



**FOX METRO WATER  
RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

---

**ANNUAL FINANCIAL REPORT**

**For the Years Ended May 31, 2024 and 2023**



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**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS  
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1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Fox Metro Water Reclamation District  
Oswego, Illinois

### **Opinions**

We have audited the accompanying financial statements of the Fox Metro Water Reclamation District (the District), as of and for the year ended May 31, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Fox Metro Water Reclamation District, as of May 31, 2024, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of Fox Metro Water Reclamation District as of May 31, 2023, were audited by Sikich LLP, whose report dated November 1 2023, expressed an unmodified opinion of those financial statements. Effective as of May 31, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these 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 the District and to meet our other 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 these 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 the District's ability to continue as a going concern for 12 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 GAAS 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 GAAS, 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 the 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 the 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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.

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 supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The audit as of and for the period ended May 31, 2023, was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules as of and for the year-end May 31, 2023, 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 by Sikich LLP 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 the opinion of Sikich LLP, the information was fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other Information*

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

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

*Sikich CPA LLC*

Naperville, Illinois  
November 11, 2024

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## **Management's Discussion and Analysis**

The management of Fox Metro Water Reclamation District (District) offer readers of our financial statements the following narrative overview and analysis of our financial activities for the years ended May 31, 2024 and 2023.

### **Financial Highlights**

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$285,309,813 and \$259,738,158, respectively, (net position) at the close of the 2024 and 2023 fiscal years. Of this amount, \$72,891,470 and \$49,099,137, respectively, is unrestricted and available to meet ongoing and future obligations of the District, including its share of capital projects.

Net position increased by \$25,571,655 and \$19,038,089, respectively. The unrestricted portion increased by \$23,792,333 and \$2,480,540, respectively, while the net investment in capital assets portion increased by \$1,779,322 and \$16,645,568, respectively.

Operating income for the 2024 and 2023 fiscal years were \$24,333,274 and \$18,196,167, respectively.

Operating income for the 2024 and 2023 fiscal years were increased by net non-operating revenues of \$4,709,611 and of \$841,922, respectively.

### **Basic Financial Statements**

Our basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. The District is reported under one enterprise fund. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used. Revenues are recorded when earned and expenses are recorded when incurred. The basic financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. These are followed by notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and certain supplemental schedules and information that are useful in understanding the overall operations of the District.

The statement of net position presents information on the assets and liabilities, 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.

The statement of revenues, expenses, and changes in net position reports the operating revenues and expenses and non-operating revenue and expenses of the District for the fiscal year with the difference - the income or loss before contributions - being combined with any capital contributions to determine the net change in position for the fiscal year. That change combined with last year-end net position total reconciles to the net position total at the end of this fiscal year.

(See independent auditor's report.)



The statement of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalent balance at the end of the current fiscal year. Contrary to the other basic financial statements, this statement is prepared on a cash basis.

## Financial Information

**Net Position:** The following schedule presents a summary of net position comparisons for the fiscal years ended May 31, 2024 and 2023 (amounts in thousands).

	May 31, 2024	May 31, 2023	Increase (Decrease)
Current assets	\$ 92,451	\$ 70,339	\$ 22,113
Noncurrent assets	307,836	316,011	(8,175)
Total assets	400,287	386,350	13,938
Pension Items	6,111	6,462	(350)
Total deferred outflows of resources	6,111	6,462	(350)
Total assets and deferred outflows of resources	406,399	392,811	13,587
Current liabilities	10,654	12,838	(2,184)
Long-term liabilities	106,852	116,445	(9,594)
Total liabilities	117,505	129,283	(11,778)
Pension Items	3,584	3,790	(207)
Total deferred inflows of resources	3,584	3,790	(207)
Total liabilities and deferred inflows of resources	121,089	133,073	(11,984)
Net position			
Net investment in capital assets	203,646	201,866	1,779
Restricted	8,773	8,773	-
Unrestricted	72,891	49,099	23,792
Total net position	\$ 285,310	\$ 259,738	\$ 25,572

(See independent auditor's report.)

The District enjoys a very healthy quick ratio (cash and investments/current liabilities) of 7.6 and 4.6 respectively, providing the District with the liquid resources necessary to meet its foreseen and unforeseen operating requirements.

Restricted assets and liabilities payable from restricted assets relate to the District's requirement by the revenue bond covenants to set aside a certain amount of assets for future debt service and capital asset repair and replacement, offset by liabilities payable from said restricted assets.

The largest portion of the District's net position, \$203,645,538 and \$201,866,216, respectively, is net investment in capital assets (e.g., land, buildings, equipment, infrastructure, and improvements). Outstanding debt attributable to these capital assets, primarily Illinois Environmental Protection Agency loans, are deducted from the net book value of capital assets to calculate these figures.

Restricted net position represents outside legal restrictions on the remainder of the net position of the District. The restricted net position of \$8,772,805 and \$8,772,805 respectively, are restricted for use by the revenue bond covenants.

Most of the remaining unrestricted net position of \$72,891,470 and \$49,099,137 respectively, represent resources available to meet both the District's current and capital obligations. This category increased 48.46% and 5.32%, respectively from the prior year amount. The primary use of these net positions is to provide for the District's share of capital project costs, which are expected to total over \$103,987,500 over the next five (5) years. The District is tasked with having resources available for future environmental and safety regulations to protect public health, safety, and the environment.

**Revenue, expenses and changes in net position.** The following schedule presents a summary of revenues, expenses, and changes in net position for the fiscal years ended May 31, 2024 and 2023 (amounts in thousands).

	May 31, 2024	May 31, 2023	Increase (Decrease)
Operating revenues			
Wastewater treatment (user) charges	\$ 52,322	\$ 48,900	\$ 3,422
Connection fees	4,920	3,341	1,579
Sewer TV inspection charges	28	20	8
Other operating revenues	276	373	(97)
Total operating revenues	57,546	52,634	4,912
Operating expenses			
Operations	16,090	17,080	(990)
Administration	6,733	6,795	(62)
Depreciation	10,390	10,563	(173)
Total operating expenses	32,213	34,438	(1,225)
Operating income (loss)	24,333	18,196	6,137
Nonoperating revenues (expenses)			
Investment income	990	225	765
Replacement taxes	812	1,233	(421)
Annexation and related fees	4,199	1,387	2,812
Other nonoperating revenues	732	178	554
Interest expense and fiscal charges	(2,120)	(2,268)	148
Incident impact expense	(539)	-	(539)
Gain (loss) on sale of capital assets	635	87	548
Total nonoperating revenues (expenses)	4,709	842	3,867
Net Income before special item	29,042	19,038	10,004
Special item	3,471	-	(3,471)
Change in net position	\$ 25,571	\$ 19,038	\$ 6,533

Operating revenues represent exchange transactions with the constituents of the District for treatment of wastewater. The District provides these services to the communities of Aurora, North Aurora, Montgomery, Oswego, Sugar Grove, and portions of Batavia and Yorkville as well as unincorporated areas of DuPage, Kane, Kendall and Will counties. Primary operating revenues are wastewater treatment charges to the approximately 86,296 customer accounts in the communities and unincorporated areas served by the District. The District is responsible for the conveyance (from the lift station to the treatment plant) and treatment of wastewater in these areas with the communities being responsible for the collector lines from the point of usage to the lift station. The number of users increased by 1,081 accounts from 2023 to 2024, and has increased on average 0.82% over the last five years. The number of customer accounts is anticipated to grow by 3.5% in total over the next ten years due to the growth occurring in most areas served by the District, especially in the Oswego and Sugar Grove service areas. User fees are generally calculated based on potable water consumption. The current user rates per one thousand gallons were \$7.50 and \$7.14 in 2024 and 2023, respectively. The District has the ability to set its own user fees based on operating, capital, and cash flow needs of the District.

(See independent auditor's report.)

This past year wastewater treatment charges increased \$3,421,340 or about 7.00% over the prior year. The increase in treatment charges is due to rate increases as well as increases in the number of users and the volume of flows treated. Connection fees increased by \$1, 578,955 and other operating revenue sources increased \$96,930.

Operating expenses are those expenses directly resulting from providing services to our constituents. The District's operating expenses are grouped into three primary categories; operations, administration, and depreciation. Operations include salaries and employee benefits exclusive of administrative personnel salaries, utilities, supplies, maintenance, engineering fees, and other costs; administration includes administrative personnel salaries and employee benefits insurance, professional services, office supplies, and other costs; depreciation results from allocating the cost of the capital assets used to provide services over the assets respective useful lives. Operating expenses decreased by \$1,224,832 or 3.56% from 2023. The primary driving factor for the decrease in operating expenses is an increase of the IMRF pension plan net investment income, which drives down total pension costs.

Overall, the District reported an operating income of \$24,333,274 and \$18,196,167 for fiscal 2024 and 2023, respectively. The operating income in 2024 is mainly attributed to wastewater treatment charges and connection fees. The operating income is also attributed to management's efforts to build fund balance in order to support cash flows and future plant improvement and plant expansions as well as funding debt payments.

Non-operating revenues and expenses represent those revenues and expense that are 1) incidental to providing services, or 2) one-time revenues not correlated to user fees. Net non-operating revenues (expenses) for fiscal years 2024 and 2023 totaled \$4,709,611 and \$841,922, respectively, and are comprised primarily of replacement taxes, development fees and interest expense, and investment income. The development fees are comprised of two components, 1) annexation fees and 2) infrastructure participation fees. The primary non-operating expenses are interest costs on the District's outstanding debt obligations, interest expenses, and fiscal charges. Additionally, there is a new one-time non-operating expense for \$538,522. This expense relates to an industrial user that caused a sanitary sewer interceptor clog in January 2024, which resulted in a sanitary sewer overflow and associated damages to the surrounding area and public infrastructure. The District was reimbursed by the industrial user for cleaning and damage restoration as part of the Consent Order negotiations. The reimbursement was received subsequent to year end and is accrued as an other receivable on the 2024 statement of net position.

Overall, net position for fiscal 2024 and 2023 increased by \$25,571,655 and \$19,038,089, respectively. An adjustment to net position was made as a special item for \$3,471,230. This item is related to the District pursuing legal action against a contractor for failure to complete their contractual scope of work. For the purpose of this audit, the realized expenses for this project are accounted for as a special item.

**Net Position Budgetary Analysis.** This schedule is used to reconcile capital expenses budgeted and completed in 2024 as compared to the planned budget for 2025. Due to unforeseen circumstances including weather, contractor delays, and unanticipated engineering considerations, not all projects are completed during the planned fiscal year. This creates unanticipated surpluses or deficits. The surpluses from 2024 will be used to complete projects in 2025 and beyond. The goal is to present this phenomenon in a timely and transparent manner. For a more detailed breakout of budget versus actual, see Schedules of Revenues and Expenses – Budget and Actual in the Supplemental Schedules.

(See independent auditor's report.)

	2024 Budget	2024 Actual	Variance	2025 Budget	Budget Changes
Revenues (excluding IEPA loan proceeds)	\$ 57,862,486	\$ 64,278,688	\$ 6,416,202	\$ 59,377,314	\$ 1,514,828
Expenses (excluding capital)	(35,077,305)	(32,949,045)	(2,128,260)	(35,941,903)	(864,598)
Capital expenses	(20,929,580)	(9,169,568)	(11,760,012)	(24,515,568)	(3,585,988)
Total revenues over expenses	\$ 1,855,601	\$ 22,160,075	\$ 20,842,474	\$ (1,080,157)	\$ (2,935,758)

**Capital Assets.** Capital assets are defined by the District as assets with an initial, individual cost of more than \$20,000-\$100,000 (depending on asset class) and an estimated useful life in excess of one year. Such assets are stated at cost or at estimated historical cost for purchased or constructed capital assets and at fair value for contributed capital assets. The following table summarizes the capital asset activity of the District. Additional information regarding the capital asset activity can be found in Note 4.

	Beginning Balance June 1	Additions/ Transfers	Retirements/ Transfers	Ending Balance May 31
<b>2024</b>				
Total capital assets not being depreciated	\$ 40,279,561	\$ 7,230,178	\$ 29,648,225	\$ 17,861,514
Total capital assets being depreciated	453,265,494	26,473,864	7,914,915	471,824,443
Total accumulated depreciation	177,533,991	10,389,866	6,073,978	181,849,879
Total capital assets being depreciated, net	275,371,503	16,083,998	1,840,937	289,974,564
CAPITAL ASSETS, NET	\$ 316,011,064	\$ 23,314,176	\$ 31,489,162	\$ 307,836,078
<b>2023</b>				
Total capital assets not being depreciated	\$ 18,656,819	\$ 22,198,536	\$ 575,794	\$ 40,279,561
Total capital assets being depreciated	452,552,502	1,205,435	492,443	453,265,494
Total accumulated depreciation	167,463,663	10,562,771	492,443	177,533,991
Total capital assets being depreciated, net	285,088,839	(9,357,336)	-	275,371,503
CAPITAL ASSETS, NET	\$ 303,745,658	\$ 12,841,200	\$ 575,794	\$ 316,011,064

(See independent auditor's report.)

The capital assets are comprised primarily of the wastewater treatment facility located in unincorporated Oswego Township, Illinois along the Fox River and intercepting sewers and lift stations within the service area. The current wastewater treatment plant is over 90 years old and meets all applicable EPA requirements. The wastewater treatment plant has a design treatment capacity of 42 MGD, of which average daily flow totals 35 MGD and maximum daily treatment capacity is 151 MGD. The wet weather facility (Building T) provides the District with 54 MGD of treatment to accommodate the increased rain event flows from combined sewers in the City of Aurora. The ultimate buildout capacity of 169 MGD will be constructed in phases in order to meet the growing constituent base and new EPA standards. The District owns approximately 240 miles of collection system service lines and 11 lift stations.

**Long-term debt.** The District has the ability to issue long-term debt to finance the construction, acquisition and replacement of capital assets used in the District's operations as well as to provide short term cash flow financing for operations, if necessary. The District's debt is comprised of seven IEPA loans. The District has an AA bond rating from (Moody's/Standard and Poor's). The IEPA loans are low interest loans funded through the Illinois IEPA revolving loan fund. Additional information regarding the long-term debt of the District can be found in Note 6.

### **Other Financial Information**

The District has the ability under Illinois Compiled Statutes (ILCS) to adopt a property tax levy for certain costs as well as for debt service, with approval from the voters, as the District is considered a tax capped entity. The District has not levied for property taxes in over thirty years, instead relying on user fees and non-operating revenues to cover the costs of providing services to the constituents.

The full-time employees and certain part time employees of the District are covered by the Illinois Municipal Retirement Fund, an agent multiple employer pension plan. The funded status of the plan as of December 31, 2023 and 2022 (latest information available) was 94.47% and 90.00%, respectively.

### **Economic Factors and Future Rates**

Fox Metro has developed a comprehensive long-term capital improvement plan and several other planning documents that have been presented to the Fox Metro's Board of Trustees and the Illinois Environmental Protection Agency. Several outside engineering consultants provide expertise to develop the District's conceptual plans. The decision-making for these projects is predicated upon the age of the asset, its overall condition, and an assessment of the year-to-year maintenance costs versus the cost of rehabilitating or replacing the asset. Additionally, the performance of the asset is evaluated in terms of meeting Fox Metro's level of service goals when considering rehabilitation, improvement, or replacement. All capital improvements, their funding, and implementation schedule are based upon needs of satellite partners and projected population growth as well as the age and condition of assets.

Large projects nearing completion and final payments in the short term include: 111th St. pump station construction, Orchard Road pump station generator replacement, solar farm #2, and Boulder Hill sanitary sewer repairs on Circle Drive West. While not all inclusive, the featured longer-term projects represent some of the upcoming major capital activities in excess of \$250 million over the next several years: main Pump Station Bar Screen Improvements, Renewable Natural Gas pipeline injection, disinfection system upgrades, Building K valve replacements and repairs, Building N rehabilitation and centrifuge replacement, South Plant Phase 2 expansion, Building I repairs and upgrades, and a new Hunt Club Pump Station and improvements to the existing Sugar Grove Pump Station to serve the growing edges of Oswego and Sugar Grove, respectively. Numerous smaller operational, maintenance, and repair projects also comprise a large proportion of the upcoming projects both in the collection system and at the main WWTP campus. A large interceptor sewer lining and repair project of the original 69" interceptor serving the combined sewer area in downtown Aurora is planned in multi-year phases and will reduce infiltration and inflow and to provide structural stability to the existing nearly 100-year old pipe. Fox Metro is routinely incorporating sustainability measures into all future projects for energy efficiency and strengthening the infrastructure's stability.

**Requests for Information.** The financial report is intended to provide an overview of the finances of the Fox Metro Water Reclamation District for those with an interest in this organization. Questions concerning any information contained in this report may be directed to Linnea Scherer, Controller, 682 Route 31, Oswego, Illinois 60543.

## **BASIC FINANCIAL STATEMENTS**



**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**STATEMENTS OF NET POSITION**

May 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 39,272,924	\$ 44,317,487
Investments	32,408,424	6,462,977
Restricted assets		
Investments	8,772,805	8,772,805
Receivables		
Accounts (net of allowance for uncollectible accounts)	2,813,954	2,707,746
Unbilled user fee revenue	7,927,096	7,495,386
Interest	123,421	83,074
Other	648,066	-
Due from other governments	5,996	29,267
Prepaid items	478,549	469,972
	<hr/>	<hr/>
Total current assets	92,451,235	70,338,714
<b>NONCURRENT ASSETS</b>		
Capital assets not being depreciated	17,861,514	40,279,561
Capital assets being depreciated, net of accumulated depreciation	289,974,564	275,731,503
Total net capital assets	<hr/> 307,836,078	<hr/> 316,011,064
	<hr/>	<hr/>
Total noncurrent assets	307,836,078	316,011,064
	<hr/>	<hr/>
Total assets	400,287,313	386,349,778
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
IMRF pension items	4,588,753	5,377,266
OPEB items	1,522,568	1,084,266
	<hr/>	<hr/>
Total deferred outflows of resources	6,111,321	6,461,532
	<hr/>	<hr/>
Total assets and deferred outflows of resources	406,398,634	392,811,310

(This statement is continued on the following page.)

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

STATEMENTS OF NET POSITION (Continued)

May 31, 2024 and 2023

	2024	2023
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,659,871	\$ 2,334,212
Construction retainage payable	232,041	1,501,792
Wages payable	244,591	506,316
Accrued vacation and sick pay, current portion	252,277	255,083
Claims liability	117,924	142,721
Unearned revenues	112,823	113,573
Due to other governments, current portion	256,300	248,015
Accrued interest	506,068	536,514
Current portion of long-term debt	6,984,039	6,851,100
Current portion of total OPEB liability	287,616	348,248
Total current liabilities	10,653,550	12,837,574
<b>LONG-TERM LIABILITIES</b>		
Accrued vacation and sick pay, net of current portion	1,009,106	1,020,332
Water pollution control revolving fund notes payable, net of current portion	92,363,478	99,768,196
Due to other governments, net of current portion	4,030,397	4,286,697
Net pension liability	3,172,724	5,477,222
Total OPEB liability	6,275,800	5,892,668
Total long-term liabilities	106,851,505	116,445,115
Total liabilities	117,505,055	129,282,689
<b>DEFERRED INFLOWS OF RESOURCES</b>		
IMRF pension items	463,501	663,707
OPEB items	3,120,265	3,126,756
Total deferred inflows of resources	3,583,766	3,790,463
Total liabilities and deferred inflows of resources	121,088,821	133,073,152
<b>NET POSITION</b>		
Net investment in capital assets	203,645,538	201,866,216
Restricted under IEPA loan covenant	8,772,805	8,772,805
Unrestricted	72,891,470	49,099,137
<b>TOTAL NET POSITION</b>	<b>\$ 285,309,813</b>	<b>\$ 259,738,158</b>

See accompanying notes to financial statements.

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**

For the Years Ended May 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>OPERATING REVENUES</b>		
Wastewater treatment (user) charges	\$ 52,321,696	\$ 48,900,356
Connection fees	4,919,783	3,340,828
Sewer T.V. inspection charges	28,459	19,549
Montgomery pump station operation	3,300	6,600
Pretreatment recovery revenue	270,237	367,751
Lien adjustments	2,669	(1,215)
Total operating revenues	57,546,144	52,633,869
<b>OPERATING EXPENSES</b>		
Operations	16,090,059	17,080,181
Administration	6,732,945	6,794,750
Depreciation	10,389,866	10,562,771
Total operating expenses	33,212,870	34,437,702
<b>OPERATING INCOME</b>	24,333,274	18,196,167
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	989,960	225,459
Gain (loss) on sale of capital assets	635,366	87,000
Replacement taxes	812,345	1,233,303
Annexation and related fees	4,198,853	1,387,420
Other revenue	731,386	177,053
Incident impact expense	(538,522)	-
Interest expense and fiscal charges	(2,119,777)	(2,268,313)
Total non-operating revenues (expenses)	4,709,611	841,922
<b>NET INCOME BEFORE SPECIAL ITEM</b>	29,042,885	19,038,089
<b>SPECIAL ITEM</b>	(3,471,230)	-
<b>CHANGE IN NET POSITION</b>	25,571,655	19,038,089
<b>NET POSITION, JUNE 1</b>	259,738,158	240,700,069
<b>NET POSITION, MAY 31</b>	\$ 285,309,813	\$ 259,738,158

See accompanying notes to financial statements.

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**STATEMENTS OF CASH FLOWS**

For the Years Ended May 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 56,359,410	\$ 52,014,399
Payments to suppliers	(15,633,011)	(17,414,040)
Payments to employees	(8,847,186)	(5,641,476)
Net cash from operating activities	31,879,213	28,958,883
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Replacement taxes	812,345	1,233,303
Annexation and related fees	4,198,853	1,387,420
Incident impact expenses	(538,522)	-
Other revenues	754,657	185,964
Net cash from noncapital financing activities	5,227,333	2,806,687
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(9,961,561)	(21,182,590)
Proceeds from sale of capital assets	2,476,303	87,000
Interest paid and fiscal charges	(2,150,223)	(2,298,188)
Principal paid on state revolving fund notes payable	(7,271,779)	(7,131,132)
Principal paid on due to other governments	(248,015)	(239,870)
Net cash from capital and related financing activities	(17,155,275)	(30,764,780)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income received	949,613	142,385
(Purchase) proceeds of investments	(25,945,447)	(137,710)
Net cash from investing activities	(24,995,834)	4,675
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,044,563)	1,005,465
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	44,317,487	43,312,022
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 39,272,924	\$ 44,317,487

(This statement is continued on the following page.)

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended May 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 24,333,274	\$ 18,196,167
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation	10,389,866	10,562,771
Changes in assets and liabilities		
Accounts payable	490,422	(275,298)
Accounts receivable	(106,208)	373,076
Unbilled user fee receivable	(431,710)	(992,217)
Other receivables	(648,066)	10,000
Prepaid expenses	(8,577)	(78,300)
Wages payable	(261,725)	31,815
Accrued vacation and sick pay	(14,032)	47,580
Claims liability	(24,797)	19,739
Total OPEB liability	322,500	(165,126)
Net pension liability	(2,304,498)	12,629,543
Deferred items - OPEB	(444,793)	(85,017)
Deferred pension items - IMRF	588,307	(11,305,521)
Unearned revenues	(750)	(10,329)
Total adjustments	7,545,939	10,762,716
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 31,879,213</b>	<b>\$ 28,958,883</b>
<b>NONCASH TRANSACTIONS</b>		
Capital assets in accounts payable and retainage payable	\$ 556,326	\$ 2,990,840
Loss on disposal of capital assets	1,840,937	-
Special item	3,471,230	-
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 5,868,493</b>	<b>\$ 2,990,840</b>

See accompanying notes to financial statements.

# FOX METRO WATER RECLAMATION DISTRICT OSWEGO, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

May 31, 2024 and 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fox Metro Water Reclamation District (the District) is an Illinois unit of local government organized in 1925 under the Illinois Sanitary District Act of 1917. The Board of Trustees are elected at the general election in the associated election district in which they live.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### a. Reporting Entity

The District is considered to be a primary government since it is legally separate and fiscally independent. These financial statements include all functions, programs, and activities under the control of the Board of Trustees of the District.

#### b. Fund Accounting

Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into a single fund.

#### Proprietary Funds

#### *Enterprise Funds*

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the District has decided that periodic determination of revenues earned, expenses incurred, and net income or loss is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statements of net position. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

d. Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

e. Investments

Investments with a maturity date of less than one year from the date of purchase and non-negotiable certificates of deposit are recorded at cost or amortized cost. Investments with a maturity date of more than one year from the date of purchase are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Accounts Receivable and Unbilled User Fees

The District recognizes wastewater treatment (user) charges in the period in which they are provided. The District bills these services on a bimonthly basis. An allowance for uncollectible accounts is provided based upon historical losses.

g. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Restricted Assets

Proceeds of Illinois EPA Loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the statements of net position because their use is limited by applicable loan covenants.

i. Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$20,000 - \$100,000 and an estimated useful life in excess of one year. Such assets are stated at cost or at estimated historical cost.

Capital assets contributed to the District are recorded at acquisition value on the date contributed. Depreciation is computed under the straight-line method over the estimated useful lives of the assets. Depreciation is not recognized on construction in progress.

The following is a summary of useful lives used for depreciation of the various classes of capital assets:

Class	Useful Life in Years
Plant - buildings and improvements	5-50
Sanitary sewers and improvements	50
Plant machinery and equipment	3-50
Office furniture and equipment	5-15
Capitalized engineering and other costs	3-50
Vehicles	3-5

j. Compensated Absences

Compensated absences (sick days and vacation) are recorded in the period in which they are earned by employees whether or not actually paid.

k. Net Position

Restricted net position represents amounts required to be segregated by Illinois EPA Loan covenants ordinance provisions. Net investment in capital assets represents the book value of capital assets less outstanding long-term debt principal issued to construct or acquire capital assets. None of the District's net position is restricted as a result of enabling legislation adopted by the District. If restricted or unrestricted funds are available for spending, the restricted funds are spent first.



**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

l. Annexation and Related Fees

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, effective for fiscal years beginning after June 15, 2000, the District began recognizing contributions from non-exchange transactions as non-operating revenues beginning with fiscal year 2002. The District recognizes fees realized under annexation arrangements as revenue in the period received.

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. 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, represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

n. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets, and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

o. Special Item

Certain significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence are reported as special items.

As a result of a vendor bankruptcy, the project the vendor was handling has been considered impaired and fully written off as of May 31, 2024. This capital asset impairment is reported as a special item.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS**

The District's investment policy authorizes the District to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services. It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and rate of return.

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and US government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of May 31, 2024 and May 31, 2023: The U.S. Treasury bond, U.S. Treasury note, agency bonds, corporate bonds, commercial paper, mortgage-backed securities and the municipal bonds are valued using quoted matrix pricing models (Level 2 inputs).

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**2. DEPOSITS AND INVESTMENTS (Continued)**

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance. The District's deposits with financial institutions in excess of FDIC are collateralized in the name of the District and held by a third party acting as an agent of the District.

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 limits its exposure to interest rate risk by remaining sufficiently liquid to meet all operating requirements that may be reasonably anticipated and to provide sufficient liquidity to pay obligations as they come due. The investment policy does not limit the maximum maturity length of investments.

As of May 31, 2024, the District had the following investments and maturities in debt securities:

	Fair value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury bonds	\$ 2,953,493	\$ 1,441,571	\$ 1,511,922	\$ -	\$ -
U.S. Treasury note	5,782,537	834,663	4,947,874	-	-
Agency bonds	6,854,604	1,777,210	5,077,394	-	-
Commercial paper	4,500,646	4,500,646	-	-	-
Corporate bonds	3,023,765	2,654,355	369,410	-	-
Mortgage-backed security	421,371	-	421,371	-	-
Municipal bonds	782,852	132,037	650,815	-	-
<b>TOTAL</b>	<b>\$ 24,319,268</b>	<b>\$ 11,340,482</b>	<b>\$ 12,978,786</b>	<b>\$ -</b>	<b>\$ -</b>

As of May 31, 2023, the District had the following investments and maturities in debt securities:

	Fair value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury bonds	\$ 2,239,824	\$ 195,086	\$ 2,044,738	\$ -	\$ -
U.S. Treasury note	4,959,490	1,574,516	3,384,974	-	-
Agency bonds	4,060,194	113,218	3,946,976	-	-
Commercial paper	486,262	486,262	-	-	-
Corporate bonds	2,414,447	694,780	1,719,667	-	-
Municipal bonds	1,014,372	246,643	767,729	-	-
<b>TOTAL</b>	<b>\$ 15,174,589</b>	<b>\$ 3,310,505</b>	<b>\$ 11,864,084</b>	<b>\$ -</b>	<b>\$ -</b>

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy does not address credit risk for investments. ILCS allows investments in short-term commercial paper rated within the three highest classifications by at least two standard rating services and investments in municipal bonds rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions. The U.S. Treasury bonds and notes are rated AA+, the commercial paper is rated A-1+, corporate bonds are rated A-AA+, the municipal bonds are rated AA-AAA the agency bonds are rated AA+ or not rated, the mortgage-backed security is not rated.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, all security transactions that are exposed to custodial credit risk are processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the District's agent separate from where the investment was purchased in the District's name.

Concentration of Credit Risk

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District places no limit on the amount that may be invested in any one issuer, stating only that the District diversify its investments to avoid unreasonable risks.

**3. ACCOUNTS RECEIVABLE**

The aging of the accounts receivable balance at May 31, 2024 and 2023 is as follows:

<u>Days</u>	<u>2024</u>	<u>2023</u>
0-21	\$ 1,347,159	\$ 1,514,714
22-42	649,822	457,448
43-90	588,661	624,585
90 and over	313,197	203,836
Total accounts receivable	2,898,839	2,800,583
Allowance for uncollectible accounts	(84,885)	(92,837)
NET ACCOUNTS RECEIVABLE	<u>\$ 2,813,954</u>	<u>\$ 2,707,746</u>

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**3. ACCOUNTS RECEIVABLE (Continued)**

Included in the 90 and over balance are accounts against which liens have been filed by the District (\$62,356 and \$53,227 in 2024 and 2023, respectively), contracts for pretreatment and industrial fees which the District charges (\$235,999 and \$132,776 in 2024 and 2023, respectively), and related lien-filing fees and interest which the District charges (\$14,842 and \$17,832 in 2024 and 2023, respectively). The allowance for uncollectible accounts that is provided is management's estimation based upon the historical experience and other facts available at the time.

Unbilled user fee revenue has been recorded as of May 31, 2024 and 2023 in the amount of \$7,927,096 and \$7,495,386, respectively, to reflect wastewater treatment services performed but not billed as of those dates.

**4. CAPITAL ASSETS**

The District's property, plant, and equipment as of May 31, 2024 and 2023 are as follows:

	Balances June 1	Additions	Retirements	Balances May 31
<u>2024</u>				
Capital assets not being depreciated				
Land and land rights	\$ 9,720,703	\$ -	\$ -	\$ 9,720,703
Construction in progress	30,558,858	7,230,178	29,648,225	8,140,811
Total capital assets not being depreciated	40,279,561	7,230,178	29,648,225	17,861,514
Capital assets being depreciated				
Buildings and improvements	252,264,236	14,541,265	1,528,142	265,277,359
Sanitary sewers and improvements	132,714,260	11,635,731	1,838,053	142,511,938
Plant machinery and equipment	62,169,428	-	1,055,286	61,114,142
Office furniture and equipment	4,028,802	71,424	3,319,753	780,473
Vehicles	2,088,768	225,444	173,681	2,140,531
Total capital assets being depreciated	453,265,494	26,473,864	7,914,915	471,824,443
Less accumulated depreciation for				
Buildings and improvements	69,902,241	5,725,308	777,513	74,850,036
Sanitary sewers and improvements	64,888,414	3,026,245	747,745	67,166,914
Plant machinery and equipment	37,838,147	1,410,644	1,055,286	38,193,505
Office furniture and equipment	3,716,055	68,662	3,319,753	464,964
Vehicles	1,189,134	159,007	173,681	1,174,460
Total accumulated depreciation	177,533,991	10,389,866	6,073,978	181,849,879
Total capital assets being depreciated, net	275,731,503	16,083,998	1,840,937	289,974,564
CAPITAL ASSETS, NET	\$ 316,011,064	\$ 23,314,176	\$ 31,489,162	\$ 307,836,078

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**4. CAPITAL ASSETS (Continued)**

The construction in progress retirement of \$29,648,225 includes \$3,471,230 for a capital asset project that is considered impaired and has been fully written off as of May 31, 2024. As a result of a vendor bankruptcy, the project the vendor was handling has been considered impaired and fully written off as of May 31, 2024. This capital asset impairment is reported as a special item. See Note 1o for additional details.

	Balances June 1	Additions	Retirements	Transfers	Balances May 31
<u>2023</u>					
Capital assets not being depreciated					
Land and land rights	\$ 9,720,703	\$ -	\$ -	\$ -	\$ 9,720,703
Construction in progress	8,936,116	22,198,536	575,794	-	30,558,858
Total capital assets not being depreciated	18,656,819	22,198,536	575,794	-	40,279,561
Capital assets being depreciated					
Buildings and improvements	251,994,920	269,316	-	-	252,264,236
Sanitary sewers and improvements	132,407,781	306,479	-	-	132,714,260
Plant machinery and equipment	65,639,429	32,111	224,784	(3,277,328)	62,169,428
Office furniture and equipment	745,229	34,249	28,004	3,277,328	4,028,802
Vehicles	1,765,143	563,280	239,655	-	2,088,768
Total capital assets being depreciated	452,552,502	1,205,435	492,443	-	453,265,494
Less accumulated depreciation for					
Buildings and improvements	64,143,971	5,758,270	-	-	69,902,241
Sanitary sewers and improvements	61,807,317	3,081,097	-	-	64,888,414
Plant machinery and equipment	39,619,756	1,529,095	224,784	(3,085,920)	37,838,147
Office furniture and equipment	592,140	65,999	28,004	3,085,920	3,716,055
Vehicles	1,300,479	128,310	239,655	-	1,189,134
Total accumulated depreciation	167,463,663	10,562,771	492,443	-	177,533,991
Total capital assets being depreciated, net	285,088,839	(9,357,336)	-	-	275,731,503
CAPITAL ASSETS, NET	\$ 303,745,658	\$ 12,841,200	\$ 575,794	\$ -	\$ 316,011,064

During the year ended May 31, 2023, various assets were reclassified. These reclassifications are included within the transfer column.

**5. 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 employees; illnesses of employees; and natural disasters. General liability and property risks are covered through a public entity risk pool with transfer of risk. The District pays annual premiums to the risk pool. The District is not aware of any additional premiums owed to the risk pool as of May 31, 2024 and 2023 and for the prior two claim years.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. RISK MANAGEMENT (Continued)**

Workers' Compensation

The District is partially self-insured for workers' compensation coverage. At May 31, 2024 and 2023, the insurance limits of coverage in effect were aggregate Excess Workers' Compensation Insurance: \$550,000 self-insured retention per occurrence. \$500,000 employers' liability maximum limit of indemnity per occurrence.

The District employs an independent claims service company to review and recommend payment of claims under workers' compensation. The District had \$117,923 of workers' compensation open claims and estimated claims incurred but not reported as of May 31, 2024 and \$142,741 of workers' compensation open claims and estimated claims incurred but not reported as of May 31, 2023. These claims are based upon salary costs of individuals and incurred medical and legal fees and individual claims incurred but not reported as of May 31, 2024 and 2023.

Health Insurance

The District is exposed to various risks of loss related illnesses of employees. These risks are covered by commercial health insurance purchased from an independent third party. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

Claims Liabilities

The District was self-insured for all risks relative to health (through December 31, 2021) workers' compensation insurance. The District also purchased excess coverage policies to limit the District's exposure to these risks. An amount for incurred but not reported (IBNR) claims is recorded in the financial statements based upon actual experience.

The following is a reconciliation of changes in the liability for claims in the years ended May 31, 2024, 2023, and 2022:

	2024	2023	2022
CLAIMS LIABILITIES - JUNE 1	\$ 142,721	\$ 122,982	\$ 643,417
Claims incurred and ceded	108,720	82,826	1,602,631
Claims paid	(133,517)	(63,067)	(2,123,066)
CLAIMS LIABILITIES - MAY 31	<u>\$ 117,924</u>	<u>\$ 142,741</u>	<u>\$ 122,982</u>

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**6. CHANGES IN LONG-TERM DEBT**

The following is a summary of changes in long-term debt of the District for the years ended May 31, 2024 and 2023:

	Water Pollution Control Revolving Fund L17-2638	Water Pollution Control Revolving Fund L17-2885	Water Pollution Control Revolving Fund L17-2887	Water Pollution Control Revolving Fund L17-3407
LONG-TERM DEBT AT MAY 31, 2022	\$ 6,641,212	\$ 9,984,474	\$ 6,851,294	\$ 1,047,299
Issuances	-	-	-	-
Retirements	(815,646)	(1,068,189)	(614,568)	(93,943)
LONG-TERM DEBT AT MAY 31, 2023	5,825,566	8,916,285	6,236,726	953,356
Issuances	-	-	-	-
Retirements	(836,164)	(1,095,060)	(622,275)	(95,122)
LONG-TERM DEBT AT MAY 31, 2024	\$ 4,989,402	\$ 7,821,225	\$ 5,614,451	\$ 858,234
CURRENT PORTION	\$ 425,937	\$ 1,122,608	\$ 630,078	\$ 96,315

  

	Water Pollution Control Revolving Fund L17-3345	Water Pollution Control Revolving Fund L17-4854	Water Pollution Control Revolving Fund L17-5391	Net Pension Liability*
LONG-TERM DEBT AT MAY 31, 2022	\$ 1,168,722	\$ 84,718,806	\$ 3,338,621	\$ -
Issuances	-	-	-	5,477,222
Retirements	(91,695)	(4,279,782)	(167,309)	-
LONG-TERM DEBT AT MAY 31, 2023	1,077,027	80,439,024	3,171,312	5,477,222
Issuances	-	-	-	-
Retirements	(93,473)	(4,359,756)	(169,929)	(2,304,498)
LONG-TERM DEBT AT MAY 31, 2024	\$ 983,554	\$ 76,079,268	\$ 3,001,383	\$ 3,172,724
CURRENT PORTION	\$ 95,286	\$ 4,441,225	\$ 172,590	\$ -



**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**6. CHANGES IN LONG-TERM DEBT (Continued)**

	Total OPEB Liability	Total
LONG-TERM DEBT AT MAY 31, 2022	\$ 6,406,042	\$ 120,156,470
Issuances	-	5,477,222
Retirements	(165,126)	(7,296,258)
LONG-TERM DEBT AT MAY 31, 2023	6,240,916	118,337,434
Issuances	322,500	322,500
Retirements	-	(9,576,277)
LONG-TERM DEBT AT MAY 31, 2024	<u>\$ 6,563,416</u>	<u>\$ 109,083,657</u>
CURRENT PORTION	<u>\$ 287,616</u>	<u>\$ 7,271,654</u>

\*There was a net pension asset for IMRF as of May 31, 2022.

Long-term debt at May 31, 2024 and 2023 comprises of the following individual note obligations.

a. Water Pollution Control Revolving Fund Notes Payable

The District entered into a Water Pollution Control Revolving Fund loan agreement with the Illinois EPA in fiscal year 2008 (L17-2638) for the construction of a Temperature Phase Anaerobic Digestion System. The note bears interest at 2.50% and matures on August 15, 2029, with interest and principal payments due each

February 15 and August 15 during the repayment period. Simple interest is accrued on each loan disbursement on the day after the date of issuance with construction period interest compounding into the principal of the loan. The loan agreement constitutes a sewerage revenue bond under the Sanitary District Act of 1917, as amended, the Sanitary District Revenue Bond Act, as amended, and the Local Government Debt Reform Act, as amended.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. CHANGES IN LONG-TERM DEBT (Continued)**

a. Water Pollution Control Revolving Fund Notes Payable (Continued)

The District entered into a Water Pollution Control Revolving Fund loan agreement with the Illinois EPA in fiscal year 2009 (L17-2885) for the construction of a Excess Flow Pump Station and Disinfection Improvements. The note bears interest at 2.50% and matures on September 3, 2030, with interest and principal payments due each March 3 and September 3 during the repayment period. Simple interest is accrued on each loan disbursement on the day after the date of issuance with construction period interest compounding into the principal of the loan. The loan agreement constitutes a sewerage revenue bond under the Sanitary District Act of 1917, as amended, the Sanitary District Revenue Bond Act, as amended, and the Local Government Debt Reform Act, as amended.

The District entered into a Water Pollution Control Revolving Fund loan agreement with the Illinois EPA in fiscal year 2011 (L17-2887) for the construction of a Wet Weather Excess Flow Pump Station. The note bears interest at 1.25% and matures on April 7, 2032, with interest and principal payments due each April 7 and October 7 during the repayment period. Simple interest is accrued on each loan disbursement on the day after the date of issuance with construction period interest compounding into the principal of the loan. The loan agreement constitutes a sewerage revenue bond under the Sanitary District Act of 1917, as amended, the Sanitary District Revenue Bond Act, as amended, and the Local Government Debt Reform Act, as amended.

The District entered into a Water Pollution Control Revolving Fund loan agreement with the Illinois EPA in fiscal year 2012 (L17-3407) for the construction of the Cedar Glen subdivision sanitary sewer improvements. The note bears interest at 1.25% and matures on May 22, 2032, with interest and principal payments due each May 22 and November 22 during the repayment period. Simple interest is accrued on each loan disbursement on the day after the date of issuance with construction period interest compounding into the principal of the loan. The loan agreement constitutes a sewerage revenue bond under the Sanitary District Act of 1917, as amended, the Sanitary District Revenue Bond Act, as amended, and the Local Government Debt Reform Act, as amended.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. CHANGES IN LONG-TERM DEBT (Continued)**

a. Water Pollution Control Revolving Fund Notes Payable (Continued)

The District entered into a Water Pollution Control Revolving Fund loan agreement with the Illinois EPA in fiscal year 2014 (L17-3345) for the construction of the Montgomery/Sugar Grove interceptor extension. The note bears interest at 1.93% and matures on September 30, 2033, with interest and principal payments due each March 30 and September 30 during the repayment period. Simple interest is accrued on each loan disbursement on the day after the date of issuance with construction period interest compounding into the principal of the loan. The loan agreement constitutes a sewerage revenue bond under the Sanitary District Act of 1917, as amended, the Sanitary District Revenue Bond Act, as amended, and the Local Government Debt Reform Act, as amended.

The District entered into a Water Pollution Control Revolving Fund loan agreement with the Illinois EPA in fiscal year 2016 (L17-4854) for the construction of the South Wastewater Treatment Plant and an interceptor crossing the Waubensee River. The note bears interest at 1.86% and matures on February 4, 2039, with interest and principal payments due each August 4 and February 4 during the repayment period. Simple interest is accrued on each loan disbursement on the day after the date of issuance with construction period interest compounding into the principal of the loan. The loan agreement constitutes a sewerage revenue bond under the Sanitary District Act of 1917, as amended, the Sanitary District Revenue Bond Act, as amended, and the Local Government Debt Reform Act, as amended.

The District entered into a Water Pollution Control Revolving Fund loan agreement with the Illinois EPA in fiscal year 2018 (L17-5391) for the construction of the North Facility Improvements (Phase II Waubensee). The note bears interest at 1.56% and matures on August 26, 2039, with interest and principal payments due each February 26 and August 26 during the repayment period. Simple interest is accrued on each loan disbursement on the day after the date of issuance with construction period interest compounding into the principal of the loan. The loan agreement constitutes a sewerage revenue bond under the Sanitary District Act of 1917, as amended, the Sanitary District Revenue Bond Act, as amended, and the Local Government Debt Reform Act, as amended.

The loans are payable solely from and secured by a pledge of the net revenues (as defined in the loan agreements) of the sewerage system. The District also covenants that it will at all times establish and maintain reasonable fees, rates, and charges for the services of the sewerage system so that the revenues derived from there will be sufficient to provide funds to pay the principal and interest requirements of the loans.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**6. CHANGES IN LONG-TERM DEBT (Continued)**

a. Water Pollution Control Revolving Fund Notes Payable (Continued)

The Reserve Account shall be equal to the annual principal and interest payment funded within two years after the loan award. At May 31, 2024 and 2023, the balance of the account was \$8,772,805.

b. Compensated Absences

The following is a summary of accrued compensated absences payable of the District for the years ended May 31, 2024 and 2023:

COMPENSATED ABSENCES PAYABLE AT MAY 31, 2022	\$ 1,227,835
Issuances	293,147
Retirements	<u>(245,567)</u>
COMPENSATED ABSENCES PAYABLE AT MAY 31, 2023	1,275,415
Issuances	241,051
Retirements	<u>(255,083)</u>
COMPENSATED ABSENCES PAYABLE AT MAY 31, 2024	<u>\$ 1,261,383</u>
CURRENT PORTION	<u>\$ 252,277</u>

c. The annual requirements to amortize to maturity debt outstanding as of May 31, 2024, are as follows:

Fiscal Year Ending May 31,	Water Pollution Control Revolving Fund L17-2638	
	Principal	Interest
2025	\$ 425,937	\$ 62,368
2026	867,914	108,696
2027	889,747	86,862
2028	912,130	64,480
2029	935,076	41,534
2030	<u>958,598</u>	<u>18,011</u>
TOTAL	<u>\$ 4,989,402</u>	<u>\$ 381,951</u>

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**6. CHANGES IN LONG-TERM DEBT (Continued)**

- c. The annual requirements to amortize to maturity debt outstanding as of May 31, 2024, are as follows (Continued):

Fiscal Year Ending May 31,	Water Pollution Control Revolving Fund L17-2885		Water Pollution Control Revolving Fund L17-2887	
	Principal	Interest	Principal	Interest
2025	\$ 1,122,608	\$ 188,558	\$ 630,078	\$ 68,218
2026	1,150,848	160,317	637,978	60,317
2027	1,179,799	131,366	645,978	52,317
2028	1,209,479	101,687	654,078	44,218
2029	1,239,905	71,261	662,279	36,016
2030	1,271,096	40,070	670,584	27,712
2031	647,490	8,094	678,992	19,303
2032	-	-	687,506	10,789
2033	-	-	346,978	2,169
<b>TOTAL</b>	<b>\$ 7,821,225</b>	<b>\$ 701,353</b>	<b>\$ 5,614,451</b>	<b>\$ 321,059</b>

Fiscal Year Ending May 31,	Water Pollution Control Revolving Fund L17-3407		Water Pollution Control Revolving Fund L17-3345	
	Principal	Interest	Principal	Interest
2025	\$ 96,315	\$ 10,428	\$ 95,286	\$ 18,525
2026	97,522	9,220	97,133	16,677
2027	98,745	7,997	99,017	14,793
2028	99,983	6,759	100,937	12,873
2029	101,237	5,505	102,895	10,916
2030	102,507	4,236	104,890	8,920
2031	103,792	2,951	106,925	6,886
2032	105,093	1,649	108,998	4,813
2033	53,040	331	111,112	2,699
2034	-	-	56,361	544
<b>TOTAL</b>	<b>\$ 858,234</b>	<b>\$ 49,076</b>	<b>\$ 983,554</b>	<b>\$ 97,646</b>

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**6. CHANGES IN LONG-TERM DEBT (Continued)**

- c. The annual requirements to amortize to maturity debt outstanding as of May 31, 2024, are as follows (Continued):

Fiscal Year Ending May 31,	Water Pollution Control Revolving Fund L17-4854		Water Pollution Control Revolving Fund L17-5391	
	Principal	Interest	Principal	Interest
2025	\$ 4,441,225	\$ 1,394,518	\$ 172,590	\$ 46,151
2026	4,524,216	1,311,527	175,293	43,448
2027	4,608,757	1,226,986	178,039	40,703
2028	4,694,879	1,140,864	180,827	37,915
2029	4,782,610	1,053,133	183,659	35,083
2030	4,871,980	963,763	186,535	32,207
2031	4,963,020	872,723	189,456	29,285
2032	5,055,761	779,982	192,423	26,318
2033	5,150,236	685,507	195,437	23,305
2034	5,246,476	589,267	198,498	20,244
2035	5,344,514	491,229	201,606	17,135
2036	5,444,384	391,359	204,763	13,978
2037	5,546,121	289,622	207,970	10,771
2038	5,649,758	185,985	211,227	7,514
2039	5,755,331	80,411	214,535	4,206
2040	-	-	108,525	847
<b>TOTAL</b>	<b>\$ 76,079,268</b>	<b>\$ 11,456,876</b>	<b>\$ 3,001,383</b>	<b>\$ 389,110</b>

**7. INTERGOVERNMENTAL AGREEMENTS**

City of Aurora

On April 19, 2006, the City of Aurora (the City) entered into an agreement with the District to jointly construct a new sanitary sewer system for the City's downtown area. The agreement specifies that the City will finance all construction costs of the system. The District will repay the City 50% of the costs on a 30-year schedule in line with the debt service schedule for the City's Water and Sewer Revenue Bonds, Series 2006. Principal payments are due to the City on June 1 of each year beginning June 1, 2007, and interest payments are due semiannually on June 1 and December 1 of each year beginning December 1, 2006. During fiscal year 2016, the City refunded the underlying debt leading to a revised future payment schedule.

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. INTERGOVERNMENTAL AGREEMENTS (Continued)**

City of Aurora (Continued)

The constructed system subject to 50% repayment shall be titled in the name of the District, which will own 100%. The District agreed to be fully responsible for operation and maintenance of the system. In addition, the principal amount of the liability to be paid to the City is recorded in the statement of net position and has been accrued as a proportion of construction costs as incurred.

The liability is to be paid to the City each year as follows:

Fiscal Year	Sanitary Sewer System	
	Principal	Interest
2025	\$ 256,300	\$ 157,174
2026	264,734	149,485
2027	275,822	141,543
2028	287,071	132,924
2029	295,990	123,953
2030-2034	1,692,813	449,834
2035-2037	1,213,967	98,580
<b>TOTAL PAYMENTS</b>	<b>\$ 4,286,697</b>	<b>\$ 1,253,493</b>

Waubonsee Community College

On June 15, 2005, the District entered into an agreement with Waubonsee Community College (the College) for the construction of a new sanitary sewer line. The agreement requires the District to remit to the College the Infrastructure Participation Fees associated with the new plant, with potential payments totaling \$3,521,000. The total payments to date as of May 31, 2024 and 2023 were \$686,006.

**8. COMMITMENTS**

The District is currently involved with certain sewer system development and maintenance projects. Uncompleted contractual amounts on these projects, relating to the District and exclusive of amounts being incurred by developers and other governmental entities, totaled approximately \$3,806,874 and \$4,713,553 as of May 31, 2024 and 2023, respectively.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLAN**

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

Illinois Municipal Retirement Fund

*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.

*Plan Membership*

At December 31, 2023, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	116
Inactive employees entitled to but not yet receiving benefits	38
Active employees	<u>97</u>
TOTAL	<u><u>251</u></u>

At December 31, 2022, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	111
Inactive employees entitled to but not yet receiving benefits	36
Active employees	<u>97</u>
TOTAL	<u><u>244</u></u>



**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

*Contributions*

As set by statute, the District's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual required contribution percentage for the fiscal years 2023 and 2024 was 7.43%, and 6.09%, respectively. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The District's net pension liability was measured as of December 31, 2023 and 2022 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022	December 31, 2023
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Inflation	2.25%	2.25%
Salary increases	2.85% to 13.75%	2.85% to 13.75%
Interest rate	7.25%	7.25%
Asset valuation method	Fair value	Fair value

2022 - For nondisabled 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.

2023 - For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**9. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2023 and 2022 was 7.25%. 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 the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Change in the Net Pension Liability (Asset)*

December 31, 2022

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	\$ 52,483,603	\$ 59,635,924	\$ (7,152,321)
Changes for the period			
Service cost	722,062	-	722,062
Interest	3,729,139	-	3,729,139
Difference between expected and actual experience	676,221	-	676,221
Changes in assumptions	-	-	-
Employer contributions	-	762,048	(762,048)
Employee contributions	-	391,911	(391,911)
Net investment income	-	(7,755,220)	7,755,220
Benefit payments and refunds	(2,816,470)	(2,816,470)	-
Administrative expense	-	-	-
Other (net transfer)	-	(900,860)	900,860
Net changes	2,310,952	(10,318,591)	12,629,543
BALANCES AT DECEMBER 31, 2022	\$ 54,794,555	\$ 49,317,333	\$ 5,477,222

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**9. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Change in the Net Pension Liability (Asset) (Continued)*

December 31, 2023

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2023	\$ 54,794,555	\$ 49,317,333	\$ 5,477,222
Changes for the period			
Service cost	774,912	-	774,912
Interest	3,888,454	-	3,888,454
Difference between expected and actual experience	1,074,788	-	1,074,788
Changes in assumptions	(43,561)	-	(43,561)
Employer contributions	-	476,668	(476,668)
Employee contributions	-	418,267	(418,267)
Net investment income	-	5,468,347	(5,468,347)
Benefit payments and refunds	(3,096,337)	(3,096,337)	-
Administrative expense	-	-	-
Other (net transfer)	-	1,635,809	(1,635,809)
Net changes	2,598,256	4,902,754	(2,304,498)
BALANCES AT DECEMBER 31, 2023	\$ 57,392,811	\$ 54,220,087	\$ 3,172,724

In 2023, changes in assumptions related to mortality rates.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**9. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended May 31, 2024, the District recognized pension expense (income) of \$(1,164,310). At May 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,452,844	\$ 327,206
Changes in assumption	-	136,295
District contributions subsequent to the measurement date	261,140	-
Net difference between projected and actual earnings on pension plan investments	2,874,769	-
<b>TOTAL</b>	<b>\$ 4,588,753</b>	<b>\$ 463,501</b>

\$261,140 reported as deferred outflows of resources resulting from district contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending May 31, 2025.

The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending May 31,</u>	
2025	\$ 530,716
2026	1,175,897
2027	2,348,375
2028	(190,876)
<b>TOTAL</b>	<b>\$ 3,864,112</b>

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

December 31, 2023

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 10,192,205	\$ 3,172,724	\$ (2,353,962)

December 31, 2022

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 12,277,162	\$ 5,477,222	\$ 165,727

**10. OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description*

In addition to providing the pension benefits described, the District provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the District and can be amended by the District through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Benefits Provided

The District provides postemployment health care and life insurance benefits to its retirees. Retirees must be 55 years of age with a minimum of twenty (20) years of service Fox Metro Water Reclamation District; or 50 years of age with a minimum thirty (30) years of service. Employees that retire after reaching age 55 or at age 50 qualifying under the above criteria, but before age 62 will have 3% of his/her monthly insurance premium paid by the District for each year of service at Fox Metro Water Reclamation District.

All health care benefits are provided through the District's self-insured employee health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. The benefits are provided until age 65 or whenever Medicare coverage becomes available.

a. Membership

At May 31, 2024 membership consisted of:

Retirees and beneficiaries currently receiving benefits	16
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>98</u>
<b>TOTAL</b>	<u><u>114</u></u>
 Participating employers	 <u>1</u>

At May 31, 2022 (May 31, 2023 measurement date), membership consisted of:

Retirees and beneficiaries currently receiving benefits	15
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>95</u>
<b>TOTAL</b>	<u><u>110</u></u>
 Participating employers	 <u>1</u>

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Benefits Provided (Continued)

b. Total OPEB Liability

The District's total OPEB liability of \$6,563,416 measured as of May 31, 2024 was determined by actuarial valuations as of June 1, 2024. The District's total OPEB liability of \$6,240,916 measured as of May 31, 2023 was determined by actuarial valuations as of June 1, 2022.

c. Actuarial Assumptions and Other Inputs

The total OPEB liability at May 31, 2024, as determined by actuarial valuations as of June 1, 2024, were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial valuation date	June 1, 2024
Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Inflation	3.00%
Salary increases	4.00%
Discount rate, May 31, 2024	4.40%
Healthcare cost trend rates	4.50% to 7.00% Initial and Ultimate

The discount rate was based on the index rate for 20-year tax exempt general obligation municipal bonds rated AA or better at May 31, 2024 and 2023.

Mortality rates were based on PubG.H 2010(B) Employee Mortality Table for both males and females with 2-dimensional, fully generational improvements using the MP-2021 Mortality Improvement Scale.

The actuarial assumptions used in the June 1, 2024 valuation are based on 100% participation assumed for Trustees and 100% for all other future retirees, with 80% electing spouse coverage for Trustees and 65% for non-Trustee employees.



**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Benefits Provided (Continued)

c. Actuarial Assumptions and Other Inputs (Continued)

The total OPEB liability at May 31, 2022, as determined by actuarial valuations as of June 1, 2022, were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to May 31, 2023, including updating the discount rate at May 31, 2023, as noted below.

Actuarial valuation date	June 1, 2022
Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Inflation	3.00%
Salary increases	4.00%
Discount rate, May 31, 2023	4.24%
Healthcare cost trend rates	4.50% to 6.50% Initial and Ultimate

Mortality rates were based on PubG.H 2010(B) Employee Mortality Table for both males and females with 2-dimensional, fully generational improvements using the MP-2020 Mortality Improvement Scale.

The actuarial assumptions used in the June 1, 2022 valuation are based on 50% participation assumed for Trustees and 100% for all other future retirees, with 80% electing spouse coverage for Trustees and 70% for non-Trustee employees.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Benefits Provided (Continued)

d. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JUNE 1, 2022	<u>\$ 6,406,042</u>
Changes for the period	
Service cost	231,857
Interest	230,581
Difference between expected and actual experience	-
Changes in assumptions	(279,315)
Benefit payments	(348,249)
Other changes	<u>-</u>
Net changes	<u>(165,126)</u>
BALANCES AT MAY 31, 2023	<u>\$ 6,240,916</u>
	<u>Total OPEB Liability</u>
BALANCES AT JUNE 1, 2023	<u>\$ 6,240,916</u>
Changes for the period	
Service cost	259,593
Interest	258,517
Difference between expected and actual experience	299,427
Changes in assumptions	(207,421)
Benefit payments	(287,616)
Other changes	<u>-</u>
Net changes	<u>(322,500)</u>
BALANCES AT MAY 31, 2024	<u>\$ 6,563,416</u>

There were changes in assumptions related to the discount rate and mortality rates in 2023 and 2024.

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Benefits Provided (Continued)

e. Rate Sensitivity

May 31, 2024

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 4.40% as well as what the District total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.40%) or 1 percentage point higher (5.40%) than the current rate:

	1% Decrease (3.40%)	Current Discount Rate (4.40%)	1% Increase (5.40%)
Total OPEB liability	\$ 7,106,473	\$ 6,563,416	\$ 6,067,273

May 31, 2023

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 4.24% as well as what the District total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.24%) or 1 percentage point higher (5.24%) than the current rate:

	1% Decrease (3.24%)	Current Discount Rate (4.24%)	1% Increase (5.24%)
Total OPEB liability	\$ 6,768,566	\$ 6,240,916	\$ 5,756,888

May 31, 2024

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 4.50% to 7.00% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 6.00%) or 1 percentage point higher (5.50% to 8.00%) than the current rate:

	1% Decrease (3.50% to 6.00%)	Current Healthcare Rate (4.50% to 7.00%)	1% Increase (5.50% to 8.00%)
Total OPEB liability	\$ 5,942,915	\$ 6,563,416	\$ 7,281,079

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Benefits Provided (Continued)

e. Rate Sensitivity (Continued)

May 31, 2023

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 4.50% to 6.50% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 5.50%) or 1 percentage point higher (5.50% to 7.50%) than the current rate:

	1% Decrease (3.50% to 5.50%)	Current Healthcare Rate (4.50% to 6.50%)	1% Increase (5.50% to 7.50%)
Total OPEB liability	\$ 5,607,129	\$ 6,240,916	\$ 6,984,298

f. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended May 31, 2024, the District recognized OPEB expense of \$165,323. At May 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 261,856	\$ 1,008,795
Changes in assumptions	1,260,712	2,111,470
<b>TOTAL</b>	<b>\$ 1,522,568</b>	<b>\$ 3,120,265</b>

**FOX METRO WATER RECLAMATION DISTRICT**  
**OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Benefits Provided (Continued)

- f. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending May 31,	
2025	\$ (352,788)
2026	(352,788)
2027	(285,989)
2028	(114,288)
2029	(137,721)
Thereafter	<u>(354,123)</u>
TOTAL	<u>\$ (1,597,697)</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Nine Calendar Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 611,734	\$ 623,792	\$ 649,378	\$ 626,720	\$ 732,945	\$ 720,075	\$ 732,486	\$ 722,062	\$ 774,912
Interest	2,945,960	3,078,963	3,194,524	3,210,473	3,419,548	3,537,670	3,671,738	3,729,139	3,888,454
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	224,422	(100,244)	(197,873)	1,330,113	69,517	754,564	(801,854)	676,221	1,074,788
Changes of assumptions	52,631	(109,180)	(1,338,332)	1,419,711	-	(408,343)	-	-	(43,561)
Benefit payments, including refunds of member contributions	(1,922,014)	(2,098,151)	(2,052,012)	(2,115,418)	(2,445,092)	(2,727,529)	(2,794,373)	(2,816,470)	(3,096,337)
Net change in total pension liability	1,912,733	1,395,180	255,685	4,471,599	1,776,918	1,876,437	807,997	2,310,952	2,598,256
Total pension liability - beginning	39,987,054	41,899,787	43,294,967	43,550,652	48,022,251	49,799,169	51,675,606	52,483,603	54,794,555
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 41,899,787</b>	<b>\$ 43,294,967</b>	<b>\$ 43,550,652</b>	<b>\$ 48,022,251</b>	<b>\$ 49,799,169</b>	<b>\$ 51,675,606</b>	<b>\$ 52,483,603</b>	<b>\$ 54,794,555</b>	<b>\$ 57,392,811</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - employer	\$ 868,666	\$ 875,384	\$ 1,832,333	\$ 945,437	\$ 819,609	\$ 961,007	\$ 899,711	\$ 762,048	\$ 476,668
Contributions - member	270,736	278,009	289,228	403,942	328,438	354,633	355,880	391,911	418,267
Net investment income	175,193	2,456,460	6,658,965	(2,399,474)	7,579,108	6,824,275	8,973,395	(7,755,220)	5,468,347
Benefit payments, including refunds of member contributions	(1,922,014)	(2,098,151)	(2,052,012)	(2,115,418)	(2,445,092)	(2,727,529)	(2,794,373)	(2,816,470)	(3,096,337)
Other (net transfer)	686,461	70,313	(879,928)	543,490	447,100	41,997	(299,710)	(900,860)	1,635,809
Net change in plan fiduciary net position	79,042	1,582,015	5,848,586	(2,622,023)	6,729,163	5,454,383	7,134,903	(10,318,591)	4,902,754
Plan fiduciary net position - beginning	35,429,855	35,508,897	37,090,912	42,939,498	40,317,475	47,046,638	52,501,021	59,635,924	49,317,333
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 35,508,897</b>	<b>\$ 37,090,912</b>	<b>\$ 42,939,498</b>	<b>\$ 40,317,475</b>	<b>\$ 47,046,638</b>	<b>\$ 52,501,021</b>	<b>\$ 59,635,924</b>	<b>\$ 49,317,333</b>	<b>\$ 54,220,087</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 6,390,890</b>	<b>\$ 6,204,055</b>	<b>\$ 611,154</b>	<b>\$ 7,704,776</b>	<b>\$ 2,752,531</b>	<b>\$ (825,415)</b>	<b>\$ (7,152,321)</b>	<b>\$ 5,477,222</b>	<b>\$ 3,172,724</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Plan fiduciary net position as a percentage of the total pension liability	84.75%	85.67%	98.60%	83.96%	94.47%	101.60%	113.63%	90.00%	94.47%
Covered payroll	\$ 6,016,362	\$ 6,177,988	\$ 6,427,285	\$ 7,485,647	\$ 7,298,653	\$ 7,880,736	\$ 7,895,548	\$ 8,709,124	\$ 8,496,762
Employer's net pension liability (asset) as a percentage of covered payroll	106.23%	100.42%	9.51%	102.93%	37.71%	(10.47%)	(90.59%)	62.89%	37.34%

In 2015, 2016, and 2018, there was a change in assumptions with respect to the discount rate.

In 2020 and 2017, changes in assumptions related to price inflation, salary increases, retirement age, and mortality rates were made.

In 2023, changes in assumptions related to mortality rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)



**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Nine Fiscal Years

<b>FISCAL YEAR ENDING MAY 31,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Actuarially determined contribution	\$ 905,387	\$ 944,380	\$ 817,162	\$ 994,904	\$ 841,222	\$ 897,916	\$ 868,850	\$ 641,426	\$ 552,857
Contributions in relation to the actuarially determined contribution	905,387	944,380	817,162	994,904	841,222	897,916	868,850	641,426	552,857
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 6,016,362	\$ 6,913,945	\$ 6,022,876	\$ 7,757,301	\$ 7,455,309	\$ 7,802,947	\$ 8,133,975	\$ 8,632,269	\$ 9,074,213
Contributions as a percentage of covered payroll	15.05%	13.66%	13.57%	12.83%	11.28%	11.51%	10.68%	7.43%	6.09%

Notes to Required Supplementary Information

The District made an additional contribution of \$1,000,000 during the fiscal year ending May 31, 2017.

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 20 years (ten-year rolling period for nontaxing bodies); the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually, wage growth of 2.75%, and price inflation of 2.25%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Seven Fiscal Years

<b>MEASUREMENT DATE MAY 31,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>TOTAL OPEB LIABILITY</b>							
Service cost	\$ 295,928	\$ 308,294	\$ 261,080	\$ 275,601	\$ 351,473	\$ 231,857	\$ 259,593
Interest	215,239	228,052	211,169	190,747	126,140	230,581	258,517
Changes of benefit terms	253,406	-	-	-	-	-	-
Differences between expected and actual experience	(1,863,567)	-	(305,314)	-	(496,988)	-	299,427
Changes of assumptions	(477,738)	117,851	493,723	560,339	(1,345,785)	(279,315)	(207,421)
Benefit payments, including refunds of member contributions	(247,491)	(257,788)	(358,770)	(368,036)	(324,223)	(348,249)	(287,616)
Other changes	-	571	31,923	1	-	-	-
Net change in total OPEB liability	(1,824,223)	396,980	333,811	658,652	(1,689,383)	(165,126)	322,500
Total OPEB liability - beginning	8,530,205	6,705,982	7,102,962	7,436,773	8,095,425	6,406,042	6,240,916
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 6,705,982</b>	<b>\$ 7,102,962</b>	<b>\$ 7,436,773</b>	<b>\$ 8,095,425</b>	<b>\$ 6,406,042</b>	<b>\$ 6,240,916</b>	<b>\$ 6,563,416</b>
Covered-employee payroll	\$ 6,365,770	\$ 6,365,770	\$ 6,615,660	\$ 6,615,660	\$ 7,310,821	\$ 7,603,456	\$ 8,039,325
Employer's total OPEB liability as a percentage of covered-employee payroll	105.34%	111.58%	112.41%	122.37%	87.62%	82.08%	81.64%

For 2018, the following changes in assumptions were made: starting per capita costs, health care trend rates, and decrements were changed to those in the most recent IMRF pension plan valuation report. In addition, the election assumption for Trustees was changed to 10% and eligibility requirements for Trustees and dental benefits for non-Trustee retirees were changed to the current policy.

For the 2019, the following changes in assumptions were made: the discount rate was changed from 3.27% to 3.05%.

For the 2020, the following changes in assumptions were made: the discount rate was changed from 3.05% to 2.63% and updated mortality rates.

For the 2021, the following changes in assumptions were made: the discount rate was changed from 2.63% to 1.59% and updated mortality rates.

For the 2022, the following changes in assumptions were made: the discount rate was changed from 1.59% to 3.70% and updated mortality rates.

For the 2023, the following changes in assumptions were made: the discount rate was changed from 3.70% to 4.24% and updated mortality rates.

For the 2024, the following changes in assumptions were made: the discount rate was changed from 4.24% to 4.40% and updated mortality rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

## **SUPPLEMENTAL SCHEDULES**

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**SCHEDULES OF CHANGES IN NET POSITION**

For the Years Ended May 31, 2024 and 2023

	<b>Net Position</b>			
	<b>Net</b>	<b>Restricted</b>		
	<b>Investment in</b>	<b>Under IEPA</b>		
	<b>Capital Assets</b>	<b>Loan</b>	<b>Unrestricted</b>	<b>Total</b>
		<b>Requirements</b>		
<b>BALANCES, MAY 31, 2022</b>	\$ 185,220,648	\$ 8,860,824	\$ 46,618,597	\$ 240,700,069
Change in net position for the year ended May 31, 2022	-	-	19,038,089	19,038,089
Interaccount transfers				
Payment of bond principal, interest, and escrow amounts	-	(9,330,898)	9,330,898	-
Transfer of amounts in accordance with IEPA loan requirements	-	9,242,879	(9,242,879)	-
Transfer required to net investment in capital assets	16,645,568	-	(16,645,568)	-
<b>BALANCES, MAY 31, 2023</b>	201,866,216	8,772,805	49,099,137	259,738,158
Change in net position for the year ended May 31, 2023	-	-	25,571,655	25,571,655
Interaccount transfers				
Payment of bond principal, interest, and escrow amounts	-	(9,261,108)	9,261,108	-
Transfer of amounts in accordance with IEPA loan requirements	-	9,261,108	(9,261,108)	-
Transfer required to net investment in capital assets	1,779,322	-	(1,779,322)	-
<b>BALANCES, MAY 31, 2024</b>	<u>\$ 203,645,538</u>	<u>\$ 8,772,805</u>	<u>\$ 72,891,470</u>	<u>\$ 285,309,813</u>

(See independent auditor's report.)

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**SCHEDULES OF REVENUES AND EXPENSES -  
BUDGET AND ACTUAL**

For the Years Ended May 31, 2024 and 2023

	<b>2024</b>			<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>OPERATING REVENUES</b>						
Wastewater treatment (user) charges	\$ 49,434,000	\$ 52,321,696	\$ 2,887,696	\$ 48,874,000	\$ 48,900,356	\$ 26,356
Connection fees	2,500,000	4,919,783	2,419,783	2,730,000	3,340,828	610,828
Sewer T.V. inspection charges	16,549	28,459	11,910	23,963	19,549	(4,414)
Montgomery pump station operation	6,600	3,300	(3,300)	6,600	6,600	-
Pretreatment recovery revenues	150,000	270,237	120,237	25,000	367,751	342,751
Lien adjustments	5,000	2,669	(2,331)	5,000	(1,215)	(6,215)
Total operating revenues	52,112,149	57,546,144	5,433,995	51,664,563	52,633,869	969,306
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>						
Operations						
Union and non-union salaries and wages	7,888,176	7,334,728	(553,448)	6,802,294	6,881,650	79,356
Pension (FICA and IMRF)	1,021,392	1,093,364	71,972	1,077,902	1,058,464	(19,438)
Training and development	196,420	133,908	(62,512)	159,695	137,741	(21,954)
Unemployment compensation	12,000	14,429	2,429	13,500	14,927	1,427
Electricity	1,165,000	1,565,900	400,900	1,415,000	786,060	(628,940)
Natural gas	275,000	275,475	475	267,500	226,743	(40,757)
Cost of solids removal	538,000	459,738	(78,262)	500,000	403,141	(96,859)
Chemical cost	1,650,000	1,590,079	(59,921)	1,350,000	1,444,204	94,204
Supplies and maintenance of sewer and lift stations	922,250	519,753	(402,497)	836,250	429,405	(406,845)
T.V. sewer inspection	259,000	149,912	(109,088)	203,963	115,084	(88,879)
Plant maintenance	1,319,600	1,374,595	54,995	1,132,750	1,311,510	178,760
Plant supplies	243,300	205,667	(37,633)	209,720	220,807	11,087
Instrumentation	827,400	676,653	(150,747)	599,100	569,157	(29,943)
Motor vehicle maintenance	195,100	158,030	(37,070)	157,600	190,655	33,055
Plant computer	130,000	121,355	(8,645)	111,600	127,045	15,445
Engineering fees	3,000,000	278,120	(2,721,880)	2,850,000	351,000	(2,499,000)
Miscellaneous capital expenses	17,929,580	8,891,448	(9,038,132)	24,151,562	23,995,484	(156,078)
Engineering supplies and equipment	285,500	247,677	(37,823)	284,400	249,357	(35,043)
Lab supplies and equipment	271,800	219,465	(52,335)	230,500	192,050	(38,450)
Lab - outside analysis	178,500	145,294	(33,206)	150,250	129,995	(20,255)
Total operations	38,308,018	25,455,590	(12,852,428)	42,503,586	38,834,479	(3,669,107)

(This schedule is continued on the following pages.)

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**SCHEDULES OF REVENUES AND EXPENSES -  
BUDGET AND ACTUAL (Continued)**

For the Years Ended May 31, 2024 and 2023

	2024			2023		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION (Continued)</b>						
Administration						
Union and non-union salaries and wages	\$ 2,035,638	\$ 1,510,634	\$ (525,004)	\$ 2,065,334	\$ 1,930,447	\$ (134,887)
Pension (FICA and IMRF)	258,205	244,300	(13,905)	337,645	267,978	(69,667)
Insurance expense	765,000	548,015	(216,985)	480,000	449,110	(30,890)
Insurance claims and premiums	2,590,000	2,133,318	(456,682)	2,480,000	2,171,361	(308,639)
Attorney fees	100,000	106,339	6,339	96,000	70,407	(25,593)
Accounting and auditing	45,000	44,914	(86)	40,000	41,194	1,194
Administrative computer	414,700	408,655	(6,045)	394,900	368,412	(26,488)
Recorder fees	4,000	7,090	3,090	3,400	2,637	(763)
Postage	180,000	207,210	27,210	165,000	148,481	(16,519)
Telephone	160,000	197,281	37,281	160,000	170,759	10,759
Small claims court	5,000	-	(5,000)	13,000	1,314	(11,686)
Collection agency fees	105,000	65,320	(39,680)	95,000	52,694	(42,306)
Meter reading costs	104,300	101,720	(2,580)	88,700	96,819	8,119
Billing supplies	63,000	79,010	16,010	50,000	57,695	7,695
Office supplies and equipment	53,700	45,561	(8,139)	50,560	42,981	(7,579)
Publishing and printing	32,600	60,058	27,458	37,400	13,345	(24,055)
Payroll service	42,000	50,350	8,350	30,000	40,560	10,560
Office machine repair	414,000	459,789	45,789	403,200	427,716	24,516
District associations	15,000	11,384	(3,616)	13,400	13,052	(348)
Real estate taxes	10,000	12,622	2,622	25,000	21,632	(3,368)
Miscellaneous (including National Emergency Expenses)	387,125	392,601	5,476	350,045	352,157	2,112
Employee assistance program	55,000	46,774	(8,226)	89,000	53,999	(35,001)
Bad debt expense	15,000	-	(15,000)	15,000	-	(15,000)
Total administration	7,854,268	6,732,945	(1,121,323)	7,482,584	6,794,750	(687,834)
Total operating expenses	46,162,286	32,188,535	(13,973,751)	49,986,170	45,629,229	(4,356,941)
OPERATING INCOME	5,949,863	25,357,609	19,407,746	1,678,393	7,004,640	5,326,247

(This schedule is continued on the following page.)

**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**SCHEDULES OF REVENUES AND EXPENSES -  
BUDGET AND ACTUAL (Continued)**

For the Years Ended May 31, 2024 and 2023

	<b>2024</b>			<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Investment income	\$ 404,000	\$ 989,960	\$ 585,960	\$ 123,900	\$ 225,459	\$ 101,559
Bond requirement	(7,673,136)	(7,271,779)	401,357	(7,357,302)	(7,131,132)	226,170
Replacement taxes	650,000	812,345	162,345	610,000	1,233,303	623,303
Annexation and related fees	2,912,300	4,198,853	1,286,553	1,573,690	1,387,420	(186,270)
Other revenue	1,784,037	731,386	(1,052,651)	342,710	177,053	(165,657)
Incident impact expense	-	(538,522)	(538,522)	-	-	-
Interest expense and fiscal charges	(2,171,463)	(2,119,777)	51,686	(2,311,857)	(2,268,313)	43,544
Total non-operating revenues (expenses)	(4,094,262)	(3,197,534)	896,728	(7,018,859)	(6,376,210)	642,649
<b>CHANGE IN NET POSITION (BUDGETARY BASIS)</b>	<u>\$ 1,855,601</u>	<u>22,160,075</u>	<u>\$ 20,304,474</u>	<u>\$ (5,340,466)</u>	<u>628,430</u>	<u>\$ 5,968,896</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>						
Additions to capital assets		7,527,047			22,828,177	
Gain (loss) on sale of capital assets		635,366			87,000	
Bond requirement		7,271,779			7,131,132	
Depreciation		(10,389,866)			(10,562,771)	
Pension expense		1,716,191			(1,324,022)	
OPEB expense		122,293			250,143	
Special item		(3,471,230)			-	
Total adjustments to GAAP basis		<u>3,411,580</u>			<u>18,409,659</u>	
<b>CHANGE IN NET POSITION (GAAP BASIS)</b>		<u>\$ 25,571,655</u>			<u>\$ 19,038,089</u>	

(See independent auditor's report.)

## **OTHER SUPPLEMENTAL INFORMATION**



**FOX METRO WATER RECLAMATION DISTRICT  
OSWEGO, ILLINOIS**

**INSURANCE COVERAGE AND OTHER INFORMATION**

May 31, 2024

<b>Company</b>	<b>Policy Number</b>	<b>Expiration Date</b>	<b>Coverage</b>	<b>Liability Limits</b>
Konen Insurance Agency, Inc.	2257516	Dec-24	Property	\$440,113,709 replacement value
Trident Public Risk Solutions-Argonaut	PE-4643239	Dec-24	General liability	\$1,000,000 each occurrence, \$3,000,000 annual aggregate, \$3,000,000 completed operations
Trident Public Risk Solutions-Argonaut	BA-4643239	Dec-24	Auto liability	\$1,000,000 each accident, \$100,000 uninsured motorist, medical payments \$5,000
Trident Public Risk Solutions-Argonaut	PO-4643239	Dec-24	Public officials liability	\$1,000,000 each wrongful act, \$3,000,000 annual aggregate
Trident Public Risk Solutions-Argonaut	PEPKG0062000	Dec-24	Crime	\$500,000 blanket employee dishonesty-\$500,000 Forgery Alteration-\$500,000 Computer Fraud and Funds Transfer
Trident Public Risk Solutions-Argonaut	UMB-4643239	Dec-24	Umbrella liability	\$9,000,000 sits over general, auto, and public officials liability
Lloyd's of London	ESM0839820116	Dec-24	Cyber Liability	\$1,000,000 per claim
Midwest Employers Casualty	EW009984	Dec-24	Workers' compensation, specific excess \$600,000 retention	\$1,000,000 Employers Liability-Workers Compensation Statutory

\*Policies in effect for the fiscal year ended May 31, 2024 are shown above. All policies with an expiration date of December 2023 were renewed subsequent to year end and have an expiration date of December 2024

(See independent auditor's report.)