SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

For the Year Ended April 30, 2020

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

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Todd J. Anderson, C.P.A.
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Pehlman & Dold, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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July 23, 2020

Board of Trustees
Sangamon County Water Reclamation District
Springfield, Illinois

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Sangamon County Water Reclamation District, Springfield, Illinois (the "District"), as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Sangamon County Water Reclamation District, Springfield, Illinois, as of April 30, 2020, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The required supplementary information relative to the Illinois Municipal Retirement Fund defined benefit plan, and the post-employment benefit other than a pension, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 regarding the methods of measurement and presentation of the supplementary information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Sangamon County Water Reclamation District, Springfield, Illinois' basic financial statements. The accompanying financial information listed as *"Other Supplemental Data"* in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated July 23, 2020 on our consideration of the Sangamon County Water Reclamation District, Springfield, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sangamon County Water Reclamation District, Springfield, Illinois' internal control over financial reporting and compliance.

Respectfully submitted,

Pehlman & Dold, P.C.

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CERTIFIED PUBLIC ACCOUNTANTS
SPRINGFIELD, ILLINOIS

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July 23, 2020

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the Sangamon County Water Reclamation District, Springfield, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Sangamon County Water Reclamation District, Springfield, Illinois' basic financial statements, and have issued our report thereon dated July 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sangamon County Water Reclamation District, Springfield, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sangamon County Water Reclamation District, Springfield, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the Sangamon County Water Reclamation District, Springfield, Illinois' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sangamon County Water Reclamation District, Springfield, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Pehlman & Dold, P.C.

PEHLMAN & DOLD, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
SPRINGFIELD, ILLINOIS

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

STATEMENT OF NET POSITION
April 30, 2020

ASSETS	
Current assets:	
Cash	$ 1,237,379
Receivables:	
Sewer service charges	2,169,188
Property taxes	3,110,512
Replacement taxes	53,663
U.S. Treasury	714,068
Prepaid expenses	104,724
Restricted assets:	
Cash and investments	30,539,242
Total current assets	37,928,776
Non-current assets:	
Capital assets not being depreciated:	
Land	852,859
Construction in progress	337,194
Capital assets, net of accumulated depreciation:	
Property, plant and equipment	272,759,764
Total capital assets	273,949,817
Low pressure receivables	175,591
Total noncurrent assets	274,125,408
Total assets	312,054,184
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension and OPEB expenses	116,652
Total deferred inflows of resources	116,652
LIABILITIES	
Current liabilities:	
Accounts payable	394,915
Accounts payable outlay	140,072
Accrued vacation and payroll	1,649,750
Accrued interest payable	2,172,550
Short term line of credit	443,834
Current portion of Illinois Environmental Protection Agency	2,466,650
Current portion of bonds payable	17,095,000
Total current liabilities	24,362,771
Non-current liabilities:	
Bonds payable	175,700,000
Illinois Environmental Protection Agency wastewater treatment loans	29,723,683
Net post employment benefit obligations	15,433,999
Total non-current liabilities	220,857,682
Total liabilities	245,220,453
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	3,110,512
Deferred gain on refunding	7,402,696
Total deferred inflows of resources	10,513,208
NET POSITION	
Net investment in capital assets	131,219,283
Restricted – capital projects	5,677,604
Unrestricted	(80,459,712)
Total net position	$ 56,437,175

The Notes to the Financial Statements are an integral part of this statement.

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended April 30, 2020

Operating Revenues	
Sewer service charge	$22,610,848
Sewer permits	170,980
Special waste fees	311,250
Lab fees	24,237
Low pressure system payments	118,650
Annexation fees	2,554
Total operating revenues	23,238,519
Operating Expenses	
Plant operations	9,903,895
Pump station	1,115,630
Sewer operations	689,046
Management and administration	5,592,098
Depreciation	5,555,598
Total operating expenses	22,856,267
Operating income	382,252
Non-operating Revenues (Expenses)	
Property taxes	3,062,536
Federal sources – Build America Bonds	1,439,835
Illinois replacement taxes	393,118
Interest income	330,288
Rental income	17,814
Refunds, reimbursements, and miscellaneous	37,977
Interest expense	(8,380,438)
Bond fees	(785,383)
Total non-operating revenues (expenses)	(3,884,253)
Change in Net Position	(3,502,001)
Net Position	
Beginning of year	59,939,176
End of year	$56,437,175

The Notes to the Financial Statements are an integral part of this statement.

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

STATEMENT OF CASH FLOWS
For the Year Ended April 30, 2020

Net Cash Flows from Operating Activities:	
Cash received from customers and users	$24,575,880
Payments to suppliers	(10,024,926)
Payments to employees	(5,893,235)
Net cash provided by operating activities	8,657,719
Net Cash Flows from Non-Capital Financing Activities:	
Property tax receipts	3,062,536
Illinois replacement tax receipts	437,407
Federal and state receipts	1,449,218
Refunds, reimbursements, and miscellaneous	37,977
Net cash provided by non-capital financing activities	4,987,138
Net Cash Flows from Capital and Related Financing Activities:	
Principal payments on long-term debt	(69,163,409)
Long-term debt proceeds	89,339,351
Bond expenses	(786,183)
Interest paid	(8,852,487)
Acquisition and construction of capital assets	(2,931,310)
Net cash used by capital and related financing activities	(7,605,962)
Net Cash Flows from Investing Activities:	
Interest income	236,108
Rental income	17,814
Net cash provided by investing activities	253,922
Net decrease in cash or cash equivalents	21,504,741
Cash or cash equivalents *– May 1, 2019*	10,271,880
Cash or cash equivalents *– April 30, 2020*	$31,776,621
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 382,252
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	5,555,598
Change in operating assets and liabilities:	
Increase in receivables	1,388,325
Increase in accounts payable	202,431
Increase in accrued vacation and payroll	65,347
Decrease in prepaid expenses	(34,496)
Increase in OPEB obligations	1,098,262
Net cash provided by operating activities	$ 8,657,719

The Notes to the Financial Statements are an integral part of this statement.

Note 1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The Sangamon County Water Reclamation District, Springfield, Illinois (the "District") is a municipal corporation governed by a Board of Trustees consisting of five individuals who are appointed by the Chairman of the Sangamon County Board. Revenues consist primarily of property taxes and charges for services to customers living within an area of 165 square miles, of which the City of Springfield occupies about two-thirds. The District's revenues are therefore dependent on the economy within its territorial boundaries. Industry within the District's customer base is primarily state and local government, health care, and retail.

Adoption of New Accounting Standards:

Effective May 1, 2004, the District adopted Governmental Accounting Standards (GASB) Board Statement No. 34, *Financial statements – and Management's Discussion and Analysis – for State and Local Governments,* Statement No. 37, *Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus,* and Statement No. 38, *Certain Financial Statement Note Disclosures*. The primary impact of adopting the statements included capitalization of infrastructure (sewer lines) fixed assets, changing the presentation of fund equity, and changing the presentation of the cash flow statement from the indirect method to the direct method. Also, as part of the adoption of the new standards, the District chose to account for all of its various fund's activity and balances as a single business-type proprietary fund special purpose government entity.

Financial reporting information pertaining to the District's participation in the Illinois Municipal Retirement Fund is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant of such policies.

Reporting Entity:

For financial reporting purposes, in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards,* Section 2100, the District is a primary government in that it is a district with the authority to set and amend its budget, levy for taxes, set rates for charges, and issue bonded debt without approval from another government.

The District has developed criteria to determine whether outside agencies, such as cities, districts, and townships, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility on the following:

Financial interdependency
Selection of governing authority
Designation of management
Ability to significantly influence operations
Accountability for fiscal matters
Scope of public service
Special financing relationship

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements.

Government-Wide Financial Statement Presentation and Basis of Accounting:

The District uses a single business-type fund to account for all assets, liabilities, net position, revenues, and expenses. Business-type funds are used to account for operations that are financed and operated in a manner similar to private businesses where the intent is that all costs of providing certain goods and services to the general public be financed or recovered primarily through user charges. Accordingly, the District's financial statements are presented on the accrual basis of accounting. Revenues from operations, investments, and other sources are recorded when earned and expenses are recorded when liabilities are incurred.

Note 1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

Government-Wide Financial Statement Presentation and Basis of Accounting: - continued

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

The District recognizes user charge revenues when the service is provided. Monthly cycle billing is utilized for all users. Unbilled receivables have been estimated at April 30. User charge rates are intended to generate revenues equivalent to estimated operating and replacement costs.

Service charges, permits, annexation fees, lab fees, and other miscellaneous revenues (except interest earnings) are recorded as revenues when received because they are generally not measurable until actually received. Interest earnings are recorded as earned since they are measurable and available.

Restricted Assets:

Restricted assets are cash and cash equivalents whose use is limited by legal requirements or board designation. Restricted cash represents the cash balances reserved for capital improvements, public benefit, sewer rehabilitation and replacement, special assessment debt, and bond and interest payments.

Capital Assets:

Public domain property (sewers) and other capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets are defined by the District as assets with an initial cost of more than $1,000. The District capitalizes interest expense on funds used during construction of major projects. Bond costs discounts and premiums are amortized/accreted on a straight line basis over the useful life of the bond. Depreciation is provided using the straight-line method over the following estimated lives:

	Years
Land improvements	50-100
Buildings	100
Equipment, vehicles, and machinery	30-50
Sewer system	75

Depreciation is not provided on construction in progress until the project is completed and placed in service.

Compensated Absences:

It is the District's policy to permit employees to accumulate earned but unused sick, personal, holiday and compensatory pay benefits. One sick day is earned per month, and a maximum of 80 days may be carried over into the next year. Three personal leave days are credited to an employee at the first of the year and may be carried over into the next year with no maximum to the amount carried. Holiday leave time is earned when an employee works on a holiday as determined by the District. Holiday time may be accumulated and carried over to the next year. Employees may earn compensatory time in lieu of overtime pay for overtime worked. Employees are allowed to carry a maximum of 120 hours at any time. Upon termination of employment with the District, an employee's accumulated compensated absences balance, excluding sick time, is fully vested and payable at the employee's current pay rate. Sick leave is only paid to employees who have five or more years of service with the District and the termination is in good standing.

Note 1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

Compensated Absences: - continued

Employees receive vacation time based on their prior year service. Vacation days are given to employees on January 1st and they have sixteen months to use it. Any unused time is lost. Upon termination employees are paid for current unused time as well as time earned in the current year for the following year.

Deferred Inflows and Outflows of Resources:

In addition to assets, the Statement 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 position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District reports deferred pension charges in its Statement of Net Position in connection with their participation in the Illinois Municipal Retirement Fund. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contribution made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue from property taxes as deferred in its Statement of Net Position. These amounts are deferred and recognized as revenue in the period that the amounts become available. The District also recognizes deferred inflows related to a gain on refunding. This amount will be amortized over the life of the debt.

Reservations of Net Position:

The District records reservations for portions of net position which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditure. Unrestricted net position indicates that portion of net position, which is available for appropriations, in future periods. Net position reserves have been established for encumbrances in capital projects and for future debt service.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

Sewer Service Charges Receivable:

A majority of the sewer service charges receivable is billed and collected by other governmental agencies and then remitted to the District. The governmental agencies each have a separate collection policy. All of sewer service charges receivable are deemed collectible.

Cash and Cash Equivalents:

For purposes of reporting cash flows, the District considers all cash accounts that are not subject to withdrawal restrictions or penalties, and certificates of deposit with original maturities of 1 year or less, to be cash or cash equivalents.

Note 2. *DEPOSITS AND INVESTMENTS*

Statutes permit the District to make deposits/invest in obligations of the United States Government, direct obligations of any bank as defined by the Illinois Banking Act, short-term obligations of United States corporations, subject to certain conditions, money market mutual funds with portfolios limited to U.S. Government obligations, credit union shares, the Illinois Public Treasurer's Investment Pool (IPTIP) and repurchase agreements, subject to certain conditions.

All funds of the District must be deposited and invested according to these statutes. Depository banks use the Dedicated Method of collateralization, placing approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance.

The following is disclosed regarding coverage as of April 30, 2020.

a) The total amount of FDIC coverage as of April 30, 2020 was $1,500,000

b) Dedicated Method: The market value of securities pledged was $35,595,122

At April 30, 2019, deposits and investments of the District consist of the following:

	Carrying Amount	Bank Balance
Petty cash	$ 400	$
Cash in bank	10,701,516	11,124,029
Money Market Account	94,460	94,460
Certificate of Deposit	4,754,171	4,754,171
U.S. Government Issues	16,226,074	16,226,074
	$31,776,621	$32,198,734

Investment Policies:

Interest Rate Risk: The District has no formal policy on interest rate risk. This is the risk that changes in market interest rates will adversely affect the fair market value of an investment. In general, the longer the maturity, the greater the chance that interest rate changes will adversely affect the investment. The District currently has zero exposure to interest rate risk.

Custodial Credit Risk: The District has no formal policy on custodial credit risk. This is the risk that in the event of the failure of the counterparty (ie: financial institution) to a transaction, a government will not be able to recover the value of its deposits or investments or collateral securities that are in the possession of another party. As of April 30, 2020, the District's deposits and investments were all insured and collateralized.

Credit Risk: The District has no formal policy on credit risk. Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure.

Concentration Risk: The District's Board places no limit on the amount that can be invested with any single issuer. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Two of the Districts investments are more than 5%, or $1,049,012:

Hickory Point Bank	$ 4,490,547	21.40%
U.S. Bank	16,226,074	77.34%

Note 2. *DEPOSITS AND INVESTMENTS*

At April 30, 2020, the District had the following investments and maturities:

		Investment Maturities in Years				
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10	Rating
Certificates of deposit	$ 4,754,171	514,969	4,239,202			Unrated
U.S Government Issues	16,226,074	1,622,074				Unrated

Note 3. *PROPERTY TAXES*

The District's ad valorem property tax was levied by ordinance on June 25, 2019 on the assessed value listed and attached as an enforceable lien as of the prior January 1 for all real and business property located in the District. Taxes levied in one year become due and payable in two installments in June and September during the following year. Substantial collections of real estate taxes are typically received July through October.

The District accounts for property taxes using requirements that taxes relating to the current budget be recognized as revenue currently; and a property tax assessment made during the current year for the purpose of and relating to the following fiscal period budget be recorded as receivable and the related revenue deferred to the period for which it was levied.

The 2018 tax levy is reflected as revenue in the fiscal year ending April 30, 2020. Forfeited, objected, and delinquent tax distributions are recognized as revenues when collected.

Property taxes levied in 2019 to be collected in 2020 have been recognized as assets (property taxes receivable) and deferred inflows as these taxes have been matched to be used in the 2020 budget.

The tax rates and assessed valuation for the years are as follows:

	Levy Year	
	2018	2019
General	.0510	.0498
Illinois Municipal Retirement Fund	.0247	.0272
Sewer Treatment	.0084	.0084
Social Security	.0129	.0147
Total	.0970	.1001
Assessed valuation	$3,120,790,319	$3,107,404,151

Note 4. *SPECIAL ASSESSMENT RECEIVABLES*

The special assessment receivables are received in annual installments of principal and interest, at a rate not to exceed 6.50%. During the current fiscal year, the remaining balance of $278 was written off as uncollectable. All special assessments are completed and there are no remaining principal receivables.

Note 5. *CAPITAL ASSETS*

Capital asset activity for the year ended April 30, 2020:

	Balances April 30, 2019	Additions	Deletions	Transfers	Balances April 30, 2020
Capital Assets not being Depreciated:					
Land	$ 852,859	$	$	$	$ 852,859
Construction in progress	73,366,370			(73,029,176)	337,194
Total non-depreciable capital assets	$ 74,219,229	$	$	$(73,029,176)	$ 1,190,053
Capital Assets being Depreciated:					
Land improvements	$ 1,884,428	$	$	$	$ 1,884,428
Buildings	66,491,153	1,229,185		72,943,333	140,663,671
Equipment, vehicles, and machinery	72,731,256	1,272,713	103,257	52,455	73,953,167
Sewer system	115,226,031	569,484		33,388	115,828,903
Total depreciable capital assets	$256,332,868	$ 3,071,382	$103,257	$73,029,176	$332,330,169
Less Accumulated Depreciation:					
Land improvements	$ 517,998	$ 45,548	$	$	$ 563,546
Buildings	7,590,829	1,871,244			9,462,073
Equipment, vehicles, and machinery	15,515,927	1,794,016	(103,257)		17,206,686
Sewer system	30,493,310	1,844,790			32,338,100
Total accumulated depreciation	$ 54,118,064	$ 5,555,598	$(103,257)	$	$ 59,570,405
Total capital assets	$276,434,033	$(2,484,216)	$	$	$273,949,817

Total interest on long-term debt associated with the acquisition or construction of capital assets expensed during the year ended April 30, 2020 was $7,503,776. No interest was capitalized at construction and interest during the current fiscal years.

Note 6. *SHORT-TERM DEBT*

In March 2019, the District approved ordinance No. 2019-4 authorizing a short-term line of credit with Illinois National Bank up to $1,000,000. The loan was used to cover operating expenses and was needed due to the lag of payments from the State of Illinois. The line of credit originally matured on March 19, 2020 and carried an interest rate of 5%. In March 2020, the loan was renewed with the new maturity date of March 19, 2021. As of April 30, 2020, the loan had a balance of $443,834.

Changes in short-term debt are as follows:

	Balance April 30,2019	Proceeds	Payments	Balance April 30, 2020
INB Line of Credit	$650,000	$	$206,666	$443,834

Note 7. *LONG-TERM LIABILITIES*

Loans Payable:

Illinois Environmental Protection Agency Revolving Loans:

(a) On September 21, 2009, the District was granted a wastewater treatment works loan, under the provision of the Environmental Protection Act, in the amount of $20,000,000 at zero percent interest. In order to secure this loan, the District authorized the issuance of the Series 2009D Subordinate Lien Bonds. $10,000,000 of eligible costs were funded by the Water Pollution Control Loan Program and will be required to be repaid fully. The other $10,000,000 of eligible costs was funded under the American Recovery and Reinvestment Act of 2009, of which only $5,000,000 will be required to be repaid.

Note 7. *LONG-TERM LIABILITIES*

Loans Payable: *- continued*

Illinois Environmental Protection Agency Revolving Loans: - continued

Principal payments of $375,000 payments began April 2012 and are due each April and October through 2031. The balance of the loan at April 30, 2020 was $8,625,000. The $5,000,000 of loan forgiveness was included in non-operating income for fiscal year 2012. Repayment of the loan is secured by a lien on the net revenue of the District subordinate to the pledge of revenues that has been granted to the 2009A and 2009E Bonds, and the 2011A Bonds the 2010A and 2010B Bonds.

The following is the future payment obligations on the Illinois Environmental Protection Agency loan:

Fiscal Year	Principal	Interest	Total
April 30, 2021	$ 750,000	$	$ 750,000
April 30, 2022	750,000		750,000
April 30, 2023	750,000		750,000
April 30, 2024	750,000		750,000
April 30, 2025	750,000		750,000
April 30, 2026-2032	4,875,000		4,875,000
Total	$ 8,625,000	$	$ 8,625,000

(b) On July 28, 2010, the District was granted a $20,000,000 loan from the Illinois Environmental Protection Agency, pursuant to the Environmental Protection Act, from the Water Revolving Fund. In order to secure this loan, the District authorized the issuance of the Series 2010C Subordinate Lien Bonds. The loan has a fixed interest rate of 1.25% and was used to construct Phase III of a four-phased new wastewater treatment plant. $20,000,000 of eligible costs were funded from the Water Pollution Control Loan Program, of which $2,500,000 was forgiven and was recognized as non-operating income for fiscal year 2012. Payments began May 1, 2012 and continue through November 1, 2031. The balance of the loan at April 30, 2020 was $10,667,315. Repayment of the loan is secured by a lien on the net revenue of the District subordinate to the pledge of revenues that has been granted to the 2009A and 2009E Bonds, and the 2011A Bonds the 2010A and 2010B Bonds.

The following is the future payment obligations on the Illinois Environmental Protection Agency loan:

Fiscal Year	Principal	Interest	Total
April 30, 2021	$ 868,114	$ 130,637	$ 998,751
April 30, 2022	878,999	119,752	998,751
April 30, 2023	890,021	108,730	998,751
April 30, 2024	901,181	97,570	998,751
April 30, 2025	912,481	86,270	998,751
April 30, 2025-2032	6,216,519	275,361	6,491,880
Total	$10,667,315	$ 818,320	$11,485,635

(c) As of June 30, 2011 the Sangamon County Water Reclamation District, Springfield, Illinois was approved for a loan from the Water Pollution Control Loan Program in the amount of $20,000,000 at a 1.25% simple annual interest rate. In accordance with the procedures for issuing loans from the Water Pollution Control Loan Program Title 35 Illinois Administration Code 365.260 $2,500,000 of the loan amount will be forgiven by the State of Illinois.

In order to secure this loan, the District authorized the issuance of the Series 2011B Subordinate Lien Bonds. The proceeds of the loan will be used in the construction of Phase IV of the new Spring Creek Wastewater Treatment Plant. The $2,500,000 of loan forgiveness was included in nonoperating income for the fiscal year 2013. The balance of the loan at April 30, 2020 was $12,898,019. Repayment of the loan is secured by a lien on the net revenue of the District subordinate to the pledge of revenues that has been granted to the 2009A, 2009E, 2010A, 2010B, and 2011A Bonds.

The following is the future payment obligations on the Illinois Environmental Protection Agency loan:

Note 7. *LONG-TERM LIABILITIES*

Illinois Environmental Protection Agency Revolving Loans: - continued

Loans Payable*: continued*

Fiscal Year	Principal	Interest	Total
April 30, 2021	$ 848,536	$ 158,581	$ 1,007,118
April 30, 2022	859,176	147,942	1,007,118
April 30, 2023	869,950	137,168	1,007,118
April 30, 2024	880,858	126,260	1,007,118
April 30, 2025	891,903	115,215	1,007,118
April 30, 2026-2034	8,547,595	516,471	9,064,065
Total	$12,898,018	$1,201,637	$14,099,655

(d) On May 20, 2015, the District was offered a $20,000,000 loan from the Illinois Environmental Protection Agency, pursuant to the Environmental Protection Act, from the Water Revolving Fund, which the District accepted on May 26, 2015. The loan terms include a 2.21% annual fixed rate for 20 years, with semi-annual payments due each March and September until March 2036.

In order to secure this loan, the District authorized the issuance of the Series 2015A Subordinate Lien Bonds. The proceeds of the loan were used in the construction of a new Sugar Creek Wastewater Treatment Plant. Proceeds of the 2019 A and B General Obligation (Alternate Revenue Source) Project and Refunding Bonds were used to fully repay the loan during the current fiscal year.

(e) In August 2016, the District was offered a loan from the Illinois Environmental Protection Agency, pursuant to the Environmental Protection Act, from the Water Revolving Fund in the amount of $33,910,000. The loan terms include a 1.75% annual fixed rate for 20 years, with semi-annual payments due each January and July through January 2038. Repayment of the loan will begin in July 2018.

The proceeds of the loan were used in construction of the Sugar Creek Waste Water Treatment Plant. During fiscal year 2020, proceeds of the 2019 A and B General Obligation (Alternate Revenue Source) Project and Refunding Bonds were used to fully repay the loan.

Bond Issues:

(a) Sangamon County Water Reclamation District, Springfield, Illinois issued General Obligation Bonds (Alternate Revenue Source), Series 2009-A, in the amount of $18,800,000 for the purpose of redeeming in full the District's Sewer Revenue Bonds, Series 2007, and also to pay for capital improvements including engineering studies on the District's combined sewer overflows, and to pay interest and other costs related to the issuance of these bonds. The bonds were issued pursuant to an authorizing ordinance adopted by the Board of Trustees on January 27, 2009, a master bond ordinance adopted by the board on June 30, 2009 and the Series 2009A Bond Ordinance adopted June 30, 2009. Principal payments ranging from $490,000 to $870,000 are due each January 1 from 2011 to 2039. The bonds carry interest rates ranging from 3.00% to 5.25% and shall pay interest semiannually on January 1 and July 1. The 2009A Bonds are secured and payable from a lien on the net revenues of the District that is subordinate to the lien of any Senior Lien Bonds that may be issued under the master bond ordinance, including the 2010A, 2010B, and 2011A Bonds. The 2009A Bonds are additionally payable from a levy of ad valorem property taxes if net revenues are not sufficient to pay the bonds. The bond was fully repaid during the current fiscal year using the proceeds of the 2019 A and B General Obligation (Alternate Revenue Source) Project and Refunding Bonds.

Note 7. *LONG-TERM LIABILITIES*

Bond Issues:

(b) Sangamon County Water Reclamation District, Springfield, Illinois issued $38,860,000 taxable General Obligation Bonds, Series 2009E, for the purposes of paying for the construction costs for a new treatment plant and facilities upgrade at the District's Spring Creek site, and to pay for the interest and costs related to the issuance of this bond. The bonds were issued pursuant to an authorizing ordinance adopted by the Board of Trustees on January 27, 2009, a master bond ordinance adopted by the Board on June 30, 2009 and the Series 2009E Bond ordinance adopted September 20, 2009. The bonds are dated October 28, 2009 carry an interest rate of 6.22% and mature January 1, 2049. Principal payments ranging from $2,365,000 to $2,675,000 are due each January 1 from 2037 to 2049. The bonds shall pay interest semiannually on January 1 and July 1. The 2009E Bonds are issued on parity with the 2009A Bonds and are secured and payable from a lien on the net revenues of the District that is subordinate to the lien of any Senior Lien Bonds that may be issued under the Master Bond Ordinance, including the 2010A, 2010B, and 2011A Bonds. The 2009E Bonds are additionally payable from a levy of ad valorem property taxes if net revenues are not sufficient to pay the bonds. The District elected to issue the 2009E Bonds as taxable "Build America Bonds" under which, subject to compliance with applicable federal tax regulations, the District will be eligible to receive reimbursement from the United States Government for 35% of the interest expense of the issue. The Budget Control Act of 2011 allows the United States Government to sequester portions of the reimbursement through federal fiscal year 2021. The percentage reduction for federal fiscal year 2016 is 6.9%, making the reimbursement 32.59%.

The following is future payment obligations on the bonds, Series 2009E (before any interest reimbursement):

Fiscal Year	Principal	Interest	Total
April 30, 2021	$	$ 2,417,092	$ 2,417,092
April 30, 2022		2,417,092	2,417,092
April 30, 2023		2,417,092	2,417,092
April 30, 2024		2,417,092	2,417,092
April 30, 2025		2,417,092	2,417,092
April 30, 2026 – 2030		12,085,460	12,085,460
April 30, 2031 – 2035		12,085,460	12,085,460
April 30, 2036 – 2040	10,250,000	11,166,766	21,416,766
April 30, 2041 – 2045	15,425,000	7,055,035	22,480,035
April 30, 2046 – 2049	13,185,000	1,971,429	15,156,429
Total	$38,860,000	$56,449,610	$95,309,610

(c) Sangamon County Water Reclamation District, Springfield, Illinois issued $37,140,000 Sewer Revenue Taxable Senior Lien Bonds, Series 2010A (Build America Bonds), and $3,065,000 Sewer Revenue Bonds, Series 2010B dated April 27, 2010, for the purposes of paying for a portion of the costs for a new treatment plant and facilities upgrade at the District's Spring Creek site, for the redemption of the District's outstanding 2009B and 2009C bond series, to fund debt service reserve funds with respect to the 2010 bonds, and to pay interest and costs related to the issuance of these bonds. The bonds were issued pursuant to an authorizing ordinance duly adopted by the Board of Trustees on November 28, 2008 and January 26, 2010, a master bond ordinance duly adopted by the Board on June 30, 2009 and the Series 2010 Bond Ordinance adopted March 30, 2010. Principal payments ranging from $255,000 to $2,510,000 are due each January 1 from 2011 to 2036. The bonds carry varying interest rates from 4.098-6.498% for the 2010A Series and 2.50-4.00% for the 2010B Series. The bonds shall pay interest semiannually on January 1 and July 1. The 2010A and 2010B bonds are secured and payable from a lien on the net revenues of the District as defined in the Master Bond Ordinance. The District elected to issue the 2010A Bonds as taxable "Build America Bonds" under which, subject to compliance with applicable federal tax regulations, the District will be eligible to receive reimbursement from the United States Government for 35% of the interest expense of the issue. The Budget Control Act of 2011 allows the United States Government to sequester portions of the reimbursement through federal fiscal year 2021. The percentage reduction for federal fiscal year 2016 is 6.9%, making the reimbursement 32.59%.

Note 7. *LONG-TERM LIABILITIES*

Bond Issues: *- continued*

The following is future payment obligations on the bonds, Series 2010A&B (before any interest reimbursement):

Fiscal Year	Principal	Interest	Total
April 30, 2021	$ 1,370,000	$ 1,919,137	$ 3,289,137
April 30, 2022	1,425,000	1,835,417	3,260,417
April 30, 2023	1,480,000	1,748,335	3,228,335
April 30, 2024	1,540,000	1,657,892	3,197,892
April 30, 2025	1,600,000	1,563,783	3,163,783
April 30, 2026 – 2030	9,050,000	6,219,017	15,269,017
April 30, 2031 – 2036	13,620,000	3,204,489	16,824,489
Total	$30,085,000	$18,148,070	$48,233,070

(d) Sangamon County Water Reclamation District, Springfield, Illinois issued Senior Lien Revenue Bonds, Series 2011-A, in the amount of $20,120,000 for the purpose of paying a portion of the costs of the Spring Creek Wastewater Treatment Plant (including but not limited to Phase IV), funding reserve accounts for the Series 2011A Bonds, and paying the costs of issuing the Series 2011A Bonds. The bonds were issued pursuant to an authorizing ordinance adopted by the Board of Trustees on January 27, 2009, a master bond ordinance adopted by the Board on June 30, 2009 a Revenue Bond Authorizing Ordinance adopted February 22, 2011, and the Series 2011A Bond Ordinance adopted July 26, 2011. The bonds carry varying interest rates ranging from 2.5-5% and shall pay interest semiannually on January 1 and July 1.

The following is the future payment obligations on the bonds, Series 2011A:

Fiscal Year	Principal	Interest	Total
April 30, 2021	$15,725,000	$771,500	$16,496,500

(e) Sangamon County Water Reclamation District, Springfield, Illinois issued General Obligation (Alternative Revenue Source) and Taxable General Obligation (Alternative Revenue Source) Bonds, Series 2015A and 2015C in the amount of $24,995,000. The proceeds of the 2015A bonds are expected to be used to finance certain capital improvements in the District including a portion of the costs of the construction of a new Sugar Creek Wastewater Treatment Plant as well as fund interest payments and refund outstanding bonds. The proceeds of the 2015C Bonds are to be used to fund debt service reserve funds for the IEPA loans as well as pay issuance costs and fund interest payments. The bonds are being issued pursuant to an authorizing ordinance adopted by the Board of Trustees of the District on February 24, 2015, a master bond ordinance adopted by the Board on June 30, 2009, and the Bond ordinances adopted on June 30, 2015. The bonds are payable from the net revenues of the System and ad valorem taxes levied within the District. The bonds carry varying interest rates from 4.125% to 5.75%. Semi-annual interest payments are due each July 1 and January 1, with principal repayment beginning in 2033.

The following is the future payment obligations on the bonds, Series 2015A & C:

Fiscal Year	Principal	Interest	Total
April 30, 2021	$	$ 1,284,905	$ 1,284,905
April 20, 2022		1,284,905	1,284,905
April 30, 2023		1,284,905	1,284,905
April 30, 2024		1,284,905	1,284,905
April 30, 2025		1,284,905	1,284,905
April 30, 2026 – 2030		6,424,525	6,424,525
April 30, 2031 – 2035	1,660,000	6,341,065	8,001,065
April 30, 2036 – 2040	4,135,000	5,656,524	9,791,524
April 30, 2041 – 2045	5,965,000	4,586,638	10,551,638
April 30, 2046 – 2049	7,570,000	2,983,388	10,553,388
April 30, 2050 – 2053	5,665,000	663,550	6,328,550
Total	$24,995,000	$33,080,215	$58,075,215

Note 7. *LONG-TERM LIABILITIES*

Bond Issues: *- continued*

(f) Sangamon County Water Reclamation District, Springfield, Illinois issued General Obligation (Alternative Revenue Source) Project and Refunding Bonds, Series 2019A in the amount of $83,130,000. The proceeds of the bonds are to be used to refund several outstanding loans and bond issues as well as fund capital projects. A portion of the proceeds of the 2019A Bonds are to be used to fund debt service reserve funds. The bonds are being issued pursuant to an authorizing ordinance adopted by the District Board of Trustees on February 2, 2015, a master bond ordinance adopted by the Board on June 30, 2009, and Bond Ordinance No. 2019-16 (2019 series) approved on July 30, 2019. The bonds are payable from the net revenues of the district and ad valorem taxes levied within the District. The bonds carry varying interest rates from 2.507% to 4.000% with annual payments due every March 30 ending in 2049. The first interest payment was made April 30, 2020.

Proceeds from the sale of the bonds were as follows:

Sources:	
Par amount, Series 2019 A	$66,830,000
Par amount, Series 2019 B	16,300,000
Premium	6,209,350
Total Sources	$89,339,350

Sources:	
Project Funds	$ 6,000,000
Bond Refunding	64,223,951
SLGS Investment Purchases	17,197,149
Reserve Funds	1,133,239
Underwriter Discount	443,256
Cost of Issuance	337,356
Additional Proceeds	4,399
Total Sources	$89,339,350

The following is the future payment obligations on the bonds, Series 2019A:

Fiscal Year	Principal	Interest	Total
April 30, 2021	$	$ 3,226,783	$ 3,226,783
April 20, 2022		3,226,783	3,226,783
April 30, 2023		3,226,783	3,226,783
April 30, 2024	120,000	3,226,783	3,346,783
April 30, 2025	160,000	3,223,774	3,383,774
April 30, 2026 – 2030	1,420,000	16,039,273	17,459,273
April 30, 2031 – 2035	8,460,000	15,626,443	24,086,443
April 30, 2036 – 2040	20,155,000	13,225,828	33,380,828
April 30, 2041 – 2045	25,475,000	8,760,650	34,235,650
April 30, 2046 - 2049	27,340,000	2,880,000	30,220,000
Total	$83,130,000	$72,663,100	$155,793,100

Postemployment Benefits Other Than Pensions (OPEB):

Plan Description. The District administers a single-employer defined benefit healthcare plan. Both members of the collective Bargaining Agreement of the Sangamon County Water Reclamation District, Springfield, Illinois and non-union employees are eligible for post-retirement medical coverage. For retirement benefits, the employee must have worked at least 8 years and must be at least 55 years old. Special arrangements may be made under an Early Retirement incentive program. Special subsidies are available for long service employees, as described below.

Benefit Provisions. The Sangamon County Water Reclamation District offers a special retirement subsidy for employees who retire after age 55 with 8 years of service. The District will pay 50% of the full blended premium cost for single coverage. If the employee has over 20 years of service, the District will pay 75% of the full blended premium cost for single coverage. If the employee has over 30 years of service, the District will pay the entire full blended premium cost for single coverage.

Note 7. *LONG-TERM LIABILITIES*

Postemployment Benefits Other Than Pensions (OPEB): *- continued*

Retirees may elect to cover themselves and their spouses, as long as the spouse had been covered for at least one year before the employee retired. The retiree must pay the difference between the "Employee plus spouse" rate and the "Employee only" rate.

Retirees are covered under the post-retirement medical benefit for their natural lives. Spouses of retirees may be covered under the plan as long as the retiree lives, plus 18 additional months ("COBRA coverage") as long as the premiums are paid.

Funding Policy. The current funding policy is to pay post-retirement, medical and insurance benefits for premiums as they occur. The funding policy of the District may be amended by the Board.

Net OPEB (Asset) Liability. The District's net OPEB (asset) liability was measured as of April 30, 2020. The total OPEB liability used to calculate the net OBEB (asset) liability was determined by an actuarial valuation as of that date.

- *Actuarial Assumptions*

. The following are the methods and assumptions used to determine total pension liability at April 30, 2020:

- The **Actuarial Cost Method** used was Projected Unit Credit.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Interest** discount rate as of May 1, 2018: 2.56%, compounded annually.
  The interest discount rate as of May 1, 2019: 3.79%, compounded annually.
  The Rate of Return on Assets: 2.56%, compounded annually.
- The **Inflation Rate** was assumed to be 2.0%.
- **Projected Salary Increases** were expected to be 2.0%.
- For **Mortality**, PUB-2010 General Employees Headcount-weighted base rates generationally projected with scale MP-2019.
- For **Turnover**, 80% of the Vaughn ultimate table; 100% of the Vaughn select rates for the first three years of employment (50%, 30%, 20% respectively). Sample ultimate rates:

Age	Rate
25	10.88%
30	8.08%
35	6.32%
40	5.20%
45	4.40%
50	3.60%
55 & above	0.00%

- **Retirement Rates** were calculated specifically for the District.

Age	Rate
55	15%
56	6%
57	12%
58	12%
59	8%
60	10%
61	25%
62	25%
63	25%
64	10%
65	33%
66-69	50%
70	100%

Note 7. ***LONG-TERM LIABILITIES***

Postemployment Benefits Other Than Pensions (OPEB): *- continued*

- No **Expense**.
- For **Spousal Participation Rate**, 60% of current male Active Employees will be married at retirement; 50% of current female Active Employees will be married. Male spouses are assumed to be two years older than female spouses.
- For the **Health Care Trend Rate**, increases for the LCHP and HMO are as follows:

Year	Medical
2019-2020	5.5%
2020-2021	5.0%
2021-2022	4.5%
2022-2023	4.0%
2023-2024	3.5%
2024 & thereafter	3.5%

- For **Participation Rate**, 100% of current Active Employees eligible to participate in the post-retirement medical plan will do so.
- For **Medical Costs**, insurance rates were provided by the Office Supervisor of the District for retirees, monthly costs as of July 1, 2019 are:

	Medical LCHP	Medical HMO
Employee younger than 65	$1,046	$1,011
Employee older than 65	769	748
Spouse younger than 65	962	930
Spouse older than 65	774	688

For retirees, monthly costs as of July 1, 2020 are:

	Medical LCHP	Medical HMO
Employee younger than 65	$1,093	$1,078
Employee older than 65	809	797
Spouse younger than 65	1,005	991
Spouse older than 65	743	1,531

There is an implicit subsidy for retiree and spousal costs because the costs were developed by combining older, more costly employees, with younger ones, both younger and older than 65.

- **Aging Factors,** For the District's medical plans, the following factors are applicable:

Age	Medical (unisex)
55	1.454
60	1.703
64	1.895
65	0.700
70	0.850
75	1.000
80	1.150
85	1.250
90	1.300

Note 7. ***LONG-TERM LIABILITIES***

Postemployment Benefits Other Than Pensions (OPEB): *- continued*

- ***Changes in Net OPEB (Asset) Liability**.*

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB (Asset) Liability (A) – (B)
Balance April 30, 2019	$11,489,383	$	$11,489,383
Changes for the year:			
Service Cost	668,498		668,498
Interest on Total OPEB Liability	460,784		460,784
Changes in Benefit Terms			
Difference between Expected and Actual Experience	514,078		514,078
Changes of Assumptions	139,504		139,504
Contributions – Employer		343,891	(343,891)
Contributions – Employees			
Net Investment Income			
Benefit Payments including Refunds	(343,891)	(343,891)	
Other (net transfer)			
Net Changes	1,438,973		1,438,973
Balance April 30, 2020	$12,928,356	$	$12,928,356

- ***Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate**.*

The following presents the plan's net OPEB (asset) liability, calculated using a Discount Rate of 2.56%, as well as what the plan's OPEB (asset) liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Lower (1.56%)	***Current Discount (2.56%)***	***1% Higher (3.56%)***
Net OPEB Liability	$15,130,897	$12,928,356	$11,153,537

- ***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**.*

For the year ended April 30, 2020, the District recognized OPEB expense of $39,051. At April 30, 2020, the District reported deferred outflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred Outflow of Resources - Net
Deferred Amounts to be Recognized in OPEB Expense in Future Periods:	
Differences between expected and actual experience	$1,077,767
Changes of assumptions	(3,211)
Total deferred amounts to be recognized in OPEB expense in future periods	(1,074,556)
OPEB contributions recognized in 2020 expenses	156,646
Total Deferred amounts related to OPEB	$ 917,910

Note 7. ***LONG-TERM LIABILITIES***

Postemployment Benefits Other Than Pensions (OPEB): *- continued*

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

Year Ending April 30	Net Deferred Inflows of Resources
2021	$ 156,646
2022	156,646
2023	156,646
2024	202,626
2025	176,187
2026	69,159
Total	$ 917,910

Illinois Municipal Retirement Fund Pension Plan

- ***Plan Description****.*

Sangamon County Water Reclamation District's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund ("IMRF"), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

- ***Benefits Provided***

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

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Note 7. ***LONG-TERM LIABILITIES***

<u>Illinois Municipal Retirement Fund Pension Plan</u> *- continued*

- ***Employees Covered by Benefit Terms****.*

As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	91
Inactive Plan Members entitled to but not yet receiving benefits	12
Active Plan Members	72
Total	175

- ***Contributions****.*

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statue required employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2019 was 12.10%. For the fiscal year ended April 30, 2019, the District contributed $9,666,720 to the plan. The District also contributed 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

- ***Net Pension (Asset) Liability****.*

The District's net pension (asset) liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

- ***Actuarial Assumptions****.*

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific **mortality** table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed form the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Note 7. *LONG-TERM LIABILITIES*

Illinois Municipal Retirement Fund Pension Plan *- continued*

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37%	7.05%
International Equities	18%	8,10%
Fixed Income	28%	3.70%
Real Estate	9%	6.35%
Alternative Investments	7%	4.65-11.3%
Cash Equivalents	1%	1.85%
Total	100%	

- There were no benefit changes during this year.

- ***Single Discount Rate**.*

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits, and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

- ***Changes in Net Pension (Asset) Liability**.*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) – (B)
Balance December 31, 2018	$32,930,834	$27,057,737	$5,873,097
Changes for the year:			
Service Cost	568,370		568,370
Interest on Total Pension Liability	2,333,151		2,333,151
Changes in Benefit Terms			
Difference between Expected and Actual Experience of Total Pension Liability	(16,592)		(16,592)
Changes of Assumptions			
Contributions – Employer		711,763	(711,763)
Contributions – Employees		243,145	(243,145)
Net Investment Income		5,431,795	(5,431,795)
Benefit Payments including Refunds	(2,067,256)	(2,067,256)	
Other (net transfer)		(134,320)	134,320
Net Changes in NPL(A)	817,673	4,185,127	(3,367,454)
Balance December 31, 2019	$33,748,507	$31,242,864	$2,505,643

Note 7. ***LONG-TERM LIABILITIES***

Illinois Municipal Retirement Fund Pension Plan – *continued*

- ***Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate.***

The following presents the plan's net pension (asset) liability, calculated using a Single Discount Rate of 7.5%, as well as what the plan's net pension (asset) liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	***Current Discount (7.25%)***	***1% Higher (8.25%)***
Net Pension Liability	$6,611,537	$2,505,643	$(902,910)

- ***Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension.***

For the year ended April 30, 2020, the District recognized pension expense of $705,841. At April 30, 2020, the District reported deferred outflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows(Inflows) of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:			
Differences between expected an actual experience	$ 201,427	$ 58,512	$ 142,915
Changes of assumptions	504,059	350,320	153,739
Net difference between projects and actual actual earning on pension plan investments	2,526,605	4,027,456	(1,500,851)
Total deferred Amounts to be recognized in pension expense in future periods	3,232,091	4,436,288	(1,204,197)
Pension Contributions made subsequent to the measurement date	402,939		402,939
Total Deferred amounts Related to Pensions	$3,635,030	$4,436,288	$(801,258)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	**Net Deferred Outflows (Inflows) of Resources**
2020	$ 3,539
2021	(339,854)
2022	240,886
2023	(705,829)
Total	$(801,258)

Note 8. ***CHANGES IN LONG-TERM LIAIBLITIES***

The following is a summary of the long-term liability transactions of the District for the year ended April 30, 2020:

	Balance April 30,2019	Additions	Retirements	Balance April 30,2020
IEPA Wastewater Treatment Loans	$ 85,782,076	$	$53,591,743	$ 32,190,333
General Obligation Bonds	77,235,000	83,130,000	13,380,000	146,985,000
Revenue Bonds	47,795,000		1,985,000	45,810,000
Premium	1,287,526	6,209,351	94,181	7,402,696
Post-Employment Benefits	17,362,480		1,928,481	15,433,999
Totals	$229,462,082	$89,339,351	$70,979,405	$247,822,028

Note 9. ***MULTI EMPLOYER PENSION PLANS***

The District contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees. The risk of participating in multiemployer plans is different from single-employer pension plans in the following aspects:

(a) Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

(b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

(c) If the District stops participating in its multiemployer pension plan, it may be required to pay the plan an amount based on the underfunded status of the entire plan, referred to as a withdrawal liability.

The District's participation in the plan for the fiscal year ended April 30, 2020 is outlined in the following table. Information in the table was obtained from the plan's Form 5500 for the most current available filing. These dates may not correspond with the District's fiscal year contributions. The Plan Protection Act (PPA) zone status column ranks the funded status of multiemployer pension plans depending upon a plan's current and projected funding. The zone status is based on information that the District received from the plan. Among other factors, the plan is in the Red Zone (critical) if it has a current funded percentage less than 65%. A plan is in the Yellow Zone (endangered) or Orange Zone (seriously endangered) if it has a current funded percentage of less than 80%, or projects a credit balance deficit within seven years. A plan is in the Green Zone (healthy) if it has a current funded percentage greater than 80% and does not have a projected credit balance deficit within seven years. The Funding Improvement Plan (FIP)/Rehabilitation Plan (RP) status column indicates plans for which a FIP or RP is either pending or in place.

The following table lists information about the District's multiemployer pension plan for the year ended April 30, 2020:

Plan Name:

Fund of the International Union of Operating Engineers and Participating Employers

EIN/Pension Plan Number	(1) PPA Status	FIP/RP Status Pending/ Implemented	Company Contributions	Company Contributions > 5% (2)	Expiration Date of CBA (2)
36-6052390 / 001	Green	N/A	$394,010	No	4/30/2022

Note 9. ***MULTIEMPLOYER PENSION PLANS*** *- continued*

(1) The Zoning status represents the most recent available information for the respective multiemployer pension plan, which may be 2019 or earlier for 2020.

(2) Collective Bargaining Agreement (CBA).

The District has no intentions of withdrawing from any of the multiemployer pension plans in which they participate.

Note 10. ***RESTRICTED CASH AND INVESTMENTS***

At April 30, 2020, the District has a restricted cash and investment balance of $30,539,242 comprised of the following account balances:

Special Assessment	$ 813,881
Public Benefit	98,800
Sewer Rehabilitation	238,144
Capital Improvement	2,330,332
Bond and Interest and IEPA Reserve	
2007A	264,227
2009A	1,745,928
2009E	3,251,190
2010A Principal and Interest	1,438,178
2010A Reserve	2,622,422
2010B Reserve	12,445
2011A Principal and Interest	534,046
2015A Principal and Interest	(1,296,237)
2015C Principal and Interest	(519,935)
2019 A & B Principal and Interest	(976,997)
2019 A & B Reserve	16,226,074
IEPA Loans	2,746,558
Capital Improvement – 2019A and B	1,009,499
Replacement	687
	$30,539,242

Amounts in the Special Assessment and Public Benefit Accounts are restricted by statute to pay for the extension of sewer lines. Upon ordinance adopted by the Board, amounts in the Public Benefit Account may be used for other purposes deemed a public benefit.

The loan agreements and bond ordinances of the District establish certain accounts for the benefit of bond holders and for specific purposes designated in the ordinances. These accounts include:

Bond and Interest: Recently funded to pay principal and interest on the 2007 and 2009 General Obligation Alternate Bonds, the 2010A&B Revenue Bonds, the 2011A Revenue Bonds, and the IEPA loans. Includes amounts deposited from bond proceeds to pay a portion of interest and establish reserve accounts for the 2010A&B Bonds, 2011A&B Bonds, and the IEPA loans.

Construction - 2010A and 2010B: Established to pay for the costs of constructing the new Spring Creek wastewater treatment plant.

Capital Improvements: Established to pay for capital improvements, and through Ordinances passed by the Board in 2007 requires the deposit of connection fees received by the District. Portions of Capital Improvement have also been restricted per the 2009 Master Bond Ordinance requiring a minimum balance of $400,000 for depreciation, repair, and replacement, established for the payment of extraordinary maintenance, necessary repairs and replacements, and ordinary maintenance when no other funds are available.

Sewer Rehabilitation: Used to pay for sewer rehabilitation and lining projects. Balances may be used to meet the minimum balance of $400,000 for depreciation, repair, and replacement established in the 2009 Master Bond Ordinance.

Amounts in other accounts have been designated by ordinance of the Board.

Note 11. ***RESTRICTED ACCOUNTS – REQUIRED BY BOND ORDINANCE 2009-29***

(a) Bond and Interest – reserve accounts:

	2007A	2009A	2009E	2010B
Cash and cash equivalents - reserve accounts April 30, 2019	$ 262,092	$1,502,889	$2,923,729	$ 13,004
Add (deduct)				
Transfer to Bond and Interest Accounts		553,734	1,918,830	
Build America Bond Receipts			794,800	
Interest Income	2,835	16,255	31,623	141
Reserve Fund Earnings	(300)	(300)	(300)	(300)
Counsel and Reporting Fees	(400)	(400)	(400)	(400)
Paying Agent Fees				
Bond Principal Repayment		(326,250)	(2,417,092)	
Bond Interest Expense				
Cash and cash equivalents - reserve accounts April 30, 2020	$ 264,227	$1,745,928	$3,251,190	$ 12,445

	2010A Principal & Interest	2010A Reserve	2015A Principal & Interest	2011C Principal & Interest
Cash and cash equivalents - reserve accounts April 30, 2019	$ 935,265	$2,622,422	$(1,661,219)	$(367,605)
Add (deduct)				
Transfer to Bond and Interest Accounts	3,125,886		1,499,057	
Build America Bond Receipts	654,418			
Interest Income	10,116			
Reserve Fund Earnings	28,364			
Counsel and Reporting Fees	(300)		(350)	(350)
Paying Agent Fees	(400)		(400)	(400)
Bond Principal Repayment	(1,325,000)			
Bond Interest Expense	(1,990,171)		(1,133,325)	(151,580)
Cash and cash equivalents - reserve accounts April 30, 2020	$1,438.178	$2,622,422	$(1,296,237)	$(519,935)

	2011A Principal & Interest	2011A Reserve	IEPA Loans	2019A & B
Cash and cash equivalents - reserve accounts April 30, 2019	$ 273,460	$1,457,150	$ 154,495	$
Bond proceeds				29,610,380
Transfer to Bond and Interest Accounts	639,868		57,067,578	
Interest Income	2,958		1,671	91,066
Reserve Fund Earnings	15,760			
Counsel and Reporting Fees	(300)			
Paying Agent Fee	(400)			
Bond Principal Repayment			(53,591,742)	
Bond Interest Expense	(397,300)		(885,444)	(1,522,922)
Cost of issuance and Underwriter fee				(337,226)
Transfer of Existing Reserve Funds to 2019A&B		(1,457,150)		
Bond Refunding				(14,040,000)
Transfer to 2019 A&B Reserve (SLGS Investments)				(14,768,924)
Transfer to CIF				(9,371)
Cash and cash equivalents - reserve accounts April 30, 2020	$ 534,046	$	$2,746,558	$(976,997)

Note 11. ***RESTRICTED ACCOUNTS – REQUIRED BY BOND ORDINANCE 2009-29*** *– continued*

	2019A & B Reserves
Cash and cash equivalents - reserve accounts April 30, 2019	$
Bond proceeds	
Transfer to Bond and Interest Accounts	
Interest Income	
Reserve Fund Earnings	
Counsel and Reporting Fees	
Paying Agent Fee	
Bond Principal Repayment	
Bond Interest Expense	
Cost of issuance and Underwriter fee	
Transfer of Existing Reserve Funds to 2019A&B	1,457,150
Bond Refunding	
Transfer to 2019 A&B Reserve (SLGS Investments)	
Transfer to CIF	14,768,924
Cash and cash equivalents - reserve accounts April 30, 2020	$16,226,074

(b) Capital improvements accounts:

	Capital Improvement 2019A&B
Cash and cash equivalents - April 30, 2019	$ 183
Bond Proceeds	59,285,715
Interest Received	4,332
Capital Assets	(144,952)
Transfer to Other Funds	(58,135,779)
Cash and cash equivalents April 30, 2020	$ 1,009,499

Note 12. ***RISK MANAGEMENT***

The District is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets; injuries to employees; and natural disasters. The District carries a broad range of commercial insurance coverage, including business auto liability, general liability, workers' compensation, and an umbrella policy. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 13. ***COMMITMENTS***

At April 30, 2020, the District had several unfinished capital construction contracts with various vendors due to ongoing construction projects.

	Total Contract	Billed Amount	Remaining Contract
Crawford, Murphy, & Tilly	$2,291,630	$1,291,127	$1,000,503
Truman L. Flatt & Sons	356,887		356,887
Hanson Engineers	1,610,450	1,433,108	177,342

Note 14. ***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through July 25, 2020, which is the date the financial statements were available to be issued. Through July 25, 2020, no subsequent events required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

REQUIRED SUPPLEMENTARY INFORMATION
RELATIVE TO ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MOST RECENT CALENDAR YEARS

Calendar Year Ended *December 31*	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	$ 568,370	$ 533,102	$ 513,312	$ 535,233	$ 507,569
Interest on the Total Pension Liability	2,333,151	2,291,927	2,266,245	2,217,605	2,060,943
Changes of Benefit Terms					
Differences between Expected and Actual Experience of the Total Pension Liability	(16,592)	(46,499)	625,333	(151,755)	1,380,495
Changes of Assumptions		887,505	(1,046,745)	(105,249)	34,455
Benefit Payments, including Refunds of Employee Contributions	(2,067,256)	(2,055,354)	(1,995,869)	(1,914,301)	(1,812,097)
Net Change in Total Pension Liability	817,673	1,610,681	362,276	581,533	2,171,365
Total Pension Liability - Beginning	32,930,834	31,320,153	30,957,877	30,376,344	28,204,979
Total Pension Liability - Ending (A)	$33,748,507	$32,930,834	$31,320,153	$30,957,877	$30,376,344
Plan Fiduciary Net Position					
Contributions - Employer	$ 711,763	$ 821,146	$ 764,228	$ 1,064,596	$ 907,160
Contributions - Employees	243,145	230,625	223,248	203,644	300,105
Net Investment Income	5,431,795	(1,970,548)	4,942,160	1,723,671	121,669
Benefit Payments, including Refunds of Employee Contributions	(2,067,256)	(2,055,354)	(1,995,869)	(1,914,301)	(1,812,097)
Other (Net Transfer)	(134,320)	527,031	(642,896)	24,620	958,637
Net Change in Plan Fiduciary Net Position	4,185,127	(2,447,100)	3,290,871	1,102,230	(475,474)
Plan Fiduciary Net Position - Beginning	27,057,737	29,504,837	26,213,966	25,111,736	24,636,262
Plan Fiduciary Net Position - Ending (B)	31,424,864	27,057,737	29,504,837	26,213,966	25,111,736
Net Position (Asset) Liability – Ending (A)-(B)	$ 2,505,643	$ 5,873,097	$ 1,815,316	$ 4,743,911	$ 5,264,608
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.58%	82.17%	94.20%	84.68%	82.67%
Covered Valuation Payroll	$ 5,403,223	$5,125,006	$4,961,062	$4,525,303	$4,609,581
Net Pension Liability as a Percentage of Covered Valuation Payroll	46.37%	114.60%	36.59%	104.83%	114.21%

Note to Schedule:
This schedule is presented to illustrate the requirement to show information for 10 years, However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

REQUIRED SUPPLEMENTARY INFORMATION
RELATIVE TO ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR

SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST FOUR CALENDAR YEARS

Calendar Year Ended December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation of Payroll
2015	$612,613	$ 907,160	$(294,547)	$4,609,581	19.68%
2016	$683,321	$1,064,596	$(381,275)	$4,525,303	23.53%
2017	$741,679	$ 764,228	$(22,549)	$4,961,062	15.40%
2018	$758,501	$ 821,146	$(62,645)	$5,125,006	16.02%
2019	$653,790	$ 711,763	$(57,973)	$5,403,223	13.17%

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period.
Taxing bodies (Regular, SLEP, and ECO groups): 24-year closed period.
Early Retirement Incentive plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).

Asset Valuation Method: 5 year smoothed market; 20% corridor

Wage Growth: 3.25%

Price Inflation: 2.50%

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2017, actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

OTHER SUPPLEMENTAL DATA (UNAUDITED)

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

SCHEDULE OF ASSESSED VALUATIONS, RATES
EXTENSIONS AND COLLECTIONS
(Unaudited)
Tax Years 2019 and 2018

	2019 Taxes Payable in 2020	2018 Taxes Payable in 2019
Assessed Valuation	$3,107,404,151	$3,120,790,319
Estimated Actual Value	$9,322,212,453	$9,362,370,957
Tax Rates:		
General	.0498	.0510
Illinois municipal retirement	.0272	.0247
Sewer treatment	.0084	.0084
Social security	.0147	.0129
Total	.1001	.0970
Extensions:		
General	$1,547,487	$1,591,603
Illinois municipal retirement	845,214	770,835
Sewer treatment	261,022	262,146
Social security	456,788	402,582
Total	$3,110,511	$3,027,166
Collections:		$3,022,535

BILLABLE WATER FLOWS

Number of customers	61,441
Number of units	5,610,801
1 unit is equal to 748 gallons	
Gallons billed for calendar year 2019	4,196,879,148

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

RATE INCREASES AND RATE SCHEDULE
For the Year Ended April 30, 2020

	Fiscal Years Ending April 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rate 1a – Suburban Springfield Base User Charge											
User Charge (per CCF)	$ 2.27	$ 2.98	$ 3.90	$ 4.14	$ 4.39	$ 4.65	$ 4.93	$ 4.93	$ 4.93	$ 5.20	$ 5.47
Service Charge (monthly	5.44	7.13	9.36	9.93	10.52	11.15	11.82	11.82	11.82	12.17	12.48
Collection Charge	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Rate 1b – City of Springfield Baser User Charge											
User Charge (per CCF) net	1.14	1.49	1.95	2.07	2.20	2.33	2.47	2.47	2.47	2.77	3.07
Service charge (monthly)	2.72	3.57	4.68	4.97	5.26	5.58	5.91	5.91	5.91	6.09	6.25
Collection Charge	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25
Rate 1c – District Base User Charge											
User Charge (per CCF) net	1.14	1.49	1.95	2.07	2.20	2.33	2.47	2.47	2.47	2.61	2.75
Service Charge (monthly)	2.72	3.57	4.68	4.97	5.26	5.58	5.91	5.91	5.91	6.09	6.25
Collection Charge	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25
Rate 1d – District Unmetered User Charge											
Within Springfield	7.41	9.59	12.40	13.11	13.87	14.87	15.52	15.52	15.52	17.67	19.03
Outside of Springfield	24.26	31.70	41.45	43.91	46.52	49.28	52.20	52.20	52.20	33.47	34.86
Rate 1e – Surcharge											
BOD Surcharge	.11	.15	.20	.21	.22	.23	.25	.25	.25	.28	.29
TSS Surcharge	.16	.21	.27	.29	.31	.33	.34	.34	.34	.38	.39
Rate 1f – Surcharge											
Base User Charge	.23	.30	.39	.41	.44	.46	.49	.49	.49	.54	.56
BOD Surcharge	.05	.06	.08	.08	.09	.09	.10	.10	.10	.11	.12
TSS Surcharge	.05	.06	.08	.08	.09	.09	.10	.10	.10	.11	.12

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

SCHEDULE OF REVENUES AND EXPENSES REQUIRED BY ORDINANCE 2009-29
For the Year Ended April 30, 2020

	Statement of Revenues and Expenses	Less: Public Benefits	Less: Special Assessments	Less: Other Adjustments	Required by Ordinance 2009-29
Operating Revenues:					
Sewer service charges	$22,610,848	$	$	$	$22,610,848
Sewer permits	170,980				170,980
Special waste fees	311,250				311,250
Lab fees	24,237				24,237
Low pressure system payments	118,650	(118,650)			
Annexation fees	2,554	(2,554)			
Total operating revenues	23,238,519	(121,204)			23,117,315
Operating Expenses					
Plant operations	9,903,895	(75,355)		(664,797)	9,163,743
Pump station operations	1,115,630			(32,237)	1,083,393
Sewer operations	689,046			(26,258)	662,788
Management and administration	5,592,098			(218,744)	5,373,354
Depreciation	5,555,598			(5,555,598)	
Total operating expenses	22,856,267	(75,355)		(6,497,634)	16,283,278
Operating gain (loss)	382,252	(45,849)		6,497,634	6,834,037
Non-operating Revenues (Expenses)					
Property taxes	3,062,536				3,062,536
Federal receipts	1,439,835			(1,439,835)	
Illinois replacement taxes	393,118				393,118
Interest income	330,288	(8,606)	(3,257)		318,425
Rental income	17,814				17,814
Refunds, reimbursements, and miscellaneous	37,977	(8,452)			29,525
Interest expense	(8,380,438)			8,380,438	
Bond costs	(785,383)			785,383	
Total non-operating revenues (expenses)	(3,884,253)	(17,058)	(3,257)	7,725,986	3,821,418
Change in Net Assets	$(3,502,001)	$(62,907)	$(3,257)	$14,223,620	$10,655,455