

HOLIDAY SHORES SANITARY DISTRICT
EDWARDSVILLE, ILLINOIS

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2025

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, 2025, 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, 2025, 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, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, 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 26-27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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
October 29, 2025

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	<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	\$ 209,156	\$ 471,685	\$ 680,841
Receivables (Net, Where Applicable of Allowance for Uncollectibles):			
Accounts Receivable		162,662	162,662
Property Taxes Receivable	234,360		234,360
Inventory		106,605	106,605
Prepaid Insurance	1,417	14,666	16,083
Due from Other Funds	3,923		3,923
Total Current Assets	<u>\$ 448,856</u>	<u>\$ 755,618</u>	<u>\$ 1,204,474</u>
RESTRICTED ASSETS:			
Cash and Cash Equivalents		1,150,336	1,150,336
CAPITAL ASSETS (Net of Accumulated Depreciation)		<u>6,413,712</u>	<u>6,413,712</u>
 TOTAL ASSETS	 <u>\$ 448,856</u>	 <u>\$ 8,319,666</u>	 <u>\$ 8,768,522</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>			
CURRENT LIABILITIES:			
Accrued Expenses	\$ 2,819	\$ 6,034	\$ 8,853
Accounts Payable	3,070	24,089	27,159
Customer Deposits		109,915	109,915
Accrued Interest Payable		3,869	3,869
Due to Other Funds		3,923	3,923
Debt Certificate-Current Portion		293,814	293,814
Total Current Liabilities	<u>\$ 5,889</u>	<u>\$ 441,644</u>	<u>\$ 447,533</u>
LONG-TERM DEBT:			
Compensated Absences	3,768	22,788	26,556
Debt Certificate-Water Plant		1,258,324	1,258,324
Total Liabilities	<u>\$ 9,657</u>	<u>\$ 1,722,756</u>	<u>\$ 1,732,413</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>			
Property Taxes	<u>\$ 235,056</u>	<u>\$ 0</u>	<u>\$ 235,056</u>
 NET POSITION:			
Invested in Capital Assets, Net of Related Debt		\$ 4,861,574	\$ 4,861,574
Restricted for Debt Retirement		170,380	170,380
Restricted for Capital Projects		979,956	979,956
Unrestricted	\$ 204,143	585,000	789,143
Total Net Position	<u>\$ 204,143</u>	<u>\$ 6,596,910</u>	<u>\$ 6,801,053</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 448,856</u>	 <u>\$ 8,319,666</u>	 <u>\$ 8,768,522</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, 2025

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants And Contributions</u>	Primary Government		
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government:						
Governmental Activities:						
General Government	\$ 347,153			\$ (347,153)		\$ (347,153)
Business-Type Activities:						
Water	\$ 625,781	\$ 948,252			\$ 322,471	\$ 322,471
Sewer	461,452	706,067			244,615	244,615
Total Business-Type Activities	\$ 1,087,233	\$ 1,654,319	\$ 0		\$ 567,086	\$ 567,086
Total Primary Government	\$ 1,434,386	\$ 1,654,319	\$ 0	\$ (347,153)	\$ 567,086	\$ 219,933
General Revenues:						
Taxes:						
Property Taxes, Levied For General Purposes				\$ 223,127		\$ 223,127
Interest Income				58,254		58,254
Loss on Disposal of Capital Assets					\$ (393)	(393)
Miscellaneous				3,317	13,416	16,733
Total General Revenues				\$ 284,698	\$ 13,023	\$ 297,721
Transfers				133,440	(133,440)	0
Total General Revenues and Transfers				\$ 418,138	\$ (120,417)	\$ 297,721
CHANGE IN NET POSITION				\$ 70,985	\$ 446,669	\$ 517,654
NET POSITION, BEGINNING OF YEAR				133,158	6,150,241	6,283,399
NET POSITION, END OF YEAR				\$ 204,143	\$ 6,596,910	\$ 6,801,053

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

HOLIDAY SHORES SANITARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	<u>GENERAL FUND</u>
	<u>2025</u>
<u>ASSETS</u>	
Cash	\$ 209,156
Property Taxes Receivable	234,360
Prepaid Insurance	1,417
Due from Other Funds	<u>3,923</u>
TOTAL ASSETS	<u>\$ 448,856</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>	
<u>LIABILITIES:</u>	
Accrued Expenses	\$ 2,819
Accounts Payable	<u>3,070</u>
TOTAL LIABILITIES	<u>\$ 5,889</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>	
Property Taxes	<u>\$ 235,056</u>
 <u>FUND BALANCE:</u>	
Nonspendable	\$ 1,417
Unassigned	<u>206,494</u>
Total Fund Balance	<u>\$ 207,911</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	 <u>\$ 448,856</u>

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

HOLIDAY SHORES SANITARY DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balances for governmental funds	\$ 207,911
Total net position reported for governmental activities in the statement of net position is different because:	
<p style="margin-left: 40px;">Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
Compensated Absences	(3,768)
Total net position of governmental activities	\$ 204,143

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, 2025

	<u>GENERAL FUND</u>
	<u>2025</u>
REVENUES:	
Tax Levy:	
General Fund	\$ 223,127
Personal Property Replacement Tax	2,303
Interest Income	58,254
Miscellaneous Revenue	1,014
Total Revenues	<u>\$ 284,698</u>
EXPENDITURES:	
Office Wages	\$ 202,372
Employee Insurance	23,735
Pension Contribution	4,632
Vehicle Expense	767
Mowing Expense and Equipment	3,450
Facility Building Expense	13,654
Office Postage	568
Office Expense	21,073
Trustee Compensation	17,500
Insurance-Property, Commercial	6,916
Unemployment Tax	953
Miscellaneous Expense	70
Payroll Tax Expense	17,175
Legal Fees	10,560
Audit and Accounting	19,960
Total Expenditures	<u>\$ 343,385</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (58,687)
OTHER FINANCING SOURCES (USES):	
Transfers In	133,440
Total Other Financing Sources (Uses)	<u>\$ 133,440</u>
NET CHANGE IN FUND BALANCE	\$ 74,753
FUND BALANCE, BEGINNING OF YEAR	<u>133,158</u>
FUND BALANCE, END OF YEAR	<u>\$ 207,911</u>

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

HOLIDAY SHORES SANITARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2025

Net change in fund balances - total governmental funds	\$ 74,753
Total net position reported for governmental activities in the statement of net position is different because:	
<p style="margin-left: 40px;">Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated Absences	(3,768)
Total change in net position of governmental activities	\$ 70,985

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

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	
	<u>FUND</u>	<u>FUND</u>	<u>(Memorandum Only)</u>	
			<u>2025</u>	<u>2024</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS:</u>				
Cash and Cash Equivalents	\$ 175,226	\$ 296,459	\$ 471,685	\$ 351,035
Accounts Receivable Net of Doubtful				
Accounts of \$1,346 Water and \$1,057 Sewer	94,106	68,556	162,662	169,331
Grants Receivable				3,880
Inventory	19,420	87,185	106,605	68,634
Prepaid Insurance	7,333	7,333	14,666	14,272
Total Current Assets	<u>\$ 296,085</u>	<u>\$ 459,533</u>	<u>\$ 755,618</u>	<u>\$ 607,152</u>
<u>RESTRICTED ASSETS:</u>				
Cash and Cash Equivalents	<u>\$ 293,972</u>	<u>\$ 856,364</u>	<u>\$ 1,150,336</u>	<u>\$ 1,356,610</u>
Total Restricted Assets	<u>\$ 293,972</u>	<u>\$ 856,364</u>	<u>\$ 1,150,336</u>	<u>\$ 1,356,610</u>
<u>CAPITAL ASSETS:</u>				
Costs	\$ 7,707,119	\$ 9,067,835	\$ 16,774,954	\$ 16,394,958
Accumulated Depreciation	<u>(3,347,612)</u>	<u>(7,013,630)</u>	<u>(10,361,242)</u>	<u>(10,043,321)</u>
Net Capital Assets	<u>\$ 4,359,507</u>	<u>\$ 2,054,205</u>	<u>\$ 6,413,712</u>	<u>\$ 6,351,637</u>
<u>TOTAL ASSETS</u>	<u>\$ 4,949,564</u>	<u>\$ 3,370,102</u>	<u>\$ 8,319,666</u>	<u>\$ 8,315,399</u>
<u>LIABILITIES AND NET POSITION</u>				
<u>CURRENT LIABILITIES:</u>				
Accrued Expenses	\$ 3,348	\$ 2,686	\$ 6,034	\$ 10,172
Accounts Payable	9,364	14,725	24,089	22,563
Customer Deposits	109,915		109,915	106,510
Accrued Interest Payable	3,869		3,869	5,919
Due to Other Funds	1,268	2,655	3,923	4,190
Debt Certificate-Current Portion	293,814		293,814	347,072
Total Current Liabilities	<u>\$ 421,578</u>	<u>\$ 20,066</u>	<u>\$ 441,644</u>	<u>\$ 496,426</u>
<u>LONG-TERM DEBT:</u>				
Compensated Absences	11,394	11,394	22,788	21,361
Debt Certificate-Water Plant	1,258,324		1,258,324	1,552,282
I.E.P.A. Loan Agreements				95,089
Total Liabilities	<u>\$ 1,691,296</u>	<u>\$ 31,460</u>	<u>\$ 1,722,756</u>	<u>\$ 2,165,158</u>
<u>NET POSITION:</u>				
Invested in Capital Assets, Net of Related Debt	\$ 2,807,369	\$ 2,054,205	\$ 4,861,574	\$ 4,357,194
Restricted for Debt Retirement	170,380		170,380	398,980
Restricted for Capital Projects	123,592	856,364	979,956	957,630
Unrestricted	156,927	428,073	585,000	436,437
Total Net Position	<u>\$ 3,258,268</u>	<u>\$ 3,338,642</u>	<u>\$ 6,596,910</u>	<u>\$ 6,150,241</u>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 4,949,564</u>	<u>\$ 3,370,102</u>	<u>\$ 8,319,666</u>	<u>\$ 8,315,399</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, 2025

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u> <u>(Memorandum Only)</u>	
			<u>2025</u>	<u>2024</u>
OPERATING REVENUES:				
Charges for Sales and Service	\$ 625,876	\$ 590,703	\$ 1,216,579	\$ 1,085,642
Connection Fees	20,650	80,910	101,560	81,950
Capitalization Reserve Fee	28,973	32,049	61,022	60,680
Debt Service Charges	263,514		263,514	262,430
Miscellaneous Revenues	9,239	2,405	11,644	11,494
Total Operating Revenues	<u>\$ 948,252</u>	<u>\$ 706,067</u>	<u>\$ 1,654,319</u>	<u>\$ 1,502,196</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 133,011	\$ 115,824	\$ 248,835	\$ 248,781
Office Wages	408	19	427	5,721
Payroll Taxes	10,636	9,297	19,933	20,174
Employee Insurance	20,745	20,745	41,490	42,186
Pension Contribution	3,495	3,495	6,990	8,642
Total Personnel Services and Benefits	<u>\$ 168,295</u>	<u>\$ 149,380</u>	<u>\$ 317,675</u>	<u>\$ 325,504</u>
Materials and Supplies:				
Chemicals	\$ 21,196		\$ 21,196	\$ 23,688
Lab and Safety Expense	16,213	\$ 5,990	22,203	16,224
I.E.P.A Discharge Fee		5,000	5,000	2,500
Parts for Grinder Pumps		22,940	22,940	43,255
Elevated Tank	29,867		29,867	29,452
Meters, Lids, Parts	4,534		4,534	4,720
Mains and Lines Repair	5,630	16,965	22,595	22,379
Plant Tools and Equipment	1,411	2,079	3,490	3,339
Mains and Line Locate Expenses	857	961	1,818	1,295
Plant Maintenance	10,317	12,635	22,952	21,076
Uniform Clothing Expense	1,275	1,291	2,566	816
Plant Miscellaneous	6,693	1,352	8,045	11,613
Operational Contracted Services	2,266	3,400	5,666	43,480
Vehicle Expense	10,674	10,885	21,559	11,652
Mowing Expense and Equipment	4,989	5,737	10,726	8,845
Facility Building Expense	965	3,913	4,878	5,547
Office Supplies	1,437	1,202	2,639	2,531
Miscellaneous Office Expense	4,788	3,610	8,398	4,728
Backhoe, Vacuum Excavator, & Skidsteer	944	944	1,888	3,446
Total Materials and Supplies	<u>\$ 124,056</u>	<u>\$ 98,904</u>	<u>\$ 222,960</u>	<u>\$ 260,586</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, 2025

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	
			<u>(Memorandum Only)</u>	
			<u>2025</u>	<u>2024</u>
OPERATING EXPENSES (Continued):				
Contractual and Other Services:				
Plant Utilities	\$ 36,967	\$ 10,357	\$ 47,324	\$ 39,180
Cellular Expense	1,480	1,370	2,850	3,114
Facility Telephone Expense	1,805		1,805	1,753
Office Postage	3,417	3,357	6,774	6,235
Collections and Recording	322	618	940	542
Property Insurance	15,847	15,847	31,694	26,692
O/S Contractors	6,023	27,344	33,367	23,038
Engineering Expense	2,236		2,236	1,704
Legal Expense	346	2,084	2,430	2,787
Total Contractual and Other Services	<u>\$ 68,443</u>	<u>\$ 60,977</u>	<u>\$ 129,420</u>	<u>\$ 105,045</u>
Total Operating Expenses				
Other Than Depreciation	<u>\$ 360,794</u>	<u>\$ 309,261</u>	<u>\$ 670,055</u>	<u>\$ 691,135</u>
OPERATING INCOME				
BEFORE DEPRECIATION	\$ 587,458	\$ 396,806	\$ 984,264	\$ 811,061
DEPRECIATION	<u>(215,064)</u>	<u>(152,191)</u>	<u>(367,255)</u>	<u>(354,882)</u>
OPERATING INCOME	<u>\$ 372,394</u>	<u>\$ 244,615</u>	<u>\$ 617,009</u>	<u>\$ 456,179</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, 2025

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u> <u>(Memorandum Only)</u>	
			<u>2025</u>	<u>2024</u>
NON-OPERATING REVENUES:				
Delayed Payment Charge	\$ 7,698	\$ 5,718	\$ 13,416	\$ 12,840
Grant Revenue				3,880
Gain/(Loss) on Disposal of Capital Assets		(393)	(393)	1,530
Total Non-Operating Revenues	<u>\$ 7,698</u>	<u>\$ 5,325</u>	<u>\$ 13,023</u>	<u>\$ 18,250</u>
NON-OPERATING EXPENSES:				
Interest Expense:				
Carrollton Bank Debt Certificate	\$ (48,617)		\$ (48,617)	\$ (56,647)
I.E.P.A. Loan	(1,306)		(1,306)	(4,416)
Total Interest Expense	<u>\$ (49,923)</u>	<u>\$ 0</u>	<u>\$ (49,923)</u>	<u>\$ (61,063)</u>
Total Non-Operating Expenses	<u>\$ (49,923)</u>	<u>\$ 0</u>	<u>\$ (49,923)</u>	<u>\$ (61,063)</u>
Net Non-Operating Revenues (Expenses)	<u>\$ (42,225)</u>	<u>\$ 5,325</u>	<u>\$ (36,900)</u>	<u>\$ (42,813)</u>
INCOME (LOSS) BEFORE TRANSFERS	\$ 330,169	\$ 249,940	\$ 580,109	\$ 413,366
TRANSFERS IN (OUT)	<u>\$ (66,720)</u>	<u>\$ (66,720)</u>	<u>\$ (133,440)</u>	<u>\$ (77,140)</u>
NET INCREASE (DECREASE) IN NET POSITION	\$ 263,449	\$ 183,220	\$ 446,669	\$ 336,226
NET POSITION, BEGINNING OF YEAR	<u>2,994,819</u>	<u>3,155,422</u>	<u>6,150,241</u>	<u>5,814,015</u>
NET POSITION, END OF YEAR	<u>\$ 3,258,268</u>	<u>\$ 3,338,642</u>	<u>\$ 6,596,910</u>	<u>\$ 6,150,241</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, 2025

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u> <u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 951,618	\$ 709,370	\$ 1,660,988
Cash Payments to Suppliers for Goods and Services	(197,523)	(189,418)	(386,941)
Cash Payments to Employees for Services	(170,790)	(151,873)	(322,663)
Net Cash Provided by Operating Activities	<u>\$ 583,305</u>	<u>\$ 368,079</u>	<u>\$ 951,384</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers (to)/from Other Funds	\$ (66,720)	\$ (66,720)	\$ (133,440)
Payments (to)/from Other Funds	83	(350)	(267)
Delayed Payment Charges	7,698	5,718	13,416
Net Cash (Used) by Noncapital Financing Activities	<u>\$ (58,939)</u>	<u>\$ (61,352)</u>	<u>\$ (120,291)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest Paid on Notes and Debt Certificates	\$ (51,973)		\$ (51,973)
Retirement of Notes and Debt Certificates	(442,306)		(442,306)
Customer Deposits/Other	3,405		3,405
Capital Grants	1,940	\$ 1,940	3,880
Acquisition of Capital Assets	(40,708)	(389,015)	(429,723)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (529,642)</u>	<u>\$ (387,075)</u>	<u>\$ (916,717)</u>
NET INCREASE (DECREASE) IN CASH	\$ (5,276)	\$ (80,348)	\$ (85,624)
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	474,474	1,233,171	1,707,645
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 469,198</u>	<u>\$ 1,152,823</u>	<u>\$ 1,622,021</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income	\$ 372,394	\$ 244,615	\$ 617,009
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Depreciation	215,064	152,191	367,255
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	3,364	3,305	6,669
(Increase) Decrease in Inventory	(2,765)	(35,206)	(37,971)
(Increase) Decrease in Prepaid Expenses	(197)	(197)	(394)
Increase (Decrease) in Accounts Payable	(3,209)	4,736	1,527
Increase (Decrease) in Accrued Expenses	1,148	1,129	2,277
Increase (Decrease) in Compensated Absences	(2,494)	(2,494)	(4,988)
Net Cash Provided by Operating Activities	<u>\$ 583,305</u>	<u>\$ 368,079</u>	<u>\$ 951,384</u>

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

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025

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 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. All sanitary services have been billed through fiscal year end, and as a result, there are no unbilled revenues. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts, the aging of the account receivable, historical experience, and other currently available evidence. The allowance for doubtful accounts includes \$1,346 for water services and \$1,057 for sewer services at June 30, 2025.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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 or fees assessed for capital projects, 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 (IRS). The maximum contribution by each participant may not exceed the lesser of the annual IRS deferral limit or 100 percent of includible 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, 2025

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

BASIS OF ACCOUNTING (Continued)

Compensated Absences

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 did not purchase any vacation hours for the year ended June 30, 2025. All vacation time to be taken by employees must be approved in advance by the District Trustees. Unused vacation is paid out upon termination.

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.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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:

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 \$1,417 as of June 30, 2025.

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, 2025.

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, 2025.

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, 2025.

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 \$206,494 as of June 30, 2025.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 2. FUND BALANCE REPORTING (CONTINUED)

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.

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, 2025 are classified in the accompanying financial statement as follows:

Governmental Funds:	
Cash and Cash Equivalents	\$ 209,156
Proprietary Funds:	
Cash and Cash Equivalents	471,685
Cash and Cash Equivalents - Restricted	<u>1,150,336</u>
Total Cash and Cash Equivalents	<u>\$ 1,831,177</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, 2025

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, 2025.

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 2024 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, 2025.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 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, 2025

NOTE 6. CAPITAL ASSETS (CONTINUED)

A summary of business-type activities for the year ended June 30, 2025 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	58,824	\$ 82,340		141,164
Subtotal	<u>\$ 230,812</u>	<u>\$ 82,340</u>	<u>\$ 0</u>	<u>\$ 313,152</u>
Depreciable Capital Assets				
Water Tower	\$ 1,052,671			\$ 1,052,671
Building and Improvements	647,552			647,552
Water Plant	5,602,466	\$ 13,592		5,616,058
Treatment Equipment	216,200		\$ 6,515	209,685
Office Equipment	21,517			21,517
Vehicles/Mobile Equipment	161,609	42,988	25,534	179,063
Tools	133,289	7,995	4,294	136,990
Waste Water Collection and Treatment System	<u>8,328,842</u>	<u>282,808</u>	<u>13,384</u>	<u>8,598,266</u>
Subtotal	<u>\$ 16,164,146</u>	<u>\$ 347,383</u>	<u>\$ 49,727</u>	<u>\$ 16,461,802</u>
Accumulated Depreciation				
Water Tower	\$ 373,605	\$ 21,054		\$ 394,659
Building and Improvements	526,462	12,918		539,380
Water Plant	1,941,449	162,228		2,103,677
Treatment Equipment	155,915	6,359	\$ 6,515	155,759
Office Equipment	21,517			21,517
Vehicles/Mobile Equipment	140,540	10,797	25,534	125,803
Tools	117,846	3,983	4,294	117,535
Waste Water Collection and Treatment System	<u>6,765,987</u>	<u>149,916</u>	<u>12,991</u>	<u>6,902,912</u>
Subtotal	<u>\$ 10,043,321</u>	<u>\$ 367,255</u>	<u>\$ 49,334</u>	<u>\$ 10,361,242</u>
Net Depreciable Capital Assets	<u>\$ 6,120,825</u>	<u>\$ (19,872)</u>	<u>\$ 393</u>	<u>\$ 6,100,560</u>
Net Capital Assets	<u>\$ 6,351,637</u>	<u>\$ 62,468</u>	<u>\$ 393</u>	<u>\$ 6,413,712</u>

Depreciation was charged to functions as follows:

Business-type Activities:	
Water	\$ 215,064
Sewer	<u>152,191</u>
Total Business-type Activities	
Depreciation Expense	<u>\$ 367,255</u>

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025, are as follows:

	Interfund Payable		
Interfund Receivable	Water Fund	Sewer Fund	Total
General Fund	\$ 1,268	\$ 2,655	\$ 3,923
	\$ 1,268	\$ 2,655	\$ 3,923

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, 2025, are as follows:

	Transfers Out		
Transfers In	Water Fund	Sewer Fund	Total
General Fund	\$ 66,720	\$ 66,720	\$ 133,440
	\$ 66,720	\$ 66,720	\$ 133,440

NOTE 8. CHANGES IN LONG-TERM DEBT

The following is a summary of the District's long-term debt for the year ended June 30, 2025:

	Balance June 30, 2024	Issued	Retired	Balance June 30, 2025	Due Within One Year
<u>Governmental Activities:</u>					
Compensated Absences	\$ 0	\$ 10,880	\$ 7,112	\$ 3,768	\$ 1,460
Total Governmental Activities	\$ 0	\$ 10,880	\$ 7,112	\$ 3,768	\$ 1,460
<u>Business Type Activities:</u>					
<u>Direct Borrowings:</u>					
I.E.P.A Loan Agreement -					
Water Tower	\$ 156,542		\$ 156,542	\$ 0	
Carrollton Bank - Water Plant	1,837,901		285,764	1,552,138	\$ 293,814
Total Direct Borrowings	\$ 1,994,444	\$ 0	\$ 442,306	\$ 1,552,138	\$ 293,814
Compensated Absences	\$ 27,776	\$ 17,514	\$ 22,502	\$ 22,788	\$ 5,715
Total Business Type Activities	\$ 2,022,220	\$ 17,514	\$ 464,808	\$ 1,574,926	\$ 299,529
Total Long-Term Debt	\$ 2,022,220	\$ 28,394	\$ 471,920	\$ 1,578,694	\$ 300,989

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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 was due July 31, 2026. However, the District paid the loan off in full during the current year resulting in an ending balance of \$0 as of June 30, 2025.

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, 2025 for long-term debt are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 293,814	\$ 40,986	\$ 334,800
2027	302,244	32,556	334,800
2028	310,853	23,947	334,800
2029	319,835	14,965	334,800
2030	325,392	8,537	333,929
Total	<u>\$ 1,552,138</u>	<u>\$ 120,991</u>	<u>\$ 1,673,129</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 AND FUTURE ACCOUNTING PRONOUNCEMENTS

Effective for fiscal year ended June 30, 2025, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. This statement requires the recognition of a liability for both unused and used, but unpaid, compensated absences. The liability is recognized when the leave is attributable to past services, accumulates, and is more likely than not to be used. The liability is measured at the employee's rate of pay as of the statement of net position date. The implementation of GASB Statement No. 101 had no material impact on the financial statements of the District for the year ended June 30, 2025. As such, no restatement required for beginning net position for the cumulative effect of adopting this standard. See Note 1 and Note 8 for further information on compensated absences.

Effective for fiscal year ended June 30, 2025, the District adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to disclose information about risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. At this time, the District has not identified any new concentrations or constraints that pose a risk requiring disclosure as a result of adopting this standard.

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 10. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The District is in the process of completing its assessment of the impact of these requirements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The District is in the process of completing its assessment of the impact of these requirements.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events through October 29, 2025. From this evaluation, one event was identified that met the criteria to be classified as a subsequent event subject to disclosure. In September 2025, the Board approved a loan agreement with the Illinois Environmental Protection Agency (IEPA) for \$1,770,000 at 1.62% to be used for the Sewage Treatment Plant Upgrades. 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, 2025

HOLIDAY SHORES SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
REVENUES:				
Tax Levy:				
General Fund	\$ 223,799	\$ 223,799	\$ 223,127	\$ (672)
Personal Property Replacement Tax	4,500	4,500	2,303	(2,197)
Interest Income	37,000	37,000	58,254	21,254
Miscellaneous Revenue	1,000	1,000	1,014	14
Total Revenues	\$ 266,299	\$ 266,299	\$ 284,698	\$ 18,399
EXPENDITURES:				
Office Wages	\$ 213,000	\$ 213,000	\$ 202,372	\$ 10,628
Employee Insurance	25,000	25,000	23,735	1,265
Pension Contribution	7,016	7,016	4,632	2,384
Vehicle Expense	1,000	1,000	767	233
Mowing Expense and Equipment	5,000	5,000	3,450	1,550
Facility Building Expense	19,200	19,200	13,654	5,546
Office Postage	500	500	568	(68)
Office Expense	38,500	38,500	21,073	17,427
Software Maintenance and Training	16,000	16,000		16,000
O/S Contractor	1,700	1,700		1,700
Trustee Compensation	18,000	18,000	17,500	500
Insurance-Property, Commercial	7,000	7,000	6,916	84
Unemployment Tax	1,000	1,000	953	47
Miscellaneous Expense	300	300	70	230
Payroll Tax Expense	16,295	16,295	17,175	(880)
Legal Fees	10,500	10,500	10,560	(60)
Audit and Accounting	19,700	19,700	19,960	(260)
Total Expenditures	\$ 399,711	\$ 399,711	\$ 343,385	\$ 56,326
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (133,412)	\$ (133,412)	\$ (58,687)	\$ 74,725
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 133,440	\$ 133,440	\$ 133,440	\$ 0
NET CHANGE IN FUND BALANCES			\$ 74,753	
FUND BALANCE, BEGINNING OF YEAR			133,158	
FUND BALANCE, END OF YEAR			\$ 207,911	

HOLIDAY SHORES SANITARY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

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 typically acted upon no later than July each year. The original budget was approved in September 2024.

B. Amendments to the Budget

The Sanitary District had no amendments to the general fund budget for the fiscal year ended June 30, 2025.

C. Budgetary Basis of Accounting

Budgets are prepared and adopted using the modified 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, 2025.

HOLIDAY SHORES SANITARY DISTRICT

SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2025

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	WATER FUND			
	Budgeted Amounts		Actual Amounts	Variance
	<u>Original</u> Budget	<u>Final</u> Budget		
OPERATING REVENUES:				
Charges for Sales and Service	\$ 622,707	\$ 622,707	\$ 625,876	\$ 3,169
Connection Fees	11,800	11,800	20,650	8,850
Capitalization Reserve Fee	28,920	28,920	28,973	53
Debt Service Charge	263,028	263,028	263,514	486
Miscellaneous Revenues	3,000	3,000	9,239	6,239
Total Operating Revenues	\$ 929,455	\$ 929,455	\$ 948,252	\$ 18,797
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 133,000	\$ 133,000	\$ 133,011	\$ (11)
Office Wages			408	(408)
Payroll Taxes	10,175	10,175	10,636	(461)
Employee Insurance	21,640	21,640	20,745	895
Pension Contribution	4,850	4,850	3,495	1,355
Total Personnel Services and Benefits	\$ 169,665	\$ 169,665	\$ 168,295	\$ 1,370
Materials and Supplies:				
Chemicals	\$ 23,000	\$ 23,000	\$ 21,196	\$ 1,804
Lab and Safety Expense	18,000	18,000	16,213	1,787
Elevated Tank	30,000	30,000	29,867	133
Meters, Lids, Parts	6,500	6,500	4,534	1,966
Plant Tools and Equipment	2,700	2,700	1,411	1,289
Mains and Line Repairs	6,000	6,000	5,630	370
Mains and Line Locate Expenses	800	800	857	(57)
Plant Maintenance	11,000	11,000	10,317	683
Uniform Clothing Expense	1,000	1,000	1,275	(275)
Plant Miscellaneous	5,000	5,000	6,693	(1,693)
Operational Contracted Services			2,266	(2,266)
Vehicle Expense	8,000	8,000	10,674	(2,674)
Mowing Expense and Equipment	5,500	5,500	4,989	511
Facility Building Expense	2,000	2,000	965	1,035
Office Supplies	2,000	2,000	1,437	563
Miscellaneous Office Expense	16,000	16,000	4,788	11,212
Backhoe, Vacuum Excavator, & Skidsteer	2,000	2,000	944	1,056
Total Materials and Supplies	\$ 139,500	\$ 139,500	\$ 124,056	\$ 15,444

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	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	\$ 36,967	\$ (967)
Cellular Expense	2,000	2,000	1,480	520
Facility Telephone Expense	2,000	2,000	1,805	195
Office Postage	5,000	5,000	3,417	1,583
Collections and Recording	500	500	322	178
Property Insurance	15,500	15,500	15,847	(347)
O/S Contractors	9,000	9,000	6,023	2,977
Engineering Expense	5,000	5,000	2,236	2,764
Legal Expense	3,500	3,500	346	3,154
Total Contractual and Other Services	<u>\$ 78,500</u>	<u>\$ 78,500</u>	<u>\$ 68,443</u>	<u>\$ 10,057</u>
Total Operating Expenses Other Than Depreciation	<u>\$ 387,665</u>	<u>\$ 387,665</u>	<u>\$ 360,794</u>	<u>\$ 26,871</u>
OPERATING INCOME	<u>\$ 541,790</u>	<u>\$ 541,790</u>	<u>\$ 587,458</u>	<u>\$ 45,668</u>
NON-OPERATING REVENUES (EXPENSES):				
Delayed Payment Charge	\$ 5,000	\$ 5,000	\$ 7,698	\$ (2,698)
Capitalized Equipment	(43,000)	(43,000)	(40,708)	(2,292)
Principal Payments	(347,471)	(347,471)	(442,306)	94,835
Interest Expense	(52,314)	(52,314)	(49,923)	(2,391)
Total Non-Operating Revenues (Expenses)	<u>\$ (437,785)</u>	<u>\$ (437,785)</u>	<u>\$ (525,239)</u>	<u>\$ 87,454</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 104,005</u>	<u>\$ 104,005</u>	<u>\$ 62,219</u>	<u>\$ 41,786</u>
TRANSFERS IN (OUT)	<u>\$ (66,720)</u>	<u>\$ (66,720)</u>	<u>\$ (66,720)</u>	<u>\$ 0</u>
NET INCREASE (DECREASE) IN NET ASSETS, BUDGETARY BASIS	<u>\$ 37,285</u>	<u>\$ 37,285</u>	<u>\$ (4,501)</u>	<u>\$ 41,786</u>
RECONCILING ITEMS				
Capitalized Equipment			\$ 40,708	
Principal Payments			442,306	
Depreciation			(215,064)	
Total Reconciling Items			<u>\$ 267,950</u>	
NET INCREASE (DECREASE) IN NET ASSETS			\$ 263,449	
NET POSITION, BEGINNING OF YEAR,			<u>2,994,819</u>	
NET POSITION, END OF YEAR			<u>\$ 3,258,268</u>	

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	SEWER FUND			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
OPERATING REVENUES:				
Charges for Sales and Service	\$ 587,675	\$ 587,675	\$ 590,703	\$ 3,028
Connection Fees	52,500	52,500	80,910	28,410
Capitalization Reserve Fee	32,064	32,064	32,049	(15)
Miscellaneous Revenues	2,400	2,400	2,405	5
Total Operating Revenues	<u>\$ 674,639</u>	<u>\$ 674,639</u>	<u>\$ 706,067</u>	<u>\$ 31,428</u>
OPERATING EXPENSES:				
Personnel Services and Benefits:				
Plant Wages	\$ 117,000	\$ 117,000	\$ 115,824	\$ 1,176
Office Wages			19	(19)
Payroll Taxes	9,801	9,801	9,297	504
Employee Insurance	25,000	25,000	20,745	4,255
Pension Contribution	4,700	4,700	3,495	1,205
Total Personnel Services and Benefits	<u>\$ 156,501</u>	<u>\$ 156,501</u>	<u>\$ 149,380</u>	<u>\$ 7,121</u>
Materials and Supplies:				
Chemicals	\$ 4,000	\$ 4,000		\$ 4,000
Lab and Safety Expense	4,000	4,000	\$ 5,990	(1,990)
I.E.P.A Discharge Fee	2,500	2,500	5,000	(2,500)
Parts for Grinder Pumps	66,000	66,000	22,940	43,060
Mains and Lines Repairs	5,500	5,500	16,965	(11,465)
Plant Tools and Equipment	2,700	2,700	2,079	621
Mains and Line Locate Expenses	800	800	961	(161)
Plant Maintenance	9,500	9,500	12,635	(3,135)
Uniform Clothing Expense	1,000	1,000	1,291	(291)
Plant Miscellaneous	10,000	10,000	1,352	8,648
Operational Contracted Services			3,400	(3,400)
Vehicle Expense	8,000	8,000	10,885	(2,885)
Mowing Expense and Equipment	4,000	4,000	5,737	(1,737)
Facility Building Expense	4,500	4,500	3,913	587
Office Supplies	2,000	2,000	1,202	798
Miscellaneous Office Expense	16,000	16,000	3,610	12,390
Backhoe, Vacuum Excavator, & Skidsteer	2,000	2,000	944	1,056
Total Materials and Supplies	<u>\$ 142,500</u>	<u>\$ 142,500</u>	<u>\$ 98,904</u>	<u>\$ 43,596</u>

HOLIDAY SHORES SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	SEWER FUND			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original Budget	Final Budget		
OPERATING EXPENSES (Continued)				
Contractual and Other Services:				
Plant Utilities	\$ 8,000	\$ 8,000	\$ 10,357	\$ (2,357)
Cellular Expense	2,000	2,000	1,370	630
Office Postage	3,000	3,000	3,357	(357)
Collections and Recording	800	800	618	182
Property Insurance	15,500	15,500	15,847	(347)
O/S Contractors	15,000	15,000	27,344	(12,344)
Engineering Expense	3,000	3,000		3,000
Legal Expense	6,000	6,000	2,084	3,916
Total Contractual and Other Services	<u>\$ 53,300</u>	<u>\$ 53,300</u>	<u>\$ 60,977</u>	<u>\$ (7,677)</u>
Total Operating Expenses Other Than Depreciation	<u>\$ 352,301</u>	<u>\$ 352,301</u>	<u>\$ 309,261</u>	<u>\$ 43,040</u>
OPERATING INCOME	<u>\$ 322,338</u>	<u>\$ 322,338</u>	<u>\$ 396,806</u>	<u>\$ 74,468</u>
NON-OPERATING REVENUES (EXPENSES):				
Delayed Payment Charge	\$ 3,000	\$ 3,000	\$ 5,718	\$ (2,718)
Loss on Disposal of Capital Assets			(393)	393
Capitalized Equipment	<u>(163,000)</u>	<u>(163,000)</u>	<u>(389,015)</u>	<u>226,015</u>
Total Non-Operating Revenues (Expenses)	<u>\$ (160,000)</u>	<u>\$ (160,000)</u>	<u>\$ (383,690)</u>	<u>\$ 223,690</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 162,338</u>	<u>\$ 162,338</u>	<u>\$ 13,116</u>	<u>\$ 149,222</u>
TRANSFERS IN (OUT)	<u>\$ (66,720)</u>	<u>\$ (66,720)</u>	<u>\$ (66,720)</u>	<u>\$ 0</u>
NET INCREASE (DECREASE) IN NET ASSETS, BUDGETARY BASIS	<u>\$ 95,618</u>	<u>\$ 95,618</u>	<u>\$ (53,604)</u>	<u>\$ 149,222</u>
RECONCILING ITEMS				
Capitalized Equipment			\$ 389,015	
Depreciation			<u>(152,191)</u>	
Total Reconciling Items			<u>\$ 236,824</u>	
NET INCREASE (DECREASE) IN NET ASSETS			\$ 183,220	
NET POSITION, BEGINNING OF YEAR,			<u>3,155,422</u>	
NET POSITION END OF YEAR			<u>\$ 3,338,642</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>
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	223,127	99.69%
2024	121,100,689	0.1941	235,056	696	0.30%