SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

For the Year Ended April 30, 2017

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

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J. Timothy Cravens, C.P.A.
Todd J. Anderson, C.P.A.
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June 8, 2017

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, 2017, 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, 2017, 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 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 schedule of expenditures of federal awards is presented for purposed of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 June 8, 2017, 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 PC

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SPRINGFIELD, ILLINOIS

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June 8, 2017

Board of Trustees
Sangamon County Water Reclamation District
Springfield, Illinois

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, 2017, 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 June 8, 2017.

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 PC

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June 8, 2017

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Sangamon County Water Reclamation District, Springfield, Illinois, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended April 30, 2017. The Sangamon County Water Reclamation District, Springfield, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sangamon County Water Reclamation District, Springfield, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance*)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about the Sangamon County Water Reclamation District, Springfield, Illinois' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Sangamon County Water Reclamation District, Springfield, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, Sangamon County Water Reclamation District, Springfield, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2017.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Uniform Guidance.

Internal Control Over Compliance

Management of the Sangamon County Water Reclamation District, Springfield, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sangamon County Water Reclamation District, Springfield, Illinois' internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sangamon County Water Reclamation District, Springfield, Illinois' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Pehlman & Dold PC

PEHLMAN & DOLD, P.C.
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SPRINGFIELD, ILLINOIS

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

STATEMENT OF NET POSITION
April 30, 2017

ASSETS	
Current assets:	
Cash	$ 2,010,781
Receivables:	
Sewer service charges	2,025,637
Property taxes	2,840,459
Replacement taxes	60,999
U.S. Treasury	739,451
Prepaid expenses	39,125
Restricted assets:	
Cash Restricted	24,580,771
Special assessment receivable	4,974
Total current restricted assets	24,585,745
Total current assets	32,302,197
Non-current assets:	
Capital assets not being depreciated:	
Land	853,685
Construction in progress	59,047,206
Capital assets, net of accumulated depreciation:	
Property, plant and equipment	203,154,756
Total capital assets	263,055,647
Special assessment receivable	4,728
Low pressure receivables	214,240
Total noncurrent assets	263,274,615
Total assets	295,576,812
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,034,586
Total deferred outflows of resources	2,034,586

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

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

STATEMENT OF NET POSITION
April 30, 2017

LIABILITIES	
Current liabilities:	
Accounts payable	281,688
Accounts payable capital outlay	1,791,910
Accrued vacation and payroll	1,445,152
Accrued interest payable	2,543,927
Current portion of Illinois Environmental Protection Agency	3,238,636
Current portion of bonds payable	2,655,000
Total current liabilities	11,956,313
Non-current liabilities:	
Bonds payable	127,635,000
Illinois Environmental Protection Agency wastewater treatment loans	80,744,407
Net post employment benefit obligations	8,848,292
Total non-current liabilities	217,227,699
Total liabilities	229,184,012
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	2,840,459
Deferred gain on refunding	1,363,505
Total deferred inflows of resources	4,203,964
NET POSITION	
Net investment in capital assets	51,832,603
Restricted – capital projects	13,495,966
Restricted – debt service	4,786,899
Unrestricted	(5,892,046)
Total net position	64,223,422
Total liabilities and net assets	$293,407,434

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, 2017

Operating Revenues	
Sewer service charge	$22,091,970
Sewer permits	192,485
Special waste fees	212,822
Lab fees	18,910
Low pressure system payments	233,200
Annexation fees	69,877
Total operating revenues	22,819,264
Operating Expenses	
Plant operations	8,650,652
Pump station	1,046,299
Sewer operations	617,854
Management and administration	4,573,443
Depreciation	4,070,907
Total operating expenses	18,959,155
Operating income	3,860,109
Non-operating Revenues (Expenses)	
Property taxes	2,797,841
Federal sources – Build America Bonds	1,488,538
Illinois replacement taxes	396,739
Interest income	112,877
Rental income	21,117
Refunds, reimbursements, and miscellaneous	77,491
Interest expense	(7,005,867)
Bond fees	(7,951)
Total non-operating revenues (expenses)	(2,119,215)
Change in Net Position	1,740,894
Net Position	
Beginning of year	62,482,528
End of year	$64,223,422

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, 2017

Net Cash Flows from Operating Activities:	
Cash received from customers and users	$ 24,113,496
Payments to suppliers	(9,251,372)
Payments to employees	(4,620,091)
Net cash provided by operating activities	10,242,033
Net Cash Flows from Non-Capital Financing Activities:	
Property tax receipts	2,797,841
Illinois replacement tax receipts	394,937
Federal and state receipts	1,498,979
Refunds, reimbursements, and miscellaneous	77,491
Net cash provided by non-capital financing activities	4,769,248
Net Cash Flows from Capital and Related Financing Activities:	
Principal payments on long-term debt	(5,150,077)
Long-term debt proceeds	32,106,846
Bond proceeds	
Bond expenses	(7,310)
Interest paid	(7,010,956)
Acquisition and construction of capital assets	(35,843,041)
Net cash used by capital and related financing activities	(15,904,538)
Net Cash Flows from Investing Activities:	
Interest income	74,887
Rental income	21,117
Net cash provided by investing activities	96,004
Net decrease in cash or cash equivalents	(797,253)
***Cash or cash equivalents** – May 1, 2016*	27,388,805
***Cash or cash equivalents** – April 30, 2017*	$ 26,591,552
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 3,860,109
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,070,907
Change in operating assets and liabilities:	
Decrease in receivables	1,293,979
Decrease in accounts payable	(71,969)
Increase in accrued vacation and payroll	138,229
Decrease in prepaid expenses	22
Increase in post employment benefit obligations	950,756
Net cash provided by operating activities	$ 10,242,033

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, 2017.

a) The total amount of FDIC coverage as of April 30, 2017 was $3,500,000

b) Dedicated Method: The market value of securities pledged was $28,656,354

At April 30, 2017, deposits and investments of the District consist of the following:

	Carrying Amount	Bank Balance
Petty cash	$ 400	$
Cash in bank	24,577,711	25,001,595
Money Market Account	2,089	2,089
Certificate of Deposit	2,011,352	2,011,352
	$26,591,552	$27,015,036

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, 2017 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. Eight of the Districts investments are more than 5%, or $100,568:

St. Louis Bank	$242,605	12.06%
Pacific Western Bank	246,000	12.23%
Western Alliance Bank	246,000	12.23%
East West Bank	243,500	12.11%
The Park National Bank	243,500	12.11%
Crestmark Bank	243,500	12.11%
Blue Sky Bank	242,605	12.06%
Hickory Point Bank	246,846	12.27%

Note 2. ***DEPOSITS AND INVESTMENTS***

At April 30, 2017, 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
Certificates of deposit	$2,011,352	$2,011,352			

Note 3. ***PROPERTY TAXES***

The District's ad valorem property tax was levied by ordinance on September 27, 2016 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 2015 tax levy is reflected as revenue in the fiscal year ending April 30, 2017. Forfeited, objected, and delinquent tax distributions are recognized as revenues when collected.

Property taxes levied in 2016 to be collected in 2017 have been recognized as assets (property taxes receivable) and deferred inflow as these taxes have been matched to be used in the 2018 budget.

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

	Levy Year	
	2015	2016
General	.0554	.0556
Illinois Municipal Retirement Fund	.0233	.0228
Sewer Treatment	.0089	.0086
Social Security	.0080	.0078
Total	.0956	.0948
Assessed valuation	$2,915,254,322	$2,996,264,953

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%, through 2019. The following summarizes the remaining principal installments receivable under the assessment:

Fiscal Year	Principal
April 30, 2018	4,974
April 30, 2019	4,728
	$ 9,702

Note 5. *CAPITAL ASSETS*

Capital asset activity for the year ended April 30, 2017:

	Balances April 30, 2016	Additions	Deletions	Balances April 30, 2017
Capital Assets not being Depreciated:				
Land	$ 853,685	$	$	$ 853,685
Construction in progress	25,794,743	33,252,463		59,047,206
Total non-depreciable capital assets	$ 26,648,428	$33,252,463	$	$ 59,900,891
Capital Assets being Depreciated:				
Land improvements	$ 1,611,598	$	$	$ 1,611,598
Buildings	63,165,995	1,114,713		64,280,708
Equipment, vehicles, and machinery	71,608,149	178,726	(59,580)	71,727,295
Sewer system	111,376,823	976,095		112,352,918
Total depreciable capital assets	$247,762,565	$ 2,269,534	$(59,580)	$249,972,519
Less Accumulated Depreciation:				
Land improvements	$ 396,944	$ 37,753	$	$ 434,697
Buildings	5,507,480	673,922		6,181,402
Equipment, vehicles, and machinery	10,696,964	1,647,278	(34,522)	12,309,720
Sewer system	26,179,990	1,711,954		27,891,944
Total accumulated depreciation	$ 42,781,378	$ 4,070,907	$(34,522)	$ 46,817,763
Total capital assets	$231,629,615	$31,451,090	$(25,058)	$263,055,647

Interest capitalized as construction period interest for the new sewer wastewater treatment plant is $1,284,905. Total interest on long-term debt associated with the acquisition or construction of capital assets expensed during the year ended April 30, 2017 was $6,994,244.

Note 6. *LONG-TERM DEBT*

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. Principal payments of $375,000 payments began April 2012 and are due each April and October thru 2031. The balance of the loan at April 30, 2017 was $10,875,000. 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.

Note 6. *LONG-TERM DEBT*

Loans Payable: *- continued*

Illinois Environmental Protection Agency Revolving Loans: - continued

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

Fiscal Year	Principal	Interest	Total
April 30, 2018	$ 750,000	$	$ 750,000
April 30, 2019	750,000		750,000
April 30, 2020	750,000		750,000
April 30, 2021	750,000		750,000
April 30, 2022	750,000		750,000
April 30, 2023-2032	7,125,000		7,125,000
Total	$10,875,000	$	$10,875,000

(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, 2017 was $13,207,683. 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, 2018	$ 836,260	$ 162,491	$ 998,751
April 30, 2019	846,746	152,005	998,751
April 30, 2020	857,363	141,388	998,751
April 30, 2021	868,114	130,637	998,751
April 30, 2022	878,999	119,752	998,751
April 30, 2023-2032	8,920,201	567,931	9,488,132
Total	$13,207,683	$1,274,204	$14,481,887

(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, 2017 was $15,381,099. 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:

Fiscal Year	Principal	Interest	Total$
April 30, 2018	$ 817,401	$ 189,717	$ 1,007,118
April 30, 2019	827,651	179,467	1,007,118
April 30, 2020	838,028	169,090	1,007,118
April 30, 2021	848,537	158,581	1,007,118
April 30, 2022	859,176	147,942	1,007,118
April 30, 2023-2032	11,190,306	895,110	12,085,416
Total	$15,381,099	$1,739,907	$17,121,006

Note 6. *LONG-TERM DEBT*

***Loans Payable**: continued*

Illinois Environmental Protection Agency Revolving Loans: - continued

(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 will be used in the construction of a new Sugar Creek Wastewater Treatment Plant. The final $7,390,691 was drawn from the loan in fiscal year 2017, and the first payment of the loan was made in March 2017. The balance of the loan at April 30, 2017 was $19,803,106.

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

Fiscal Year	Principal	Interest	Total
April 30, 2018	$ 834,975	$162,491	$ 997,466
April 30, 2019	853,530	152,005	1,005,535
April 30, 2020	872,497	141,388	1,013,885
April 30, 2021	891,886	130,637	1,022,523
April 30, 2022	911,705	119,752	1,031,457
April 30, 2023 – 2032	15,438,513	3,911,437	19,349,950
Total	$19,803,106	$4,617,710	$24,420,816

(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 March and September through March 2036. Repayment of the loan should begin in September 2017; however, the District has no repayment schedule currently as it will be finalized when the construction is complete.

The proceeds of the loan will be used in the project to upgrade the Sugar Creek Waste Water Treatment Plant. As of April 20, 2017 the District had received $24,716,155 of the loan proceeds, which included $10,758,827 in federal funds.

Bond Issues:

(a) Sangamon County Water Reclamation District, Springfield, Illinois issued General Obligation Bonds (Alternate Revenue Source) in the amount of $1,705,000 dated November 27, 2007 pursuant to Ordinance 2007-33. Fixed interest rates range from 5.00 to 5.20%, with interest paid semiannually each January 1st and July 1st. The proceeds of the bond were used to fund the District's Early Retirement Incentive liability to the Illinois Municipal Retirement Fund, and to pay interest on the bonds through July 2008 and issuance costs. The Bonds are payable from the District's IMRF property tax levy. The 2007A Bonds are additionally payable from a levy of ad valorem property taxes if the IMRF property tax levy is not sufficient to pay the bonds.

The following is future payment obligations on the bonds, Series 2007:

Fiscal Year	Principal	Interest	Total
April 30, 2018	$ 135,000	$ 7,020	$ 142,020

(b) 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

Note 6. *LONG-TERM DEBT*

Bond Issues: *- continued*

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 $530,000 to $870,000 are due each January 1st from 2011 to 2039. The bonds carry interest rates ranging from 3.00% to 5.25% and shall pay interest semiannually on January 1st and July 1st. 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 following is future payment obligations on the bonds, Series 2009A:

Fiscal Year	Principal	Interest	Total
April 30, 2018	$ 660,000	$ 706,300	$ 1,366,300
April 30, 2019	685,000	679,900	1,364,900
April 30, 2020	490,000	652,500	1,142,500
April 30, 2021	510,000	632,900	1,142,900
April 30, 2022	530,000	612,500	1,142,500
April 30, 2023 – 2027	3,085,000	2,615,987	5,700,987
April 30, 2028 – 2032	3,470,000	1,777,682	5,247,682
April 30, 2033 – 2037	3,595,000	975,937	4,570,937
April 30, 2038 – 2039	1,700,000	128,500	1,828,500
Total	$14,725,000	$ 8,782,206	$23,507,206

(c) 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 1st from 2037 to 2049. The bonds shall pay interest semiannually on January 1st and July 1st. 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, 2018	$	$ 2,417,092	$ 2,417,092
April 30, 2019		2,417,092	2,417,092
April 30, 2020		2,417,092	2,417,092
April 30, 2021		2,417,092	2,417,092
April 30, 2022		2,417,092	2,417,092
April 30, 2023 – 2027		12,085,460	12,085,460
April 30, 2028 – 2032		12,085,460	12,085,460
April 30, 2033 – 2037	2,365,000	12,085,460	14,450,460
April 30, 2038 – 2042	13,690,000	9,714,707	23,404,707
April 30, 2043 – 2047	16,690,000	5,097,601	21,787,601
April 30, 2048 – 2049	6,115,000	546,738	6,661,738
Total	$38,860,000	$63,700,886	$102,560,886

Note 6. *LONG-TERM DEBT*

Bond Issues: *- continued*

(d) 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 1st 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 1st and July 1st. 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%.

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

Fiscal Year	Principal	Interest	Total
April 30, 2018	$ 1,240,000	$ 2,121,508	$ 3,361,508
April 30, 2019	1,280,000	2,057,511	3,337,511
April 30, 2020	1,325,000	1,990,171	3,315,171
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 – 2027	8,020,000	7,795,495	15,815,495
April 30, 2028 – 2032	9,820,000	5,031,028	14,851,028
April 30, 2033 – 2036	9,450,000	1,566,993	11,016,993
Total	$33,930,000	$24,317,260	$58,247,260

(e) 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 1st and July 1st.

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

Fiscal Year	Principal	Interest	Total
April 30, 2018	$ 620,000	$ 834,000	$ 1,454,000
April 30, 2019	640,000	815,400	1,455,400
April 30, 2020	660,000	794,600	1,454,600
April 30, 2021	1,475,000	415,250	1,890,250
April 30, 2022	14,250,000	356,250	14,606,250
Total	$17,645,000	$3,215,500	$20,860,500

Note 6. *LONG-TERM DEBT*

Bond Issues: *- continued*

(f) 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, 2018	$	$ 1,284,905	$ 1,284,905
April 30, 2019		1,284,905	1,284,905
April 30, 2020		1,284,905	1,284,905
April 20, 2021		1,284,905	1,284,905
April 30, 2022		1,284,905	1,284,905
April 30, 2023 – 2027		6,424,525	6,424,525
April 30, 2028 – 2032		6,424,525	6,424,525
April 30, 2033 – 2037	2,915,000	6,136,705	9,051,705
April 30, 2038 – 2042	5,120,000	5,273,587	10,393,587
April 30, 2043 – 2047	6,500,000	4,048,525	10,548,525
April 30, 2048 – 2053	10,460,000	2,202,538	12,662,538
Total	$24,995,000	$36,934,930	$61,929,930

Postemployment Benefits Other Than Pensions (OPEB):

Effective for 2009-2010 fiscal year, the District implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* for certain postemployment health care benefits provided by the District. The requirements of this Statement are being implemented prospectively, with the actuarially accrued liability for the benefits of $6,093,534 at the May 1, 2009 date of transition being amortized over 30 years. Accordingly, for financial reporting purposes, no liability is reported for the postemployment health care benefits liability at the date of transition.

Plan Description. The District administers 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.

The District will pay 50% of the full blended premium cost for single coverage for employees who retire after age 55 with 8 or more years of service. If the employee has over 20 years of service, the District will pay 75 percent 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.

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 for their natural lives; spouses may be covered for as long as the retiree lives, plus 18 additional months COBRA coverage as long as the premiums are paid.

Note 6. *LONG-TERM DEBT*

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

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.

Annual OPEB Cost and Net OPEB Obligation. The District's other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the net OPEB obligation:

Estimated annual required contribution	$1,077,172
Interest on net OPEB obligation	194,582
Adjustment to annual required contribution	(440,877)
Estimated annual OPEB cost	830,878
Contributions made	(99,994)
Estimated increase in net OPEB obligation	730,884
Net OPEB obligation – beginning of year	3,373,497
Estimated net OPEB obligation – end of year	$4,104,381

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year End Date	Estimated Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/13	$695,134	40.30%	$1,575,049
4/30/14	700,185	39.90%	1,995,649
4/30/15	447,370	19.60%	2,594,410
4/30/16	849,095	8.25%	3,373,497
4/30/17	830,878	12.00%	4,104,381

Funding Status and Funded Progress. As of April 30, 2017, the most recent actuarial valuation date, the actuarial accrued liability was $9,614,192 and the actuarial value of assets was $-0- resulting in an unfunded actuarial accrued liability (UAAL) of $9,614,192. The covered payroll (annual payroll of active employees covered by the plan) was $4,555,610, and the ratio of the UAAL to the covered payroll was 211.04 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial valuation of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 6. ***LONG-TERM DEBT***

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year End Date	Employer Contribution	Annual Required Contribution (ARC)	Percent Contributed
4/30/13	279,994	695,134	40.3%
4/30/14	279,585	676,453	41.3%
4/30/15	145,689	744,450	19.6%
4/30/16	70,008	849,095	8.2%
4/30/17	99,994	830,878	12.0%

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recent actuarial valuation, the Projected Unit Credit method was used to make early distributions to the liability over the working life time of the employees. The actuarial assumptions include a discount rate of 4.75 percent and a 30 year amortization period. Other assumptions are as follows:

Health Care Trend Rate – The rate for the initial year is lowered gradually over a select period of time and ultimately settles at a permanent lower level. Medical inflation for all participants exceeded 10.5 percent in 2009, so the rates decrease from here down to 4 percent.

Mortality – Life expectancies were based off the 1995 George B. Buck Tables for public employees.

Turnover – The rate of turnover was based on the assumption that turnover is relatively low and thus based on 80 percent of the rates shown in the standard Vaughn Table after the first three years of employment.

Retirement Rates – Rates were determined from the database of retirees and calculated specifically for the District and range from 6 to 100 percent.

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.

Note 6. *LONG-TERM DEBT*

Illinois Municipal Retirement Fund Pension Plan - *continued*

- ***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.

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

As of December 31, 2016, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	88
Inactive Plan Members entitled to but not yet receiving benefits	11
Active Plan Members	58
Total	157

- ***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 2016 was 15.10%. For the fiscal year ended April 30, 2017, the District contributed $1,163,609 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, 2016. The total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

Note 6. ***LONG-TERM DEBT***

Illinois Municipal Retirement Fund Pension Plan *– continued*

- ***Actuarial Assumptions.***

  The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

  - 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 2.75%.
  - **Salary Increases** were expected to be 3.75% to 14.5%, including inflation.
  - The **Investment rate of Return** was assumed to be 7.5%.
  - **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
  - The IMRF-specific rates for **Mortality** (for non-disabled retirees) 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-2014 (base year 2014). 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-2014 (base year 2014). 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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

- ***Single Discount Rate.***

  A Single Discount Rate of 7.5% 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).

Note 6. *LONG-TERM DEBT*

Illinois Municipal Retirement Fund Pension Plan – *continued*

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.5%.

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) – (B)
Balance December 31, 2015	$30,376,344	$25,111,736	$5,264,608
Changes for the year:			
Service Cost	535,233		535,233
Interest on Total Pension Liability	2,217,605		2,217,605
Changes in Benefit Terms			
Difference between Expected and Actual Experience of Total Pension Liability	(151,755)		(151,755)
Changes of Assumptions	(105,249)		(105,249)
Contributions – Employer		1,064,596	(1,064,596)
Contributions – Employees		203,644	(203,644)
Net Investment Income		1,723,671	(1,723,671)
Benefit Payments including Refunds	(1,914,301)	(1,914,301)	
Other (net transfer)		24,620	(24,620)
Net Changes in NPL(A)	581,533	1,102,230	(520,697)
Balance December 31, 2016	$30,957,877	$26,213,966	$4,743,911

- ***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 (6.5%)	*Current Discount (7.5%)*	*1% Higher (8.5%)*
Net Pension Liability	$8,540,808	$4,743,911	$1,639,208

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

For the year ended April 30, 2017, the District recognized pension expense of $947,899. At April 30, 2017, 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 of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:			
Differences between expected an actual experience	$ 780,527	$118,558	$ 661,969
Changes of assumptions	19,481	22,225	(62,744)
Net difference between projects and actual actual earning on pension plan investments	1,152,714		1,152,714
Total deferred Amounts to be recognized in pension expense in future periods	1,952,722	200,783	1,751,939
Pension Contributions made subsequent to the measurement date	282,647		282,647
Total Deferred amounts Related to Pensions	$2,235,369	$200,783	$2,034,586

Note 6. *LONG-TERM DEBT*

Illinois Municipal Retirement Fund Pension Plan – *continued*

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 Outflow of Resources
2017	$ 909,042
2018	626,395
2019	503,988
2020	(4,839)
Total	$2,034,586

Note 7. *CHANGES IN LONG-TERM DEBT*

The following is a summary of the long-term debt transactions of the District for the year ended April 30, 2017:

	Balance April 30,2016	Additions	Retirements	Balance April 30,2017
IEPA Wastewater Treatment Loans	$ 54,456,274	$ 32,106,846	$2,580,077	$ 83,983,043
IMRF Bonds	270,000		135,000	135,000
General Obligation Bonds	79,215,000		635,000	78,580,000
Revenue Bonds	53,375,000		1,800,000	51,575,000
Premium	1,401,495		37,990	1,363,505
Other Post Employment Benefits	8,638,105	210,187		8,848,292
Totals	$197,355,874	$32,317,033	$5,188,067	$224,484,840

Note 8. *MULTIEMPLOYER 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, 2016 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.

Note 8. ***MULTIEMPLOYER PENSION PLANS** - continued*

The following table lists information about the District's multiemployer pension plan for the year ended April 30, 2017:

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	$88,673	No	4/30/2022

(1) The Zoning status represents the most recent available information for the respective multiemployer pension plan, which may be 2016 or earlier for 2017.

(2) Collective Bargaining Agreement (CBA).

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

Note 9. ***RESTRICTED CASH AND INVESTMENTS***

At April 30, 2017, the District has a restricted cash and investment balance of $24,580,771 comprised of the following account balances:

Special Assessment	$ 802,333
Public Benefit	349,771
Sewer Rehabilitation	95,955
Capital Improvement	5,921,930
Bond and Interest and IEPA Reserve:	
2007A	260,733
2009A	1,712,098
2009E	3,127,188
2010A Principal and Interest	1,307,176
2010A Reserve	2,622,422
2010B Reserve	13,547
2011A Principal and Interest	495,075
2011A Reserve	1,457,150
2015A Principal and Interest	(1,597,449)
2015C Principal and interest	(214,825)
IEPA Loans	3,592,131
Capital Improvement – 2015A and C	4,633,852
Replacement	1,684
	$24,580,771

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.

Note 9. ***RESTRICTED CASH** - continued*

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

(a) Bond and Interest – reserve accounts:

	2007A	2009A	2009E
Cash and cash equivalents - reserve accounts April 30, 2016	$ 261,103	$1,709,154	$3,105,594
Add (deduct)			
Transfer to Bond and Interest Accounts	148,905	1,366,700	1,644,710
Build America Bond Receipts			788,032
Interest Income	580	3,794	6,894
Counsel and Reporting fees	(500)	(500)	(500)
Paying Agent Fees	(450)	(350)	(450)
Bond Principal Repayment	(135,000)	(635,000)	
Cash and cash equivalents – - reserve accounts April 30, 2017	$ 260,733	$1,712,098	$3,127,188

	2010A Principal & Interest	2010A Reserve	2010B	2011A Principal & Interest
Cash and cash equivalents - reserve accounts April 30, 2016	$1,277,017	$2,622,422	$ 13,517	$ 486,940
Add (deduct)				
Transfer to Bond and Interest And IEPA Reserves Accounts	2,688,823			1,452,800
Build America Bond Receipts	710,946			
Interest Income	2,834		30	1,081
Reserve Fund Earnings	14,405			8,004
Counsel and Reporting Fees	(500)			(500)
Paying Agent Fees	(700)			(450)
Bond Principal Repayment	(1,205,000)			(595,000)
Bond Interest Expense	(2,180,649)			(857,800)
Cash and cash equivalents - reserve accounts April 30, 2017	$1,307,176	$2,622,422	$ 13,547	$ 495,075

Note 10. ***RESTRICTED ACCOUNTS – REQUIRED BY BOND ORDINANCE 2009-29*** *- continued*

	2011A Reserve	2015A Principal & Interest	2015C Principal & Interest	IEPA Loans
Cash and cash equivalents - reserve accounts April 30, 2016	$ 1,457,150	$ 463,674	$(62,795)	$3,253,598
Add (deduct)				
Transfer to Bond and Interest And IEPA Reserve Accounts				
Interest Income				7,222
Reserve Fund Earnings				
Counsel and Reporting Fees				(1,510)
Paying Agent Fees		(450)	(450)	
Bond Principal Repayment				(2,580,077)
Bond Interest Expense		(1,133,325)	(151,580)	(809,810)
Transfer to IEPA Reserve Fund From General Fund				227,149
Cash and cash equivalents - reserve accounts April 30, 2017	$ 1,457,150	$(1,597,449)	$(214,825)	$3,592,131

(*b*) Capital improvements accounts:

	Capital Improvement 2011A&B
Cash and cash equivalents - April 30, 2016	$10,271,470
Interest Received	16,524
Capital Assets	(5,654,142)
Cash and cash equivalents April 30, 2017	$ 4,633,852

As of April 30, 2017 the District was in compliance with the debt covenants of the bond ordinances.

Note 11. ***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 12. ***COMMITMENTS***

At April 30, 2017, the District had several unfinished capital construction contracts with various vendors due to the ongoing Sugar Creek construction project.

	Total Contract	Billed Amount	Remaining Contract
Crawford, Murphy, & Tilly	$17,831,082	$14,063,957	$ 3,767,125
Williams Brothers Construction, Inc.	54,222,856	43,381,864	10,840,992
Hanson Professional Services	143,000	112,118	30,882
Visu-Sewer of Missouri	89,708		89,708

Note 13. ***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through June 30, 2017, which is the date the financial statements were available to be issued. Through June 30, 2017, 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
LAST TWO CALENDAR YEARS

Calendar Year Ended December 31,	2016	2015
Total Pension Liability		
Service Cost	$ 535,233	$ 507,569
Interest on the Total Pension Liability	2,217,605	2,060,943
Changes of Benefit Terms		
Differences between Expected and Actual Experience of the Total Pension Liability	(151,755)	1,380,495
Changes of Assumptions	(105,249)	34,455
Benefit Payments, including Refunds of Employee Contributions	(1,914,301)	(1,812,097)
Net Change in Total Pension Liability	581,533	2,171,365
Total Pension Liability – Beginning	30,376,344	28,204,979
Total Pension Liability – Ending (A)	$ 30,957,877	$30,376,344
Plan Fiduciary Net Position		
Contributions – Employer	$ 1,064,596	$ 907,160
Contributions – Employees	203,644	300,105
Net Investment Income	1,723,671	121,669
Benefit Payments, including Refunds of Employee Contributions	(1,914,301)	(1,812,097)
Other (Net Transfer)	24,620	958,637
Net Change in Plan Fiduciary Net Position	1,102,230	(475,474)
Plan Fiduciary Net Position – Beginning	25,111,736	24,636,262
Plan Fiduciary Net Position – Ending (B)	$26,213,966	$25,111,736
Net Pension (Asset) Liability – Ending (A) – (B)	$ 4,743,911	$ 5,264,608
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.68%	82.67%
Covered Valuation Payroll	4,525,303	4,609,581
Net Pension Liability as a Percentage of Covered Valuation Payroll	104.83%	114.21%

Notes to Schedule:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiles, 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 TWO 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%

Notes to Schedule:
Summary of Actuarial Methods and Assumptions used in the Calculation of the 2016 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2016 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): 27-year closed period until remaining period reaches 15 years (then 15-year rolling 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 22 years for most employers (two employers were financed over 31 years).

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

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation

Salary Increases: 3.75% to 14.5%, 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 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). 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, 2014, actuarial valuation; note two year lag between valuation and rate setting.

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 2016 and 2015

	2016 Taxes Payable in 2017	2015 Taxes Payable in 2016
Assessed Valuation	$2,996,264,953	$2,915,254,322
Estimated Actual Value	$8,988,794,859	$8,745,762,966
Tax Rates:		
General	.0556	.0554
Illinois municipal retirement	.0228	.0233
Sewer treatment	.0086	.0089
Social security	.0078	.0080
Total	.0948	.0956
Extensions:		
General	$1,665,923	$1,615,051
Illinois municipal retirement	683,148	679,254
Sewer treatment	257,679	259,458
Social security	233,709	233,220
Total	$2,840,459	$2,786,983
Collections:		$2,778,985

BILLABLE WATER FLOWS

Number of customers	60,603
Number of units	5,944,927
1 unit is equal to 748 gallons	
Gallons billed for calendar year 2016	4,446,805,396

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

RATE INCREASES AND RATE SCHEDULE
For the Year Ended April 30, 2017

		7/1/2008	Fiscal Years Ending April 30,							
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Rate 1a – Suburban Springfield Base User Charge										
User Charge (per CCF)	$ 1.00	$ 1.32	$ 1.73	$ 2.27	$ 2.98	$ 3.90	$ 4.14	$ 4.39	$ 4.65	$ 4.93
Service Charge (monthly	2.40	3.16	4.14	5.44	7.13	9.36	9.93	10.52	11.15	11.82
Collection Charge	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Rate 1b – City of Springfield Baser User Charge										
User Charge (per CCF) net	.50	.66	.87	1.14	1.49	1.95	2.07	2.20	2.33	2.47
Service charge (monthly)	1.20	1.58	2.07	2.72	3.57	4.68	4.97	5.26	5.58	5.91
Collection Charge	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25
Rate 1c – District Base User Charge										
User Charge (per CCF) net	.50	.66	.87	1.14	1.49	1.95	2.07	2.20	2.33	2.47
Service Charge (monthly)	1.20	1.58	2.07	2.72	3.57	4.68	4.97	5.26	5.58	5.91
Collection Charge	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25
Rate 1d – District Unmetered User Charge										
Within Springfield	4.05	4.51	5.76	7.41	9.59	12.40	13.11	13.87	14.87	15.52
Outside of Springfield	11.50	14.29	18.60	24.26	31.70	41.45	43.91	46.52	49.28	52.20
Rate 1e – Surcharge										
BOD Surcharge	.05	.07	.09	.11	.15	.20	.21	.22	.23	.25
TSS Surcharge	.07	.09	.12	.16	.21	.27	.29	.31	.33	.34
Base User Charge	.10	.13	.17	.23	.30	.39	.41	.44	.46	.49
BOD Surcharge	.02	.03	.03	.05	.06	.08	.08	.09	.09	.10
TSS Surcharge	.02	.03	.03	.05	.06	.08	.08	.09	.09	.10

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

SCHEDULE OF REVENUES AND EXPENSES REQUIRED BY ORDINANCE 2009-29
For the Year Ended April 30, 2017

	Statement of Revenues and Expenses	Less IMRF	Less Public Benefits	Less Special Assessments	Other Adjustments	Required by Ordinance 2009-29
Operating Revenues:						
Sewer service charges	$22,091,970	$	$	$	$	$22,091,970
Sewer permits	192,485					192,485
Special waste fees	212,822					212,822
Lab fees	18,910					18,910
Low pressure system payments	233,200		(233,200)			
Annexation fees	69,877		(69,877)			
Total operating revenues	22,819,264		(303,077)			22,516,187
Operating Expenses						
Plant operations	8,650,652	(824,210)			(515,856)	7,310,586
Pump station operations	1,046,299	(42,683)			(26,715)	976,901
Sewer operations	617,854	(34,001)			(21,280)	562,573
Management and administration	4,573,443	(266,877)			(167,033)	4,139,533
Depreciation	4,070,907				(4,070,907)	
Total operating expenses	18,959,155	(1,167,771)			(4,801,791)	12,989,593
Operating gain (loss)	3,860,109	1,167,771	(303,077)		4,801,791	9,526,594
Non-operating Revenues (Expenses)						
Property taxes	2,797,841	(677,305)				2,120,536
Federal receipts	1,488,538				(1,488,538)	
Illinois replacement taxes	396,739					396,739
Interest income	112,877		(4,723)	(1,742)		106,412
Rental income	21,117					21,117
Refunds, reimbursements, and miscellaneous	77,491					77,491
Interest expense	(7,005,867)	11,623				(6,994,244)
Bond costs	(7,951)					(7,951)
Total non-operating revenues (expenses)	(2,119,215)	(665,682)	(4,723)	(1,742)	(1,488,538)	(4,279,900)
Change in Net Assets	$ 1,740,894	$ 502,089	$(307,800)	$(1,742)	$3,313,253	$ 5,246,694

TITL 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200,
UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,
AND AUDIT REQUIREMETNS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended April 2017

Federal Grantor/Pass-Through Grant/Program Title	CFDA Number	Grant Number	Revenue	Expenditures
U.S. Environmental Protection Agency				
Passed through Illinois Environmental Protection Agency				
Capitalization Grants for Clean Water State Revolving Funds (M)	66.458	L17-5411	$10,758,827	$10,758,827
Total U.S. Environmental Protection Agency			10,758,827	10,758,827
TOTAL FEDERAL AWARDS			$10,758,827	$10,758,827

(M) Tested as Major Fund

NOTES TO SCHEDULE EXPENDITURES OF FEDERAL AWARDS
April 30, 2017

Note 1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Sangamon County Water Reclamation District, Springfield, Illinois (the "District").

BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounting and how they are reported on the financial statements. For the Schedule of Expenditures of Federal Awards, revenues are recognized and recorded when cash is earned. In the same manner, expenditures are recognized and recorded when liabilities are incurred.

RELATIONSHIP TO DISTRICT'S FINANCIAL STATEMENTS

The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2. *SUBRECIPIENTS*

Of the federal expenditures presented in the Schedule of Federal Financial Assistance, the District provided no federal awards to subrecipients.

Note 3. *NON-CASH AWARDS*

The District received no non-cash awards during the fiscal year ended April 30, 2017.

Note 4. *CONTINGENCIES*

The Sangamon County Water Reclamation District, Springfield, Illinois receives awards under one federal grant programs which must be expended according to provisions established by the grants. Compliance with the grant provisions are subject to audit by the granting agency which may impose sanctions in the event of non-compliance. Management believes they have complied with all aspects of the grant provisions and they feel the results of any adjustments would have an immaterial impact on the financial statements taken as a whole.

Note 5. *FEDERAL LOANS*

During the year ending April 30, 2017, the District received $10,758,827 in federal loan proceeds from the Illinois Environmental Protection Agency.

Note 6. *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.

SANGAMON COUNTY WATER RECLAMATION DISTRICT
Springfield, Illinois

SUMMARY OF FINDINGS AND QUESTIONED COSTS
April 30, 2017

Part 1:

Summary of Audit Results

1. We have audited the financial statements of the Sangamon County Water Reclamation District, Springfield, Illinois, as of and for the year ended April 30, 2017, and have issued our unmodified report thereon dated June 8, 2017.
2. Our audit disclosed no reportable conditions in internal control were reported.
3. Our audit disclosed no instances of noncompliance which are material to the financial statements of the Sangamon County Water Reclamation District, Springfield, Illinois.
4. Our audit disclosed no reportable conditions in internal control over major programs.
5. We have audited the compliance of the Sangamon County Water Reclamation District, Springfield, Illinois with the types of compliance requirements described in the *Uniform Compliance Supplement* that are applicable to each of its major programs for the year ended April 30, 2017, and have issued our unmodified opinion thereon dated June 8, 2017.
6. Our audit disclosed no audit findings relating to major programs which are required to be reported in accordance with the Uniform Guidance.
7. The following programs were identified and tested as major programs in accordance with the Uniform Guidance:

	CFDA #
Capitalization Grants For Clean Water State Revolving Funds	66.458

8. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.
9. The auditee does not qualify as a low risk auditee.

Part 2: ***Audit Findings – Financial Statement Audit***

None

Part 3: ***Audit Findings and Questioned Costs (For Federal Awards Which Shall Include Audit Findings as Defined in Section 510(a)).***

None

Part 4: ***Prior Year Audit Findings and Questioned Costs (For Federal Awards Which Shall Include Audit Findings as Defined in Section 510(a))***

None