	<u>\$ 8,452,290</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, 2023

			<u>TOTALS</u> <u>(Memorandum Only)</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:				
Charges for Sales and Service	\$ 502,560	\$ 380,474	\$ 883,034	\$ 839,965
Connection Fees	2,950	33,474	36,424	81,850
Capitalization Reserve Fee	28,851	31,772	60,623	60,450
Debt Service Charges	262,402		262,402	240,487
Miscellaneous Revenues	5,030	2,400	7,430	11,993
Total Operating Revenues	<u>\$ 801,793</u>	<u>\$ 448,120</u>	<u>\$ 1,249,913</u>	<u>\$ 1,234,745</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 137,601	\$ 114,770	\$ 252,371	\$ 229,104
Office Wages	1,716	1,716	3,432	0
Payroll Taxes	11,121	9,387	20,508	18,180
Employee Insurance	19,113	19,113	38,226	37,894
Pension Contribution	4,338	4,338	8,676	6,422
Total Personnel Services and Benefits	<u>\$ 173,889</u>	<u>\$ 149,324</u>	<u>\$ 323,213</u>	<u>\$ 291,600</u>
Materials and Supplies:				
Chemicals	\$ 20,901	\$ 3,574	\$ 24,475	\$ 24,951
Lab and Safety Expense	18,867	1,776	20,643	11,643
I.E.P.A Discharge Fee		2,500	2,500	2,500
Parts for Grinder Pumps		55,651	55,651	44,171
Elevated Tank	27,581		27,581	48,557
Meters, Lids, Parts	5,334		5,334	4,340
Mains and Lines Repair	4,018	4,611	8,629	11,006
Plant Tools and Equipment	1,638	1,620	3,258	3,334
Mains and Line Locate Expenses	465	1,435	1,900	1,404
Plant Maintenance	10,995	8,248	19,243	18,410
Uniform Clothing Expense	738	738	1,476	734
Plant Miscellaneous	5,521	9,867	15,388	11,986
Operational Contracted Services	45,435	15,000	60,435	82,187
Transportation Equipment Expenses	6,090	6,090	12,180	19,617
Mowing and Miscellaneous Expense	4,183	3,177	7,360	7,925
Facility Building Expense	1,319	6,425	7,744	8,605
Office Supplies	1,885	1,011	2,896	2,571
Miscellaneous Office Expense	2,284	1,629	3,913	2,384
Backhoe, Vacuum Excavator, & Skidsteer	1,328	1,328	2,656	7,780
Total Materials and Supplies	<u>\$ 158,582</u>	<u>\$ 124,680</u>	<u>\$ 283,262</u>	<u>\$ 314,105</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, 2023

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u> <u>(Memorandum Only)</u>	
			<u>2023</u>	<u>2022</u>
OPERATING EXPENSES (Continued):				
Contractual and Other Services:				
Plant Utilities	\$ 34,900	\$ 7,626	\$ 42,526	\$ 39,830
Cellular Expense	1,464	1,464	2,928	2,622
Facility Telephone Expense	1,426		1,426	1,561
Office Postage	3,260	2,662	5,922	5,263
Collections and Recording	157	297	454	585
Property Insurance	13,476	13,476	26,952	23,806
O/S Contractor	9,684	7,748	17,432	12,711
Engineering Expense	9,844		9,844	1,322
Total Contractual and Other Services	<u>\$ 74,211</u>	<u>\$ 33,273</u>	<u>\$ 107,484</u>	<u>\$ 87,700</u>
Total Operating Expenses				
Other Than Depreciation	<u>\$ 406,682</u>	<u>\$ 307,277</u>	<u>\$ 713,959</u>	<u>\$ 693,405</u>
OPERATING INCOME				
BEFORE DEPRECIATION	\$ 395,111	\$ 140,843	\$ 535,954	\$ 541,340
DEPRECIATION	<u>(217,729)</u>	<u>(135,352)</u>	<u>(353,081)</u>	<u>(371,301)</u>
OPERATING INCOME	<u>\$ 177,382</u>	<u>\$ 5,491</u>	<u>\$ 182,873</u>	<u>\$ 170,039</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, 2023

			<u>TOTALS</u> <u>(Memorandum Only)</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>2023</u>	<u>2022</u>
NON-OPERATING REVENUES:				
Investment Income	\$ 10,113	\$ 24,609	\$ 34,722	\$ 9,861
Delayed Payment Charge	7,472	3,985	11,457	10,932
Gain/(Loss) on Disposal of Equipment	4,572	4,572	9,144	
Total Non-Operating Revenues	<u>\$ 22,157</u>	<u>\$ 33,166</u>	<u>\$ 55,323</u>	<u>\$ 20,793</u>
NON-OPERATING EXPENSES:				
Interest Expense:				
Carrollton Bank Loan	\$ (64,270)		\$ (64,270)	\$ (71,789)
IEPA Loan	(5,902)		(5,902)	(7,352)
Total Interest Expense	<u>\$ (70,172)</u>	<u>\$ 0</u>	<u>\$ (70,172)</u>	<u>\$ (79,141)</u>
Total Non-Operating Expenses	<u>\$ (70,172)</u>	<u>\$ 0</u>	<u>\$ (70,172)</u>	<u>\$ (79,141)</u>
Net Non-Operating Revenues (Expenses)	<u>\$ (48,015)</u>	<u>\$ 33,166</u>	<u>\$ (14,849)</u>	<u>\$ (58,348)</u>
NET INCREASE IN NET POSITION	\$ 129,367	\$ 38,657	\$ 168,024	\$ 111,691
NET POSITION, BEGINNING OF YEAR	<u>2,669,723</u>	<u>2,976,268</u>	<u>5,645,991</u>	<u>5,534,300</u>
NET POSITION, END OF YEAR	<u>\$ 2,799,090</u>	<u>\$ 3,014,925</u>	<u>\$ 5,814,015</u>	<u>\$ 5,645,991</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, 2023

			<u>TOTALS</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 788,855	\$ 439,609	\$ 1,228,464	\$ 1,228,771
Cash Payments to Suppliers for Goods and Services	(225,170)	(161,557)	(386,727)	(410,321)
Cash Payments to Employees for Services	(173,889)	(149,324)	(323,213)	(291,600)
Net Cash Provided by Operating Activities	<u>\$ 389,796</u>	<u>\$ 128,728</u>	<u>\$ 518,524</u>	<u>\$ 526,850</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest Paid on Bonds/Notes	\$ (71,739)		\$ (71,739)	\$ (80,964)
Retirement of Bonds/Notes	(328,045)		(328,045)	(318,820)
Customer Deposits/Other	2,596		2,596	3,555
Proceeds from Sale of Capital Assets	5,000	\$ 5,000	10,000	
Acquisition of Capital Assets	(19,199)	(180,591)	(199,790)	(141,161)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (411,387)</u>	<u>\$ (175,591)</u>	<u>\$ (586,978)</u>	<u>\$ (537,390)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Income on Cash	\$ 10,113	\$ 24,609	\$ 34,722	\$ 9,861
Delayed Payments	7,472	3,985	11,457	10,932
Net Cash Provided by Investing Activities	<u>\$ 17,585</u>	<u>\$ 28,594</u>	<u>\$ 46,179</u>	<u>\$ 20,793</u>
NET INCREASE (DECREASE) IN CASH	\$ (4,006)	\$ (18,269)	\$ (22,275)	\$ 10,253
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	492,434	1,196,489	1,688,923	1,678,670
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 488,428</u>	<u>\$ 1,178,220</u>	<u>\$ 1,666,648</u>	<u>\$ 1,688,923</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income	\$ 177,382	\$ 5,491	\$ 182,873	\$ 170,039
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Depreciation	217,729	135,352	353,081	371,301
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(12,938)	(8,511)	(21,449)	(5,974)
(Increase) Decrease in Inventory	(3,796)	(3,945)	(7,741)	(3,445)
(Increase) Decrease in Prepaid Expenses	(3,287)	(2,976)	(6,263)	2,418
Increase (Decrease) in Accounts Payable	12,696	1,314	14,010	(8,837)
Increase (Decrease) in Accrued Expenses	2,010	2,003	4,013	1,348
Net Cash Provided by Operating Activities	<u>\$ 389,796</u>	<u>\$ 128,728</u>	<u>\$ 518,524</u>	<u>\$ 526,850</u>

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

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023

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, 2023

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 \$22,500 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, 2023

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). 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, 2023

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 \$1,107 as of June 30, 2023.

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, 2023.

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, 2023.

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, 2023.

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 has an unassigned fund balance of \$90,890 as of June 30, 2023.

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, 2023

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, 2023 are classified in the accompanying financial statement as follows:

Governmental Funds:	
Cash and Cash Equivalents	\$ 106,185
Proprietary Funds:	
Cash and Cash Equivalents - Non-Restricted	294,231
Cash and Cash Equivalents - Restricted	<u>1,372,417</u>
Total Cash and Cash Equivalents	<u>\$ 1,772,833</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	<u>\$ 1,772,733</u>	<u>\$ 1,772,733</u>	<u> </u>
	<u>\$ 1,772,733</u>	<u>\$ 1,772,733</u>	<u>\$ 0</u>

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023.

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 2022 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, 2023.

NOTE 6. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended June 30, 2023 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, 2023

NOTE 6. PROPERTY AND EQUIPMENT (CONTINUED)

A summary of business-type activities at June 30, 2023 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		29,539
Subtotal	<u>\$ 171,988</u>	<u>\$ 29,539</u>	<u>\$ 0</u>	<u>\$ 201,527</u>
Depreciable Capital Assets				
Water Tower	\$ 1,052,671			\$ 1,052,671
Building and Improvements	631,852	\$ 10,850		642,702
Water Plant	5,552,991			5,552,991
Treatment Equipment	189,398	26,802		216,200
Office Equipment	21,517			21,517
Vehicles/Mobile Equipment	161,609			161,609
Tools	147,522	12,833	\$ 29,263	131,092
Waste Water Collection and Treatment System	<u>8,021,281</u>	<u>119,766</u>		<u>8,141,047</u>
Subtotal	<u>\$ 15,778,841</u>	<u>\$ 170,251</u>	<u>\$ 29,263</u>	<u>\$ 15,919,829</u>
Accumulated Depreciation				
Water Tower	\$ 331,498	\$ 21,053		\$ 352,551
Building and Improvements	501,098	12,605		513,703
Water Plant	1,622,758	158,280		1,781,038
Treatment Equipment	133,791	15,054		148,845
Office Equipment	21,517			21,517
Vehicles/Mobile Equipment	121,782	9,395		131,177
Tools	140,479	2,560	\$ 28,406	114,633
Waste Water Collection and Treatment System	<u>6,501,993</u>	<u>134,134</u>		<u>6,636,127</u>
Subtotal	<u>\$ 9,374,916</u>	<u>\$ 353,081</u>	<u>\$ 28,406</u>	<u>\$ 9,699,591</u>
Net Depreciable Capital Assets	<u>\$ 6,403,925</u>	<u>\$ (182,830)</u>	<u>\$ 857</u>	<u>\$ 6,220,238</u>
Net Capital Assets	<u>\$ 6,575,913</u>	<u>\$ (153,291)</u>	<u>\$ 857</u>	<u>\$ 6,421,765</u>

Depreciation was charged to functions as follows:

Business-type Activities:	
Water	\$ 217,729
Sewer	<u>135,352</u>
Total Business-type Activities	
Depreciation Expense	<u>\$ 353,081</u>

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023:

	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023	Due Within One Year
Direct Borrowings:					
Proprietary Fund Types -					
I.E.P.A Loan Agreement -					
Water Tower	\$ 274,961		\$ 58,474	\$ 216,487	\$ 59,945
Carrollton Bank - Water Plant	2,385,306		269,571	2,115,735	277,502
Total Proprietary					
Fund Types	<u>\$ 2,660,267</u>	<u>\$ 0</u>	<u>\$ 328,045</u>	<u>\$ 2,332,222</u>	<u>\$ 337,447</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, 2023 for long term debt are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 337,447	\$ 62,338	\$ 399,785
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
2029-2030	<u>645,702</u>	<u>23,357</u>	<u>669,059</u>
	<u>\$ 2,332,222</u>	<u>\$ 238,284</u>	<u>\$ 2,570,506</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, 2023

NOTE 9. NEW ACCOUNTING PRONOUNCEMENTS

The District implemented the following accounting pronouncement for fiscal year ended June 30, 2023:

Effective July 1, 2022, the District adopted the provisions of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*. SBITAs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 96 established a single approach to accounting for and reporting SBITAs by state and local governments. Under this statement, a government entity that enters into an arrangement that conveys control of the right to use an underlying information technology (IT) asset must recognize (1) a subscription liability, (2) an intangible asset representing the entity's right to use the subscription asset, (3) report the amortization expense for using the subscription asset over the shorter of the term of the applicable IT arrangement or the useful life of the underlying asset, (4) interest expense on the subscription liability and (5) note disclosures about the applicable IT arrangement. This statement provides exceptions for contracts that meet the definition of a lease under GASB 87, governments that provide the right to use their IT software to other entities through SBITAs, licensing arrangements that provide a perpetual license, contracts that solely provide IT support services, and short-term SBITAs. The implementation of GASB Statement No. 96 had no material impact on the financial statements of the District for the year ended June 30, 2023.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events through November 2, 2023. 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, 2023

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>		
REVENUES:			<u>Budgetary Basis</u>	
Tax Levy:				
General Fund	\$ 203,031	\$ 203,031	\$ 201,980	\$ (1,051)
Personal Property Replacement Tax	3,500	3,500	6,417	2,917
Interest Income	800	800	3,074	2,274
Miscellaneous Revenue	1,000	1,000	1,392	392
Total Revenues	<u>\$ 208,331</u>	<u>\$ 208,331</u>	<u>\$ 212,863</u>	<u>\$ 4,532</u>
EXPENDITURES:				
Office Wages	\$ 100,300	\$ 102,300	\$ 104,552	\$ (2,252)
Employee Insurance	10,500	10,500	10,183	317
Pension Contribution	4,300	4,300	4,287	13
Transportation Equipment Expense	1,000	1,000	636	364
Mowing	5,000	3,500	3,433	67
Facility Building Expense	18,900	19,400	17,960	1,440
Office Postage	600	600	331	269
Office Expense	18,500	13,500	13,720	(220)
O/S Contractor	1,500	1,500	559	941
Trustee Compensation	18,000	18,000	17,500	500
Miscellaneous Expense	500	500	175	325
Payroll Tax Expense	9,360	9,360	9,585	(225)
Legal Fees	5,000	9,000	8,214	786
Audit and Accounting	17,000	17,000	16,850	150
Total Expenditures	<u>\$ 210,460</u>	<u>\$ 210,460</u>	<u>\$ 207,985</u>	<u>\$ 2,475</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,129)</u>	<u>\$ (2,129)</u>	\$ 4,878	<u>\$ 7,007</u>
FUND BALANCE, BEGINNING OF YEAR			<u>87,119</u>	
FUND BALANCE, END OF YEAR			<u>\$ 91,997</u>	

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023.

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, 2023.

HOLIDAY SHORES SANITARY DISTRICT

SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2023

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

WATER FUND				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
OPERATING REVENUES:				
Charges for Sales and Service	\$ 533,957	\$ 533,957	\$ 502,560	\$ (31,397)
Connection Fees	20,650	20,650	2,950	(17,700)
Capitalization Reserve Fee	28,968	28,968	28,851	(117)
Debt Service Charge	263,464	263,464	262,402	(1,062)
Miscellaneous Revenues	4,400	4,400	5,030	630
Total Operating Revenues	<u>\$ 851,439</u>	<u>\$ 851,439</u>	<u>\$ 801,793</u>	<u>\$ (49,646)</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 135,000	\$ 135,000	\$ 137,601	\$ (2,601)
Office Wages			1,716	(1,716)
Payroll Taxes	11,000	11,000	11,121	(121)
Employee Insurance	21,000	21,000	19,113	1,887
Pension Contribution	5,500	5,500	4,338	1,162
Total Personnel Services and Benefits	<u>\$ 172,500</u>	<u>\$ 172,500</u>	<u>\$ 173,889</u>	<u>\$ (1,389)</u>
Materials and Supplies:				
Chemicals	\$ 18,000	\$ 21,000	\$ 20,901	\$ 99
Lab and Safety Expense	12,500	19,000	18,867	133
Elevated Tank	27,582	27,582	27,581	1
Meters, Lids, Parts	6,500	6,500	5,334	1,166
Plant Tools and Equipment	2,700	2,700	1,638	1,062
Mains and Line Repairs	4,500	4,500	4,018	482
Mains and Line Locate Expenses	800	800	465	335
Plant Maintenance	11,000	11,000	10,995	5
Uniform Clothing Expense	1,000	1,000	738	262
Plant Miscellaneous	6,000	6,000	5,521	479
Operational Contracted Services	40,000	45,000	45,435	(435)
Transportation Equipment Expenses	9,000	9,000	6,090	2,910
Mowing and Miscellaneous Expense	5,000	5,000	4,183	817
Facility Building Expense	2,500	2,500	1,319	1,181
Office Supplies	1,500	1,500	1,885	(385)
Miscellaneous Office Expense	4,000	4,000	2,284	1,716
Backhoe, Vacuum Excavator, & Skidsteer	2,500	2,500	1,328	1,172
Total Materials and Supplies	<u>\$ 155,082</u>	<u>\$ 169,582</u>	<u>\$ 158,582</u>	<u>\$ 11,000</u>

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	WATER FUND			
	Budgeted Amounts		Actual Amounts	Variance
	Original Budget	Final Budget	Budgetary Basis	
OPERATING EXPENSES (Continued)				
Contractual and Other Services:				
Plant Utilities	\$ 34,500	\$ 34,500	\$ 34,900	\$ (400)
Cellular Expense	1,700	1,700	1,464	236
Facility Telephone Expense	1,700	1,700	1,426	274
Office Postage	4,000	4,000	3,260	740
Collections and Recording	500	500	157	343
Property Insurance	13,000	14,000	13,476	524
O/S Contractor	8,000	8,000	9,684	(1,684)
Engineering Expense	3,000	6,500	9,844	(3,344)
Total Contractual and Other Services	<u>\$ 66,400</u>	<u>\$ 70,900</u>	<u>\$ 74,211</u>	<u>\$ (3,311)</u>
Total Operating Expenses				
Other Than Depreciation	<u>\$ 393,982</u>	<u>\$ 412,982</u>	<u>\$ 406,682</u>	<u>\$ 6,300</u>
OPERATING INCOME				
BEFORE DEPRECIATION	\$ 457,457	\$ 438,457	\$ 395,111	<u>\$ (43,346)</u>
DEPRECIATION			(217,729)	
OPERATING INCOME	<u>\$ 457,457</u>	<u>\$ 438,457</u>	<u>\$ 177,382</u>	
NON-OPERATING REVENUES (EXPENSES):				
Investment Income	\$ 3,200	\$ 3,200	\$ 10,113	
Delayed Payment Charge	7,000	7,000	7,472	
Gain on Disposal of Equipment			4,572	
Capitalized Equipment	(66,000)	(47,000)		
Principal Payments	(328,215)	(328,215)		
Interest Expense	(71,570)	(71,570)	(70,172)	
Total Non-Operating Revenues (Expenses)	<u>\$ (455,585)</u>	<u>\$ (436,585)</u>	<u>\$ (48,015)</u>	
NET INCREASE (DECREASE) IN NET ASSETS	<u>\$ 1,872</u>	<u>\$ 1,872</u>	\$ 129,367	
NET POSITION, BEGINNING OF YEAR,			2,669,723	
NET POSITION, END OF YEAR			<u>\$ 2,799,090</u>	

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

SEWER FUND				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
OPERATING REVENUES:				
Charges for Sales and Service	\$ 429,511	\$ 429,511	\$ 380,474	\$ (49,037)
Connection Fees	66,000	66,000	33,474	(32,526)
Capitalization Reserve Fee	31,896	31,896	31,772	(124)
Miscellaneous Revenues	2,500	2,500	2,400	(100)
Total Operating Revenues	<u>\$ 529,907</u>	<u>\$ 529,907</u>	<u>\$ 448,120</u>	<u>\$ (81,787)</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 111,000	\$ 111,000	\$ 114,770	\$ (3,770)
Office Wages		2,000	1,716	284
Payroll Taxes	9,250	9,250	9,387	(137)
Employee Insurance	21,000	21,000	19,113	1,887
Pension Contribution	5,500	5,500	4,338	1,162
Total Personnel Services and Benefits	<u>\$ 146,750</u>	<u>\$ 148,750</u>	<u>\$ 149,324</u>	<u>\$ (574)</u>
Materials and Supplies:				
Chemicals	\$ 2,000	\$ 4,000	\$ 3,574	\$ 426
Lab and Safety Expense	2,000	2,000	1,776	224
I.E.P.A Discharge Fee	2,500	2,500	2,500	0
Parts for Grinder Pumps	62,000	62,000	55,651	6,349
Mains and Lines Repairs	7,000	7,000	4,611	2,389
Plant Tools and Equipment	2,700	2,700	1,620	1,080
Mains and Line Locate Expenses	800	1,800	1,435	365
Plant Maintenance	12,000	12,000	8,248	3,752
Uniform Clothing Expense	1,000	1,000	738	262
Plant Miscellaneous	10,000	13,000	9,867	3,133
Operational Contracted Services	40,000	32,000	15,000	17,000
Transportation Equipment Expenses	9,000	9,000	6,090	2,910
Mowing and Miscellaneous Expense	4,000	4,000	3,177	823
Facility Building Expense	4,500	4,500	6,425	(1,925)
Office Supplies	1,500	1,500	1,011	489
Miscellaneous Office Expense	4,000	4,000	1,629	2,371
Backhoe, Vacuum Excavator, & Skidsteer	2,500	2,500	1,328	1,172
Total Materials and Supplies	<u>\$ 167,500</u>	<u>\$ 165,500</u>	<u>\$ 124,680</u>	<u>\$ 40,820</u>

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	SEWER FUND			
	Budgeted Amounts		Actual Amounts	Variance
	Original Budget	Final Budget	Budgetary Basis	
OPERATING EXPENSES (Continued)				
Contractual and Other Services:				
Plant Utilities	\$ 7,500	\$ 7,500	\$ 7,626	\$ (126)
Cellular Expense	1,700	1,700	1,464	236
Office Postage	3,500	3,500	2,662	838
Collections and Recording	800	800	297	503
Property Insurance	13,000	13,000	13,476	(476)
O/S Contractor	10,000	10,000	7,748	2,252
Engineering Expense	5,000	5,000		5,000
Total Contractual and Other Services	\$ 41,500	\$ 41,500	\$ 33,273	\$ 8,227
Total Operating Expenses Other Than Depreciation	\$ 355,750	\$ 355,750	\$ 307,277	\$ 48,473
OPERATING INCOME BEFORE DEPRECIATION	\$ 174,157	\$ 174,157	\$ 140,843	\$ (33,314)
DEPRECIATION			(135,352)	
OPERATING INCOME (LOSS)	\$ 174,157	\$ 174,157	\$ 5,491	
NON-OPERATING REVENUES (EXPENSES):				
Investment Income	\$ 7,000	\$ 7,000	\$ 24,609	
Delayed Payment Charge	4,000	4,000	3,985	
Gain on Disposal of Equipment			4,572	
Capitalized Equipment	(180,000)	(180,000)		
Total Non-Operating Revenues (Expenses)	\$ (169,000)	\$ (169,000)	\$ 33,166	
NET INCREASE (DECREASE) IN NET ASSETS	\$ 5,157	\$ 5,157	\$ 38,657	
NET POSITION, BEGINNING OF YEAR,			2,976,268	
NET POSITION END OF YEAR			\$ 3,014,925	

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>
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	201,980	99.45%
2022	99,528,485	0.2142	213,190	13,228	6.20%