

NORTHERN MORaine
WASTEWATER RECLAMATION
DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2021

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

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FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

September 10, 2021

Members of the Board of Trustees
Northern Moraine Wastewater Reclamation District
Island Lake, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Moraine Wastewater Reclamation District, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, each major fund, and the aggregate remaining fund information of the Northern Moraine Wastewater Reclamation District, Illinois, as of April 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northern Moraine Wastewater Reclamation District, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

Our discussion and analysis of the Northern Moraine Wastewater Reclamation District's financial performance provides an overview of the District's financial activities for the fiscal year ended April 30, 2021. Please read it in conjunction with the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The District's net position decreased as a result of this year's operations. Business-type activities decreased by \$559,440, or 1 percent after the closing of the District's governmental activities, including the General Fund and Audit Fund, into the business-type activities. Going forward, the District will be reported entirely under the business-type activities function.
- During the year, government-wide revenues for the primary government totaled \$3,145,689, while expenses totaled \$4,080,303, resulting in a decrease to net position of \$934,614.
- The District's net position totaled \$42,821,517 on April 30, 2021, which includes \$40,076,467 net investment in capital assets, \$158,959 subject to external restrictions, and \$2,586,091 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 - 15) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 12 - 15 of this report.

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

NORTERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government. The business-type activities of the District include sewerage operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

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

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Audit Fund, both of which are considered a major funds. As of April 30, 2021, the District's two governmental funds have been closed into the business-type activities.

NORTERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

The basic governmental fund financial statements can be found on pages 16 - 19 of this report.

Proprietary Funds

The District maintains one proprietary fund type: an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District utilizes enterprise funds to account for its sewerage operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The Sewerage Fund is considered to be a major fund of the District.

The basic proprietary fund financial statements can be found on pages 20 - 22 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 - 42 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's IMRF employee pension obligation and budgetary comparison schedules for the General Fund and Audit Fund. Required supplementary information can be found on pages 43 - 46 of this report. Combining and budgetary comparison schedules for the can be found on pages 47 - 50 of this report.

NORTERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$42,821,517.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ -	496,060	3,020,089	3,834,358	3,020,089	4,330,418
Capital Assets	-	-	43,816,467	43,843,402	43,816,467	43,843,402
Total Assets	-	496,060	46,836,556	47,677,760	46,836,556	48,173,820
Deferred Outflows	-	-	301,442	329,167	301,442	329,167
Total Assets/Deferred Outflows	-	496,060	47,137,998	48,006,927	47,137,998	48,502,987
Long-Term Debt	-	-	3,607,826	4,032,782	3,607,826	4,032,782
Other Liabilities	-	-	570,743	589,924	570,743	589,924
Total Liabilities	-	-	4,178,569	4,622,706	4,178,569	4,622,706
Deferred Inflows	-	120,886	137,912	3,264	137,912	124,150
Total Liabilities/Deferred Inflows	-	120,886	4,316,481	4,625,970	4,316,481	4,746,856
Net Postion						
Net Investment in Capital Assets	-	-	40,076,467	39,743,402	40,076,467	39,743,402
Restricted	-	8,535	158,959	985,243	158,959	993,778
Unrestricted (Deficit)	-	366,639	2,586,091	2,652,312	2,586,091	3,018,951
Total Net Position	-	375,174	42,821,517	43,380,957	42,821,517	43,756,131

A large portion of the District's net position, \$40,176,467 or 94 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$158,959 or less than 1 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 6 percent, or \$2,586,091, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

NORTERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ -	-	2,912,953	2,709,597	2,912,953	2,709,597
Capital Grants/Contrib.	-	-	108,220	125,280	108,220	125,280
General Revenues						
Property Taxes	-	133,874	120,461	-	120,461	133,874
Replacement Taxes	-	1,044	1,248	-	1,248	1,044
Interest Income	-	-	2,807	58,997	2,807	58,997
Total Revenues	-	134,918	3,145,689	2,893,874	3,145,689	3,028,792
Expenses						
General Government	-	162,185	-	-	-	162,185
Sewerage	-	-	4,080,303	3,480,819	4,080,303	3,480,819
Total Expenses	-	162,185	4,080,303	3,480,819	4,080,303	3,643,004
Change in Net Position Before Transfers	-	(27,267)	(934,614)	(586,945)	(934,614)	(614,212)
Transfers	(375,174)	-	375,174	-	-	-
Change in Net Position	(375,174)	(27,267)	(559,440)	(586,945)	(934,614)	(614,212)
Net Position - Beginning	375,174	402,441	43,380,957	43,967,902	43,756,131	44,370,343
Net Position - Ending	-	375,174	42,821,517	43,380,957	42,821,517	43,756,131

Net position of the District's governmental activities decreased by 100 percent (\$0 in 2021 compared to \$375,174 in 2020) due to the closing of the governmental activities into the business-type activities during the year.

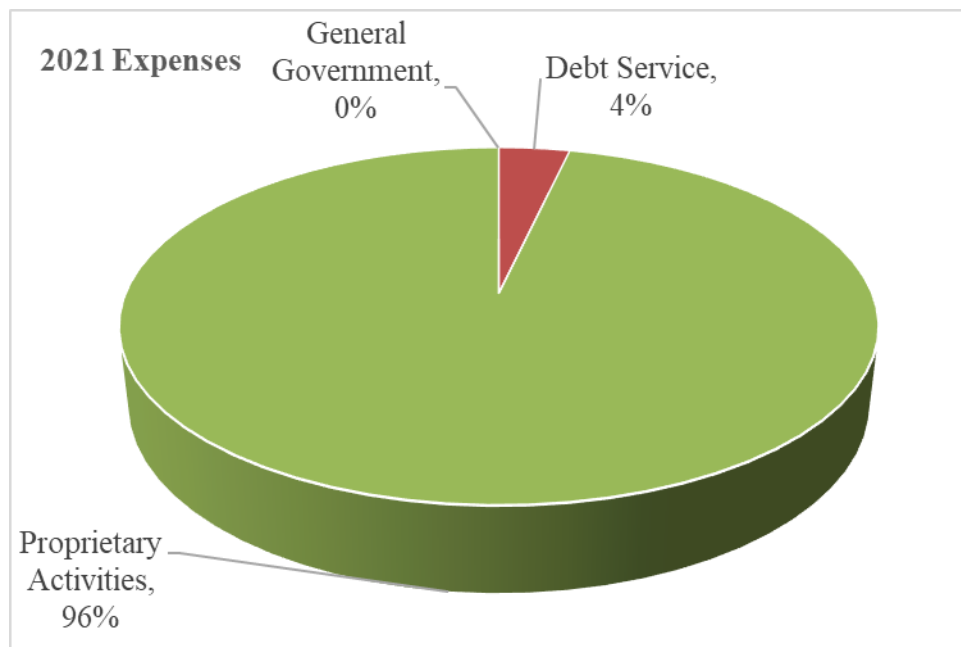
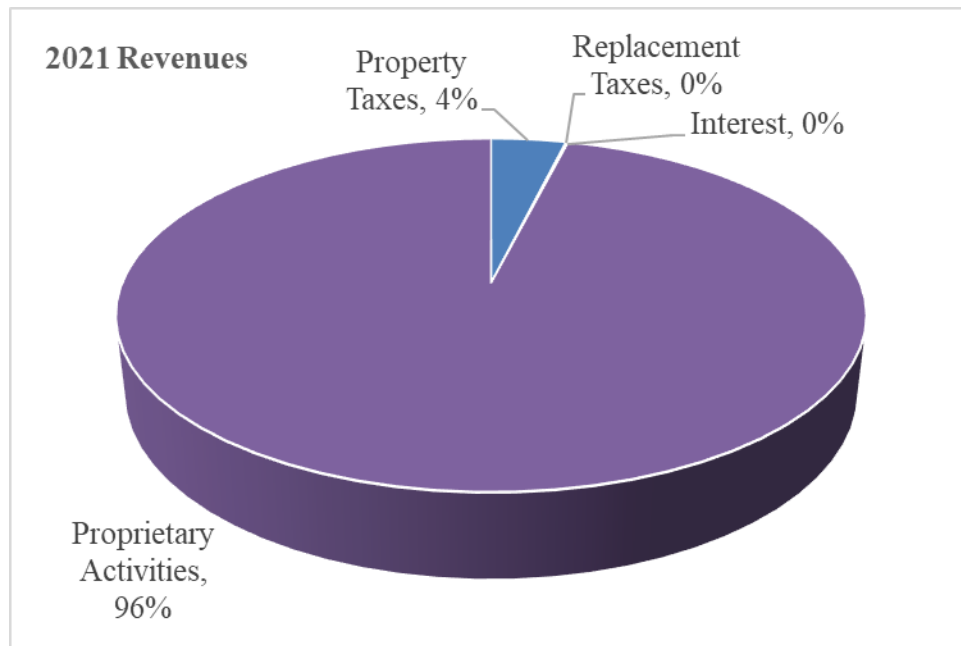
Net position of business-type activities decreased by 1 percent (\$42,821,517 in 2021 compared to \$43,380,957 in 2020).

NORTERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Revenues for the District totaled \$3,145,689, while the cost of all functions totaled \$4,080,303. This results in a deficit of \$934,614. In 2020, expenses of \$3,643,004 exceeded revenues of \$3,028,792, resulting in a deficit of \$614,212. The decrease in 2021 was due in large part to increased personnel, contractual and maintenance related costs during the year.



NORTERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District's governmental funds reported combining ending fund balances of \$0, which is \$375,174, or 100 percent, lower than last year's total of \$374,174 due to the closure of the General and Audit Funds during the year into the Sewerage Fund.

Proprietary Funds

The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

The District reports the Sewerage Fund as a major proprietary fund. The Sewerage Fund accounts for all of the operations of the District's sewerage system.

The deficit in the Sewerage Fund during the current fiscal year was \$559,440, while the previous fiscal year reported a deficit of \$586,945. As previously stated, this decrease is due to an increase in personnel, contractual and maintenance related costs during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Due to the District closing the General Fund into the Sewerage Fund during the year, there was no budget established for the General Fund for April 30, 2021. A transfer of accumulated fund balance of \$366,639 was made during the year. Going forward, the District will be reported as a single business-type activity fund, with three sub-funds.

NORTERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of April 30, 2021 was \$43,816,467 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, system infrastructure, and equipment and furniture.

	Capital Assets - Net of Depreciation	
	Business-type	
	Activities	
	2021	2020
Land	\$ 1,076,505	1,076,505
Construction in Progress	740,856	-
Building and Improvements	1,343,842	1,201,866
System Infrastructure	38,676,205	39,880,349
Equipment and Furniture	1,979,059	1,684,682
Total	43,816,467	43,843,402

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

Debt Administration

At year-end, the District had total outstanding bonded debt of \$3,740,000 as compared to \$4,100,000 the previous year, a decrease of 9 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	Business-type	
	Activities	
	2021	2020
General Obligation Alternate Revenue Bonds	\$ 3,740,000	4,100,000

Additional information on the District's long-term debt can be found in Note 3 of this report.

NORTERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Management's Discussion and Analysis April 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board considered the following factor in preparing the budget and appropriations ordinance for the District, which was adopted for the 2021-2022 fiscal year:

- The equalized assessed valuation (EAV) for the District for 2020 is \$324,253,584. This represents an increase in EAV of \$14,157,348 in comparison with the prior year.

The District's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The District is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation, unemployment rates, and the effects of the global health emergency from COVID-19.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the District Manager, Northern Moraine Wastewater Reclamation District, P.O. Box 240, Island Lake, Illinois 60042.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

NORTHERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Statement of Net Position

April 30, 2021

See Following Page

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS**Statement of Net Position****April 30, 2021**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ -	2,261,817	2,261,817
Cash at Paying Agent	-	417,774	417,774
Receivables - Net of Allowances			
Property Taxes	-	99,948	99,948
Accounts	-	240,550	240,550
Total Assets	-	3,020,089	3,020,089
Noncurrent Assets			
Capital Assets			
Nondepreciable	-	1,817,361	1,817,361
Depreciable	-	55,745,212	55,745,212
Accumulated Depreciation	-	(13,746,106)	(13,746,106)
Total Noncurrent Assets	-	43,816,467	43,816,467
Total Assets	-	46,836,556	46,836,556
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	-	301,442	301,442
Total Assets and Deferred Outflows of Resources	-	47,137,998	47,137,998

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ -	145,381	145,381
Accrued Payroll	-	1,258	1,258
Accrued Interest Payable	-	37,774	37,774
Compensated Absences	-	6,330	6,330
Alternate Revenue Bonds Payable	-	380,000	380,000
Total Current Liabilities	-	570,743	570,743
Noncurrent Liabilities			
Compensated Absences	-	25,322	25,322
Net Pension Liability - IMRF	-	222,504	222,504
Alternate Revenue Bonds Payable - Net	-	3,360,000	3,360,000
Total Noncurrent Liabilities	-	3,607,826	3,607,826
Total Liabilities	-	4,178,569	4,178,569
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	-	99,948	99,948
Deferred Items - IMRF	-	37,964	37,964
Total Deferred Inflows of Resources	-	137,912	137,912
Total Liabilities and Deferred Inflows of Resources	-	4,316,481	4,316,481
NET POSITION			
Net Investment in Capital Assets	-	40,076,467	40,076,467
Restricted - Capital Improvements	-	755,773	755,773
Unrestricted	-	1,989,277	1,989,277
Total Net Position	-	42,821,517	42,821,517

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

NORTHERN MORAINES WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2021

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants/ Contributions	Grants/ Contributions
Governmental Activities				
General Government	\$ -	-	-	-
Business-Type Activities				
Sewerage	4,080,303	2,912,953	-	108,220
Total Primary Government	4,080,303	2,912,953	-	108,220

General Revenues
Taxes
 Property Taxes
 Replacement Taxes
Interest Income
Internal Activity - Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
-	-	-
-	(1,059,130)	(1,059,130)
-	(1,059,130)	(1,059,130)
-	120,461	120,461
-	1,248	1,248
-	2,807	2,807
(375,174)	375,174	-
(375,174)	499,690	124,516
(375,174)	(559,440)	(934,614)
375,174	43,380,957	43,756,131
-	42,821,517	42,821,517

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

NORTHERN MORAINA WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2021

	General	Audit	Totals
ASSETS			
None	\$ -	-	-
LIABILITIES			
None	-	-	-
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	-
FUND BALANCES			
Unassigned	-	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	-	-	-

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

NORTHERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities**

April 30, 2021

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Total Governmental Fund Balances	\$ -
Amounts reported for governmental activities in the Statement of Net Position are different because:	
None Noted	<hr/> -
Net Position of Governmental Activities	<hr/> <hr/> -

NORTHERN MORAINA WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2021

	General	Audit	Totals
Revenues			
None	\$ -	-	-
Expenditures			
None	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing (Uses)			
Transfers Out	(366,639)	(8,535)	(375,174)
Net Change in Fund Balances	(366,639)	(8,535)	(375,174)
Fund Balances - Beginning	366,639	8,535	375,174
Fund Balances - Ending	-	-	-

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

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS

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

For the Fiscal Year Ended April 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ (375,174)
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Amounts reported for governmental activities in the Statement of Activities
are different because:

None Noted

-

Changes in Net Position of Governmental Activities	(375,174)
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The notes to the financial statements are an integral part of this statement.

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS**Statement of Net Position - Proprietary Fund
April 30, 2021**

	Business -Type Activities Sewerage
ASSETS	
Current Assets	
Cash and Investments	\$ 2,261,817
Cash with Paying Agent	417,774
Receivables - Net of Allowances	
Property Taxes	99,948
Accounts	240,550
Total Current Assets	<u>3,020,089</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	1,817,361
Depreciable	55,745,212
Accumulated Depreciation	<u>(13,746,106)</u>
Total Noncurrent Assets	<u>43,816,467</u>
Total Assets	<u>46,836,556</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>301,442</u>
Total Assets and Deferred Outflows of Resources	<u>47,137,998</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	145,381
Accrued Payroll	1,258
Accrued Interest Payable	37,774
Compensated Absences	6,330
Alternate Revenue Bonds Payable	380,000
Total Current Liabilities	<u>570,743</u>
Noncurrent Liabilities	
Compensated Absences	25,322
Net Pension Liability - IMRF	222,504
Alternate Revenue Bonds Payable - Net	<u>3,360,000</u>
Total Noncurrent Liabilities	<u>3,607,826</u>
Total Liabilities	<u>4,178,569</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	99,948
Deferred Items - IMRF	<u>37,964</u>
Total Deferred Inflows of Resources	<u>137,912</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,316,481</u>
NET POSITION	
Net Investment in Capital Assets	40,076,467
Restricted - Capital Improvements	755,773
Unrestricted	<u>1,989,277</u>
Total Net Position	<u>42,821,517</u>

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

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund For the Fiscal Year Ended April 30, 2021

	Business -Type Activities Sewerage
Operating Revenues	
Charges for Services	
Sewer Charges	\$ 2,710,111
Penalties	65,981
Permit Fees	1,300
Miscellaneous	135,561
Total Operating Revenues	<u>2,912,953</u>
Operating Expenses	
Personal Services	1,022,391
Contractual Services	794,108
Commodities	168,893
Other	21,970
Capital	555,592
Total Operating Expenses	<u>2,562,954</u>
Operating (Loss) Before Depreciation	349,999
Depreciation	<u>1,447,485</u>
Operating (Loss)	<u>(1,097,486)</u>
Nonoperating Revenues (Expenses)	
Property Taxes	120,461
Replacement Taxes	1,248
Interest Income	2,807
Interest Expense and Fees	(69,864)
	<u>54,652</u>
(Loss) Before Transfers and Contributions	(1,042,834)
Transfers In	375,174
Capital Contributions	<u>108,220</u>
Change in Net Position	(559,440)
Net Position - Beginning	<u>43,380,957</u>
Net Position - Ending	<u><u>42,821,517</u></u>

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

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Statement of Cash Flows - Proprietary Fund For the Fiscal Year Ended April 30, 2021

	Business -Type Activities Sewerage
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 2,867,279
Payments to Suppliers	(1,490,052)
Payments to Employees	(1,022,391)
	<u>354,836</u>
Cash Flows from Noncapital Financing Related Activities	
Transfers In	375,174
Property Taxes	120,461
Replacement Taxes	1,248
	<u>496,883</u>
Cash Flows from Capital and Related Financing activities	
Principal Payment	(360,000)
Bond Interest and Fees	(69,864)
Purchase of Capital Assets	(1,312,330)
	<u>(1,742,194)</u>
Cash Flows from Investing Activities	
Interest Received	<u>2,807</u>
Net Change in Cash and Cash Equivalents	(887,668)
Cash and Cash Equivalents - Beginning	<u>3,567,259</u>
Cash and Cash Equivalents - Ending	<u><u>2,679,591</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating (Loss)	(1,097,486)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	1,447,485
(Increase) Decrease in Current Assets	(45,674)
Increase (Decrease) in Current Liabilities	50,511
	<u>354,836</u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u><u>108,220</u></u>

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

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northern Moraine Wastewater Reclamation District (the District) of Illinois is duly organized and existing under the provisions of the laws of the State of Illinois. The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (general government, sewerage, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within each of the categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all revenues and expenditures of the District which are not accounted for in other funds. The General Fund is a major fund. As of April 30, 2021, the District has closed the General Fund into the Sewerage Fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains one major special revenue fund. The Audit Fund is used to account for the collection of property taxes for payment of the District's annual audit. As of April 30, 2021, the District has closed the Audit Fund into the Sewerage Fund.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The District maintains one major enterprise fund, the Sewerage Fund, which is used to account for the treatment of sewerage of the District's citizens. User charges to customers account for substantially all of the revenue of this fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recognized only when payment is due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, intergovernmental revenues, licenses, interest revenue, and charges for services. Only the portion of special assessments received due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds' Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Many of the District's funds combine their cash in a common cash account included in the General Fund where available cash is invested. No interest is earned from commingled checking in the General Fund.

Receivables

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$100 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES – Continued

Capital Assets – Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Building and Improvements	5 - 40 Years
System Infrastructure	10 - 40 Years
Equipment and Furniture	5 - 20 Years

Compensated Absences

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The District follows these procedures in establishing the budgets reflected in the financial statements:

- Prior to July 15th, the District Board receives a proposed appropriation ordinance for the fiscal year commencing on May 1st. The appropriation ordinance includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayer comments.
- The appropriation ordinance is legally enacted through passage of an ordinance prior to July 31st.
- The District Treasurer, in conjunction with the Board, is authorized to expend the un-expensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original appropriation ordinance was passed on June 14, 2020 and was not amended during the fiscal year.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- Appropriation comparisons presented in the accompanying financial statements are prepared on the modified accrual or accrual basis of accounting. Governmental funds utilize the modified accrual basis of accounting and the business-type funds use the accrual basis of accounting for both appropriation purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the District's funds.

Permitted Deposits and Investments – Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the District's deposits for governmental and business-type activities totaled \$2,606,214 and the bank balances totaled \$2,218,965. In addition, the District has \$73,377 invested in the Illinois Funds at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has adopted its investment policy in accordance with the Illinois Public Funds Investment Act. According to the District's investment policy, the investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements which may be reasonably anticipated in any District Fund. The District's investment in Illinois Funds has an average maturity of less than one year.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy states that the District shall enter into collateral security agreements or similar instruments with any financial institution wherein District funds on deposit exceed FDIC insured limits. At year-end \$417,774 of the bank balance of the deposits was not covered by federal depository or equivalent insurance, and represents cash at paying agent for debt service payments. For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment in Illinois Funds is not subject to custodial credit risk.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments in accordance with State Statute, the District's investment policy does not further address credit risk. At year-end, the District's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

Concentration Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not require diversification, but the decision is left to the discretion of the Board. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio.

CAPITAL ASSETS

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,076,505	-	-	1,076,505
Construction in Progress	-	740,856	-	740,856
	<u>1,076,505</u>	<u>740,856</u>	<u>-</u>	<u>1,817,361</u>
Depreciable Capital Assets				
Building and Improvements	2,865,253	206,491	2,500	3,069,244
System Infrastructure	48,340,239	-	-	48,340,239
Equipment and Furniture	4,672,526	473,203	810,000	4,335,729
	<u>55,878,018</u>	<u>679,694</u>	<u>812,500</u>	<u>55,745,212</u>
Less Accumulated Depreciation				
Building and Improvements	1,663,387	64,515	2,500	1,725,402
System Infrastructure	8,459,890	1,204,144	-	9,664,034
Equipment and Furniture	2,987,844	178,826	810,000	2,356,670
	<u>13,111,121</u>	<u>1,447,485</u>	<u>812,500</u>	<u>13,746,106</u>
Total Net Depreciable Capital Assets	<u>42,766,897</u>	<u>(767,791)</u>	<u>-</u>	<u>41,999,106</u>
Total Net Capital Assets	<u>43,843,402</u>	<u>(26,935)</u>	<u>-</u>	<u>43,816,467</u>

Depreciation expense was charged to the Sewerage Fund.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes receivable are recognized at the time they are levied. Property taxes are levied and attached as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of the levy. The tax levy for 2021 property taxes was adopted on November 10, 2020. That portion of the property taxes which are not available for the current year's operations are shown as deferred revenue.

LONG-TERM DEBT

General Obligation Alternate Revenue Bonds

The District issues general obligation alternate bonds to provide funds for the acquisition and construction of major capital facilities. Alternate revenue source bonds provide for the collection, segregation and distribution of certain revenues received by the District for the payment of principal and interest on the alternate revenue source bonds. Alternate revenue source bonds outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$4,100,000 General Obligation Alternate Revenue Source Refunding Bonds of 2019, due in annual installments of \$360,000 to \$450,000 plus interest at a rate of 2.02% through May 1, 2029.	\$ 4,100,000	-	360,000	3,740,000

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balance	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	\$ 30,111	3,082	1,541	31,652	6,330
Net Pension Liability - IMRF	268,693	-	46,189	222,504	-
Alternate Revenue Source Bonds	4,100,000	-	360,000	3,740,000	380,000
	4,398,804	3,082	407,730	3,994,156	386,330

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For the business-type activities, the compensated absences, the net pension liability, and the alternate revenue source bonds are retired by the Sewerage Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Business-Type Activities	
	Alternate Revenue	
	Source Bonds	
	Principal	Interest
2022	\$ 380,000	71,710
2023	390,000	63,933
2024	400,000	55,954
2025	405,000	47,824
2026	415,000	39,541
2027	425,000	31,058
2028	435,000	22,371
2029	440,000	13,534
2030	450,000	4,545
Totals	3,740,000	350,470

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2021:

Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 43,816,467
Less Capital Related Debt:	
Alternate Revenue Source Bonds	<u>(3,740,000)</u>
Net Investment in Capital Assets	<u>40,076,467</u>

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND TRANSFERS

Transfers were made during the year to close the General and Audit Funds into the Sewerage Fund. Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Sewerage	General	\$ 366,639
Sewerage	Audit	8,535
		<u>375,174</u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board itself or b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Minimum Fund Balance Policy. The District’s policy states that the District shall strive to maintain an unassigned fund balance in the General Fund of at least 50% of the estimated annual operating expenditures of the fund.

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

	General	Audit	Totals
Fund Balances			
Restricted			
Audit	\$ -	-	-
Unassigned	-	-	-
Total Fund Balances	-	-	-

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to the District’s employees; and net income losses. The District has commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Any settlements during the past three years have not exceeded the District’s coverage.

CONTINGENT LIABILITIES

COVID-19 Financial Impact

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District’s operations and financial position cannot be determined.

Litigation

The District is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The District contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. The District joined IMRF on January 1, 2018. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Benefits Provided – Continued. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>10</u>
Total	<u><u>13</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2021, the District's contribution was 9.04% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Actuarial Assumptions – Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

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

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 336,342	222,504	126,495

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 527,666	258,973	268,693
Changes for the Year:			
Service Cost	59,766	-	59,766
Interest on the Total Pension Liability	40,422	-	40,422
Difference Between Expected and Actual Experience of the Total Pension Liability	(13,594)	-	(13,594)
Changes of Assumptions	(15,723)	-	(15,723)
Contributions - Employer	-	59,412	(59,412)
Contributions - Employees	-	29,199	(29,199)
Net Investment Income	-	32,554	(32,554)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	(4,105)	4,105
Net Changes	70,871	117,060	(46,189)
Balances at December 31, 2020	598,537	376,033	222,504

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2021, the District recognized pension expense of \$79,559. At April 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 266,545	(13,522)	253,023
Change in Assumptions	13,783	(14,199)	(416)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	-	(10,243)	(10,243)
Total Pension Expense to be Recognized in Future Periods	280,328	(37,964)	242,364
Pension Contributions Made Subsequent to the Measurement Date	21,114	-	21,114
Total Deferred Amounts Related to IMRF	301,442	(37,964)	263,478

\$21,114 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2022	\$ 26,304
2023	26,302
2024	25,283
2025	26,520
2026	28,663
Thereafter	109,292
Total	242,364

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, there is minimal participation. As the District provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the District has not recorded a liability as of April 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund
Audit Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a modified accrual basis for governmental funds.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Employer Contributions

April 30, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 74,656	\$ 74,656	-	\$ 549,736	13.58%
2020	73,996	73,996	-	615,522	12.02%
2021	62,367	62,367	-	689,651	9.04%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

The District joined IMRF on January 1, 2018. This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability April 30, 2021

	12/31/2018	12/31/2019	12/31/2020
Total Pension Liability			
Service Cost	\$ 61,625	56,128	59,766
Interest	2,311	33,875	40,422
Differences Between Expected and Actual Experience	356,788	(1,509)	(13,594)
Change of Assumptions	18,448	-	(15,723)
Benefit Payments, Including Refunds of Member Contributions	-	-	-
Net Change in Total Pension Liability	439,172	88,494	70,871
Total Pension Liability - Beginning	-	439,172	527,666
Total Pension Liability - Ending	439,172	527,666	598,537
Plan Fiduciary Net Position			
Contributions - Employer	\$ 73,170	80,910	59,412
Contributions - Members	66,977	27,355	29,199
Net Investment Income	-	19,779	32,554
Benefit Payments, Including Refunds of Member Contributions	-	-	-
Other (Net Transfer)	(4,210)	(5,008)	(4,105)
Net Change in Plan Fiduciary Net Position	135,937	123,036	117,060
Plan Net Position - Beginning	-	135,937	258,973
Plan Net Position - Ending	135,937	258,973	376,033
Employer's Net Pension Liability	\$ 303,235	268,693	222,504
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.95%	49.08%	62.83%
Covered Payroll	\$ 549,736	607,886	641,752
Employer's Net Pension Liability as a Percentage of Covered Payroll	55.16%	44.20%	34.67%

Note:

The District joined IMRF on January 1, 2018. This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
None	\$ -	-	-
Expenditures			
None	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing (Uses)			
Transfers Out	-	-	(366,639)
Net Change in Fund Balance	-	-	(366,639)
Fund Balance - Beginning			366,639
Fund Balance - Ending			-

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Audit - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Revenues			
None	\$ -	-	-
Expenditures			
None	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing (Uses)			
Transfers Out	-	-	(8,535)
Net Change in Fund Balance	-	-	(8,535)
Fund Balance - Beginning			8,535
Fund Balance - Ending			-

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Combining Schedules – Major Enterprise Fund Subfunds
- Budgetary Comparison Schedule – Sewerage Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. As of April 30, 2021, the General Fund has been closed into the Sewerage Fund.

SPECIAL REVENUE FUND

Special Revenue Funds are created to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Audit Fund

The Audit Fund is used to account for the collection of property taxes for payment of the District's annual audit. As of April 30, 2021, the Audit Fund has been closed into the Sewerage Fund.

ENTERPRISE FUND

Enterprise Funds are used 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; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Sewerage Fund

The Sewerage Fund is used to account for the treatment of sewerage of the District's citizens. User charges to customers account for substantially all of the revenue of this fund.

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Statement of Net Position - Sewerage Subfunds April 30, 2021

ASSETS	Bond Alternate			
	Operating and Maintenance	Bond and Interest	Capital	Total
Current Assets				
Cash and Investments	\$ (1,785,532)	3,291,576	755,773	2,261,817
Cash with Paying Agent	-	417,774	-	417,774
Receivables - Net of Allowances				
)Property Taxes	99,948	-	-	99,948
Accounts	240,550	-	-	240,550
Total Current Assets	(1,445,034)	3,709,350	755,773	3,020,089
Noncurrent Assets				
Capital Assets				
Nondepreciable	1,817,361	-	-	1,817,361
Depreciable	55,745,212	-	-	55,745,212
Accumulated Depreciation	(13,746,106)	-	-	(13,746,106)
Total Noncurrent Assets	43,816,467	-	-	43,816,467
Total Assets	42,371,433	3,709,350	755,773	46,836,556
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	301,442	-	-	301,442
Total Assets and Deferred Outflows of Resources	42,672,875	3,709,350	755,773	47,137,998
LIABILITIES				
Current Liabilities				
Accounts Payable	145,381	-	-	145,381
Accrued Payroll	1,258	-	-	1,258
Accrued Interest Payable	-	37,774	-	37,774
Compensated Absences	6,330	-	-	6,330
Alternate Revenue Bonds Payable	-	380,000	-	380,000
Total Current Liabilities	152,969	417,774	-	570,743
Noncurrent Liabilities				
Compensated Absences	25,322	-	-	25,322
Net Pension Liability - IMRF	222,504	-	-	222,504
Alternate Revenue Bonds Payable - Net	-	3,360,000	-	3,360,000
Total Noncurrent Liabilities	247,826	3,360,000	-	3,607,826
Total Liabilities	400,795	3,777,774	-	4,178,569
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	99,948	-	-	99,948
Deferred Items - IMRF	37,964	-	-	37,964
Total Deferred Inflows of Resources	137,912	-	-	137,912
Total Liabilities and Deferred Inflows of Resources	538,707	3,777,774	-	4,316,481
NET POSITION				
Net Investment in Capital Assets	43,816,467	(3,740,000)	-	40,076,467
Restricted - Capital Improvements	-	-	755,773	755,773
Unrestricted	(1,682,299)	3,671,576	-	1,989,277
Total Net Position	42,134,168	(68,424)	755,773	42,821,517

NORTHERN MORAINA WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Statement of Changes in Net Position - Sewerage Subfunds April 30, 2021

	Operating and Maintenance	Bond Alternate Bond and Interest	Capital	Total
Net Position - Beginning	\$ 42,395,714	-	985,243	43,380,957
Add (Deduct)				
Net Income (Loss) for the Year	(418,818)	(68,424)	(447,372)	(934,614)
Transfers In/(Out)	157,272	-	217,902	375,174
Net Position - Ending	42,134,168	(68,424)	755,773	42,821,517

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses and Nonoperating Expenses - Budget and Actual For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Operating Expenses			
Personnel Services			
Salaries	\$ 783,391	783,391	709,344
Payroll Tax Expense	58,754	58,754	48,703
Payroll Expense Other	900	900	835
Employee Insurance	160,569	160,569	186,138
IMRF	71,367	71,367	77,371
Total Personnel Services	1,074,981	1,074,981	1,022,391
Contractual Services			
Training/Seminars	11,900	11,900	4,773
Maintenance - Buildings	18,000	18,000	25,092
Maintenance - Vehicles	11,000	11,000	13,016
Maintenance - Equipment	20,500	20,500	30,988
Maintenance - Utility System	80,000	80,000	133,061
Sludge Removal	28,000	28,000	8,676
General Insurance	73,088	73,088	90,014
Telephone	34,540	34,540	34,013
Utilities	151,000	151,000	149,085
Security System	10,700	10,700	11,077
Rental	600	600	-
Travel	2,200	2,200	165
Software Support	30,320	30,320	26,895
Accounting Services	9,600	9,600	7,600
Professional Lab Services	7,000	7,000	6,321
J.U.L.I.E. Locates	3,400	3,400	6,201
Engineering Services	3,000	3,000	9,358
Legal Services	35,500	35,500	76,566
Permit Fees	18,000	18,000	18,000
Other Professional Services	93,600	93,600	115,305
Website	2,500	2,500	476
Printing and Publishing	9,300	9,300	8,331
Publications and Subscriptions	200	200	100
Dues and Memberships	4,860	4,860	3,845
Bank Charges	13,800	13,800	15,150
Refunds	100	100	-
Total Contractual Services	672,708	672,708	794,108

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses and Nonoperating Expenses - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2021

	Original Budget	Final Budget	Actual
Operating Expenses - Continued			
Commodities			
Uniforms	\$ 2,600	2,600	934
Maintenance Supplies	3,000	3,000	2,149
Operating Supplies	9,000	9,000	5,403
Gasoline/Oil	11,500	11,500	16,063
Vehicle Supplies	350	350	896
Lab Supplies	15,000	15,000	12,669
Miscellaneous Equipment	2,000	2,000	1,980
Small Tools	1,200	1,200	1,179
Chemical Expenses	83,000	83,000	83,185
Safety Equipment	5,500	5,500	13,648
Office Supplies	7,000	7,000	4,545
Postage	25,000	25,000	26,242
Total Commodities	165,150	165,150	168,893
Other			
Office Equipment	3,200	3,200	3,661
Capitalized Treatment Upgrade	1,710,000	1,710,000	1,024
Building Improvements	25,000	25,000	17,284
Miscellaneous	500	500	1
Total Other Expenses	1,738,700	1,738,700	21,970
Total Operating Expenses	3,651,539	3,651,539	2,007,362
Nonoperating Expenses			
Capital Improvement Fund Expenses			
Capitalized Treatment Upgrade	5,300,000	5,300,000	555,592
Debt Service/Alternate Bond Fund Expenses			
Bond Principal	393,818	393,818	-
Interest Expense	82,921	82,921	69,864
Total Debt Service/Alternate Bond Fund Expenses	476,739	476,739	69,864
Total Nonoperating Expenses	5,776,739	5,776,739	625,456
Total Expenses	9,428,278	9,428,278	2,632,818

SUPPLEMENTAL SCHEDULES

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, ILLINOIS

Assessed Valuations, Extended Tax Rates, Percentage Allocation and Amounts by Fund - Last Three Tax Levy Years April 30, 2021

	2020		2019		2018	
Tax Levy Year Assessed Valuation						
Lake County		\$ 139,013,807		\$ 133,661,455		\$ 127,958,859
McHenry County		<u>185,239,777</u>		<u>176,434,781</u>		<u>163,106,341</u>
Totals		<u><u>324,253,584</u></u>		<u><u>310,096,236</u></u>		<u><u>291,065,200</u></u>
Tax Rates and Percentages Allocated by Fund						
	Rate	Percentage	Rate	Percentage	Rate	Percentage
Lake County						
General Fund	0.030824	100.00%	0.009317	24.15%	0.009399	20.47%
Audit Fund	-	0.00%	-	0.00%	0.002832	6.17%
Tort Immunity Fund	-	0.00%	0.029256	75.85%	0.033694	73.37%
Totals	<u><u>0.030824</u></u>	<u><u>100.00%</u></u>	<u><u>0.038573</u></u>	<u><u>100.00%</u></u>	<u><u>0.045925</u></u>	<u><u>100.00%</u></u>
McHenry County						
General Fund	0.009215	30.61%	0.039294	100.00%	0.009398	20.46%
Audit Fund	-	0.00%	-	0.00%	0.002832	6.17%
Tort Immunity Fund	0.020889	69.39%	-	0.00%	0.033694	73.37%
Totals	<u><u>0.030104</u></u>	<u><u>100.00%</u></u>	<u><u>0.039294</u></u>	<u><u>100.00%</u></u>	<u><u>0.045924</u></u>	<u><u>100.00%</u></u>

NORTHERN MORaine WASTEWATER RECLAMATION DISTRICT, ILLINOIS

**Property Tax Extensions - Last Three Tax Levy Years
April 30, 2021**

Levy Year County	2020			2019			2018		
	Lake	McHenry	Total	Lake	McHenry	Total	Lake	McHenry	Total
Funds									
General	\$ 42,850	17,129	59,979	12,453	69,328	81,781	12,027	15,329	27,356
Audit	-	-	-	-	-	-	3,624	4,619	8,243
Tort Immunity	-	38,695	38,695	39,104	-	39,104	43,114	54,957	98,071
Totals	42,850	55,824	98,674	51,557	69,328	120,885	58,765	74,905	133,670