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**GLENBROOK SANITARY DISTRICT
COOK COUNTY, ILLINOIS**

COMPILED FINANCIAL STATEMENTS

JUNE 30, 2020

eder, casella & co

GLENBROOK SANITARY DISTRICT
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JUNE 30, 2020

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Trustees
 Glenbrook Sanitary District
 Glenview, Illinois

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of

GLENBROOK SANITARY DISTRICT
 (a local government)

as of and for the year ended June 30, 2020 and 2019, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Appropriation and Actual – General Fund – Sewer Fund on page 18 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Supplementary Information

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Eder, Casella & Co.
 EDER, CASELLA & CO.
 Certified Public Accountants

eder,
 casella
 &
 co

McHenry, Illinois
 December 2, 2020

BASIC FINANCIAL STATEMENTS

GLENBROOK SANITARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 615,480	\$ -	\$ 615,480
Prepaid Items	6,433	5,289	11,722
Interest Receivable (Net of allowance of \$0)	54	-	54
Water/Sewer Usage Receivable (Net of allowance of \$0)	10,518	42,072	52,590
Property Tax Receivable (Net of allowance of \$0)	60,087	-	60,087
Due to/from	(28,762)	28,762	-
Other Capital Assets, Net of Depreciation	-	463,770	463,770
Total Assets	\$ 663,810	\$ 539,893	\$ 1,203,703
LIABILITIES			
Accounts Payable	\$ 903	\$ 19,778	\$ 20,681
Payroll Liabilities	610	610	1,220
Total Liabilities	\$ 1,513	\$ 20,388	\$ 21,901
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue - Subsequent Year	\$ 60,087	\$ -	\$ 60,087
Total Deferred Inflows of Resources	\$ 60,087	\$ -	\$ 60,087
NET POSITION			
Net Investment in Capital Assets	\$ -	\$ 463,770	\$ 463,770
Unrestricted / (Deficit)	602,210	55,735	657,945
Total Net Position	\$ 602,210	\$ 519,505	\$ 1,121,715

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

GLENBROOK SANITARY DISTRICT
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets		Total
			Governmental Activities	Business-Type Activities	
Functions/Programs					
Governmental Activities					
Sewer	\$ 50,664	\$ 48,275	\$ (2,389)	\$ -	\$ (2,389)
Total Governmental Activities	\$ 50,664	\$ 48,275	\$ (2,389)	\$ -	\$ (2,389)
Business-Type Activities					
Water	\$ 254,255	\$ 203,504	\$ -	\$ (50,751)	\$ (50,751)
Total Business-Type Activities	\$ 254,255	\$ 203,504	\$ -	\$ (50,751)	\$ (50,751)
Total Primary Government	\$ 304,919	\$ 251,779	\$ (2,389)	\$ (50,751)	\$ (53,140)
General Revenues					
Taxes					
Property Taxes			\$ 68,530	\$ -	\$ 68,530
Personal Property Replacement Taxes			140	179	319
Unrestricted Investment Earnings			502	503	1,005
Total General Revenues and Transfers			\$ 69,172	\$ 682	\$ 69,854
Change in Net Position			\$ 66,783	\$ (50,069)	\$ 16,714
Net Position - Beginning of Year			535,427	569,574	1,105,001
Net Position - End of Year			\$ 602,210	\$ 519,505	\$ 1,121,715

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

GLENBROOK SANITARY DISTRICT
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 AS OF JUNE 30, 2020 WITH COMPARATIVE TOTALS FOR 2019

	2020			2019
	General Fund	Capital Improvement Fund	Total Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 615,480	\$ -	\$ 615,480	\$ 561,579
Prepaid Items	6,433	-	6,433	2,296
Interest Receivable (Net of allowance of \$0)	54	-	54	54
Interfund Receivable	-	88,098	88,098	88,098
Property Tax Receivable (Net of allowance of \$0)	60,087	-	60,087	45,996
Sewer Usage Receivable (Net of allowance of \$0)	10,518	-	10,518	8,943
TOTAL ASSETS	\$ 692,572	\$ 88,098	\$ 780,670	\$ 706,966
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 903	\$ -	\$ 903	\$ 1,066
Payroll Liabilities	610	-	610	648
Interfund Payable	88,098	-	88,098	88,098
Due To Water Fund	28,762	-	28,762	35,731
Total Liabilities	\$ 118,373	\$ -	\$ 118,373	\$ 125,543
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue - Subsequent Year	\$ 60,087	\$ -	\$ 60,087	\$ 45,996
Total Deferred Inflows of Resources	\$ 60,087	\$ -	\$ 60,087	\$ 45,996
FUND BALANCE				
Unassigned	\$ 514,112	\$ 88,098	\$ 602,210	\$ 535,427
Total Fund Balance	\$ 514,112	\$ 88,098	\$ 602,210	\$ 535,427
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 692,572	\$ 88,098	\$ 780,670	\$ 706,966

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

GLENBROOK SANITARY DISTRICT
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2020

Total Fund Balances - Governmental Funds	<u>\$ 602,210</u>
Net Position of Governmental Activities	<u><u>\$ 602,210</u></u>

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

GLENBROOK SANITARY DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE TOTALS FOR 2019

	2020			2019
	General Fund	Capital Improvement Fund	Total Governmental Funds	Total Governmental Funds
REVENUES				
Local Taxes				
Property Taxes	\$ 68,530	\$ -	\$ 68,530	\$ 82,616
Intergovernmental				
Personal Property Replacement Taxes	140	-	140	146
Other Local Sources				
Interest	502	-	502	1,113
Charges for Services	48,275	-	48,275	45,624
Permit Fees	-	-	-	9,900
Total Revenues	<u>\$ 117,447</u>	<u>\$ -</u>	<u>\$ 117,447</u>	<u>\$ 139,399</u>
EXPENDITURES				
CURRENT				
Bank Charges	\$ 43	\$ -	\$ 43	\$ 129
Billing Service	9,671	-	9,671	7,413
Legal Fees	420	-	420	638
Legal Notices	104	-	104	413
Liability Insurance	6,231	-	6,231	4,520
Miscellaneous	312	-	312	125
Office Supplies and Expense	826	-	826	856
Outside Services Engineering Fees	1,519	-	1,519	2,589
Payroll Taxes	1,251	-	1,251	935
Postage	434	-	434	361
Professional Fees	3,150	-	3,150	3,200
Repairs and Maintenance	2,100	-	2,100	-
Salaries	16,347	-	16,347	16,482
Trustee Fees	7,500	-	7,500	9,000
Web and Computer	756	-	756	286
Total Expenditures	<u>\$ 50,664</u>	<u>\$ -</u>	<u>\$ 50,664</u>	<u>\$ 46,947</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 66,783	\$ -	\$ 66,783	\$ 92,452
OTHER FINANCING SOURCES/(USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 66,783	\$ -	\$ 66,783	\$ 92,452
FUND BALANCE - BEGINNING	<u>447,329</u>	<u>88,098</u>	<u>535,427</u>	<u>442,975</u>
FUND BALANCE - ENDING	<u>\$ 514,112</u>	<u>\$ 88,098</u>	<u>\$ 602,210</u>	<u>\$ 535,427</u>

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

GLENBROOK SANITARY DISTRICT
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 66,783</u>
Change in Net Position of Governmental Activities	<u><u>\$ 66,783</u></u>

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

GLENBROOK SANITARY DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2020 AND 2019

	Enterprise Fund - Water Fund	
	2020	2019
ASSETS		
Current Assets		
Prepaid Items	\$ 5,289	\$ 1,207
Water Usage Receivable (Net of allowance of \$0)	42,072	35,773
Interfund Balances	28,762	35,731
	\$ 76,123	\$ 72,711
Non-Current Assets		
Capital Assets		
Infrastructure	\$ 1,867,049	\$ 1,867,049
Less: Accumulated Depreciation	(1,403,279)	(1,358,603)
	\$ 463,770	\$ 508,446
Total Assets	\$ 539,893	\$ 581,157
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 19,778	\$ 10,935
Payroll Liabilities	610	648
	\$ 20,388	\$ 11,583
Non-Current Liabilities	\$ -	\$ -
Total Liabilities	\$ 20,388	\$ 11,583
NET POSITION		
Net Investment in Capital Assets	\$ 463,770	\$ 508,446
Unrestricted / (Deficit)	55,735	61,128
Total Net Position	\$ 519,505	\$ 569,574

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

GLENBROOK SANITARY DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 YEARS ENDED JUNE 30, 2020 AND 2019

	<u>Enterprise Fund - Water Fund</u>	
	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for Services		
Water Sales	\$ 203,504	\$ 184,847
Inspection and Permit Fees	-	3,900
Total Operating Revenues	<u>\$ 203,504</u>	<u>\$ 188,747</u>
OPERATING EXPENSES		
Water Department		
Answering Service and Phone	\$ 798	\$ 580
Bank Charges	43	129
Billing Service	8,604	7,413
Depreciation	44,676	44,676
Engineering Expense	5,153	6,548
Legal Fees	682	1,050
Liability Insurance	4,578	4,462
Miscellaneous	1,537	874
Officers Bond	312	125
Payroll Taxes	1,251	935
Postage	431	527
Professional Fees	3,150	3,200
Repairs and Maintenance	22,208	7,137
Salaries	16,347	16,482
Trustee Fees	7,500	9,000
Water Purchases	128,636	109,619
Water Testing	7,785	9,691
Workers Compensation Insurance	564	58
Total Operating Expenses	<u>\$ 254,255</u>	<u>\$ 222,506</u>
OPERATING INCOME/(LOSS)	<u>\$ (50,751)</u>	<u>\$ (33,759)</u>
NON-OPERATING REVENUE/(EXPENSE)		
Interest Income	\$ 503	\$ -
Personal Property Replacement Taxes	179	146
Total Non-Operating Revenue/(Expense)	<u>\$ 682</u>	<u>\$ 146</u>
CHANGE IN NET POSITION	\$ (50,069)	\$ (33,613)
NET POSITION - BEGINNING	<u>569,574</u>	<u>603,187</u>
NET POSITION - ENDING	<u>\$ 519,505</u>	<u>\$ 569,574</u>

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

GLENBROOK SANITARY DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEARS ENDED JUNE 30, 2020 AND 2019

	Enterprise Fund - Water Fund	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Water Customers	\$ 197,205	\$ 184,980
Other Income	179	146
Payments to Suppliers	(128,636)	(109,619)
Payments for Employees and Officers	(23,847)	(25,482)
Payments for Engineering, Billing, and Collection	(13,757)	(13,961)
Payments for Insurance	(5,142)	(4,520)
Payments for Repairs and Maintenance	(22,208)	(7,137)
Payments for Water Testing	(7,785)	(9,691)
Payments for Legal Fees	(682)	(1,050)
Other Expenses	4,170	(13,666)
Net Cash Provided/(Used) by Operating Activities	\$ (503)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Cash and Cash Equivalents and Investments	\$ 503	\$ -
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ -	\$ -
CASH AND CASH EQUIVALENTS BALANCE - Beginning of Year	-	-
CASH AND CASH EQUIVALENTS BALANCE - End of Year	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Operating Income/(Loss)	\$ (50,751)	\$ (33,759)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation Expense	44,676	44,676
Other Income	179	146
Change in assets and liabilities:		
Receivables, Net	(6,299)	(3,767)
Prepaid Items	(4,082)	(234)
Accounts Payable	8,843	(5,700)
Intercompany Account	6,969	(1,049)
Payroll Liabilities	(38)	(313)
Net Cash Provided/(Used) by Operating Activities	\$ (503)	\$ -

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

GLENBROOK SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Glenbrook Sanitary District's (District) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the District are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB Statements, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has determined that they have no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements – Government-Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as governmental activities. The District's sewer services and Capital Improvement Fund are classified as governmental activities. The District's water services are classified as a business-type activity.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities. The District did not have any restricted net position at June 30, 2020.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government or sewer). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The District did not receive any grants in fiscal year 2020.

The net costs (by function) are normally covered by general revenue (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.) and charges for services (Sewer User Fees).

The District does not allocate indirect costs.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The following fund types are used by the District:

1. Governmental Funds

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

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvement Fund – The Capital Improvement Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital improvements.

2. Proprietary Fund

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

Enterprise Fund – The Enterprise Fund is used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues.

The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. *Cash and Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

F. *Inventories*

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the value of resale or supply items on hand.

G. *Receivables and Revenue Recognition*

All receivables are reported net of estimated uncollectible amounts.

H. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

I. *Capital Assets*

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The District has set capitalization thresholds for reporting capital assets at the following:

Structures	\$	3,000
Equipment		1,000
Improvements		5,000

Depreciation on all assets is provided on the straight-line (MACRS) basis over the following estimated useful lives:

Building and Improvements	15-40 years
Equipment	3-10 years
Sewer Improvements	15-50 years
Water Improvements	15-40 years

NOTES TO FINANCIAL STATEMENTS (Continued)

J. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheets and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

K. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures in the year they are incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. *Government-Wide and Proprietary Fund Net Position*

Government-wide and proprietary fund net positions are divided into three components:

1. Net Investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted Net Position – all other net position is reported in this category.

M. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

1. Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
2. Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances

NOTES TO FINANCIAL STATEMENTS (Continued)

because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

3. Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The District has not delegated this authority to an appointed body or official.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself. All assigned fund balances are the residual amounts of the fund.

4. Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

N. *Property Tax Calendar and Revenues*

The District's property tax is levied each calendar year on all taxable real property located in the District's district on or before the last Tuesday in December. The 2019 levy was passed by the Board on December 5, 2019. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in March and August of the following calendar year. The District receives significant distributions of tax receipts on each due date and for about ninety days thereafter.

O. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions and mutual funds held are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

Investments

As of June 30, 2020, the District had investments of \$1,505 in the State Investment Pool. The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered but does have regulatory oversight through the State of Illinois.

NOTES TO FINANCIAL STATEMENTS (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a policy that all deposits and investments in excess of any insurance shall be collateralized by pledged securities and the market value of the pledged securities shall equal or exceed the portion of deposit requiring collateralization.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair losses arising from increasing interest rates.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental Activities:				
Other Capital Assets:				
Sewer Improvements	\$ 384,806	\$ -	\$ -	\$ 384,806
Total Other Capital Assets at Historical Cost	<u>\$ 384,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,806</u>
Less Accumulated Depreciation for:				
Sewer Improvements	\$ 384,806	\$ -	\$ -	\$ 384,806
Total Accumulated Depreciation	<u>\$ 384,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,806</u>
Other Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Governmental Activities Capital Assets, Net	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Business-Type Activities:				
Other Capital Assets:				
Water Improvements	\$ 1,867,049	\$ -	\$ -	\$ 1,867,049
Total Other Capital Assets at Historical Cost	<u>\$ 1,867,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,867,049</u>
Less Accumulated Depreciation for:				
Water Improvements	\$ 1,358,603	\$ 44,676	\$ -	\$ 1,403,279
Total Accumulated Depreciation	<u>\$ 1,358,603</u>	<u>\$ 44,676</u>	<u>\$ -</u>	<u>\$ 1,403,279</u>
Other Capital Assets, Net	<u>\$ 508,446</u>	<u>\$ (44,676)</u>	<u>\$ -</u>	<u>\$ 463,770</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 508,446</u></u>	<u><u>\$ (44,676)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 463,770</u></u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Sewer	\$ -
Total Governmental Activities Depreciation Expense	<u><u>\$ -</u></u>
Business-Type Activities	
Water	\$ 44,676
Total Business-Type Activities Depreciation Expense	<u><u>\$ 44,676</u></u>

NOTE 4 - DEFICIT FUND BALANCE

No Fund Balances had a deficit as of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements, in the amount of \$60,087, are from the uncollected portion of the 2019 tax levy. These taxes are unavailable as they are not collected before the end of the fiscal year and the District does not consider the amounts to be available and does not budget for their use in fiscal year 2020.

The District has determined that the amounts collected for the 2019, 2018 and prior levies are allocable for use in fiscal year 2020. Therefore, the amounts collected for the 2019 levy (\$32,008) and 2018 and prior levies (\$36,522) are recorded in these financial statements as property taxes revenue. A summary of the assessed valuations, rates, and extensions for the years 2019, 2018, and 2017 follows:

Tax Year	2019		2018		2017	
Assessed Valuation	\$200,207,122		\$192,520,396		\$194,982,851	
	Rate	Extension	Rate	Extension	Rate	Extension
Corporate	0.0458	\$ 91,622	0.0470	\$ 90,485	0.0460	\$ 88,065
	0.0458	\$ 91,622	0.0470	\$ 90,485	0.0460	\$ 88,065

NOTE 6 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2020 the Water Fund had expenditures that exceeded the budget by \$38,355 primarily due to the District not budgeting for depreciation expense.

NOTE 7 - INTERFUND TRANSFER

For the year ended June 30, 2020 there were no interfund transfers.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2020 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

The District is insured under a retrospectively-rated policy for workers’ compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2020, there were no significant adjustments in premiums based on actual experience.

NOTE 9 - CONTINGENCIES

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

NOTE 10 - SUBSEQUENT EVENTS

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various governments and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the Glenbrook Sanitary District is uncertain and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

GLENBROOK SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - APPROPRIATION AND ACTUAL
GENERAL FUND - SEWER FUND
YEAR ENDED JUNE 30, 2020

	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
REVENUES			
Local Taxes			
Property Taxes	\$ 89,000	\$ 68,530	\$ (20,470)
Intergovernmental			
Personal Property Replacement Taxes	300	140	(160)
Other Local Sources			
Interest	1,000	502	(498)
Charges for Services	50,000	48,275	(1,725)
Miscellaneous	2,200	-	(2,200)
Total Revenues	<u>\$ 142,500</u>	<u>\$ 117,447</u>	<u>\$ (25,053)</u>
EXPENDITURES			
CURRENT			
Sewer	\$ 96,600	\$ 50,664	\$ 45,936
Total Expenditures	<u>\$ 96,600</u>	<u>\$ 50,664</u>	<u>\$ 45,936</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 45,900	\$ 66,783	\$ 20,883
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 45,900</u>	\$ 66,783	<u>\$ 20,883</u>
FUND BALANCE - BEGINNING		<u>447,329</u>	
FUND BALANCE - ENDING		<u>\$ 514,112</u>	

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GLENBROOK SANITARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

NOTE 1 - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the sewer fund. All annual appropriations lapse at fiscal year-end.

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Annually, a proposed operating budget is prepared. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public meetings are conducted to obtain taxpayer comments.
- 3) The budget is legally enacted through a budget and appropriations ordinance.
- 4) The budget is amended in the same manner as its original enactment.
- 5) Expenditures legally may not exceed the total of appropriations and beginning fund balance at the fund level.

The budget was approved on September 5, 2019 and was not amended.

SUPPLEMENTARY INFORMATION

GLENBROOK SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - APPROPRIATION AND ACTUAL
CAPITAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2020

	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
CURRENT			
Capital Improvements	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - BEGINNING		<u>88,098</u>	
FUND BALANCE - ENDING		<u>\$ 88,098</u>	

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GLENBROOK SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - APPROPRIATION AND ACTUAL
WATER FUND
YEAR ENDED JUNE 30, 2020

	<u>Appropriation Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Charges for Services			
Water Sales	\$ 200,000	\$ 203,504	\$ 3,504
Intergovernmental			
Personal Property Replacement Taxes	-	179	179
Other Local Sources			
Interest	300	503	203
Total Revenues	<u>\$ 200,300</u>	<u>\$ 204,186</u>	<u>\$ 3,886</u>
EXPENDITURES			
CURRENT			
Water	\$ 215,900	\$ 254,255	\$ (38,355)
Total Expenditures	<u>\$ 215,900</u>	<u>\$ 254,255</u>	<u>\$ (38,355)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (15,600)	\$ (50,069)	\$ (34,469)
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (15,600)</u>	<u>\$ (50,069)</u>	<u>\$ (34,469)</u>
FUND BALANCE - BEGINNING		<u>569,574</u>	
FUND BALANCE - ENDING		<u>\$ 519,505</u>	

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GLENBROOK SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - APPROPRIATION AND ACTUAL
SEWER, CAPITAL IMPROVEMENT, AND WATER FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Appropriation Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original and Final</u>	<u> </u>	<u> </u>
REVENUES			
Local Taxes			
Property Taxes	\$ 89,000	\$ 68,530	\$ (20,470)
Intergovernmental			
Personal Property Replacement Taxes	300	319	19
Other Local Sources			
Interest	1,300	1,005	(295)
Charges for Services	250,000	251,779	1,779
Miscellaneous	2,200	-	(2,200)
Total Revenues	<u>\$ 342,800</u>	<u>\$ 321,633</u>	<u>\$ (21,167)</u>
EXPENDITURES			
CURRENT			
General Government			
All Funds	<u>\$ 312,500</u>	<u>\$ 304,919</u>	<u>\$ 7,581</u>
Total Expenditures	<u>\$ 312,500</u>	<u>\$ 304,919</u>	<u>\$ 7,581</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 30,300	\$ 16,714	\$ (13,586)
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 30,300</u>	\$ 16,714	<u>\$ (13,586)</u>
FUND BALANCE - BEGINNING		<u>1,105,001</u>	
FUND BALANCE - ENDING		<u>\$ 1,121,715</u>	

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GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
SEWER FUND
YEAR ENDED JUNE 30, 2020

EXPENDITURES	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
Bank Charges	\$ 200	\$ 43	\$ 157
Billing Service	12,500	9,671	2,829
Contingency	2,000	-	2,000
Legal Fees	2,500	420	2,080
Legal Notices	600	104	496
Liability Insurance	5,800	6,231	(431)
Miscellaneous	300	312	(12)
Office Supplies and Expense	1,100	826	274
Outside Services Engineering Fees	14,300	1,519	12,781
Payroll Taxes	1,400	1,251	149
Postage	400	434	(34)
Professional Fees	3,300	3,150	150
Repairs and Maintenance	20,000	2,100	17,900
Salaries	17,700	16,347	1,353
Trustee Fees	9,000	7,500	1,500
Web and Computer	5,500	756	4,744
Total Expenditures	<u>\$ 96,600</u>	<u>\$ 50,664</u>	<u>\$ 45,936</u>

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GLENBROOK SANITARY DISTRICT
 SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
 CAPITAL IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2020

	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
EXPENDITURES			
Capital Improvements	\$ -	\$ -	\$ -
Engineering	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Independent Accountant's Compilation Report

GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
WATER FUND
YEAR ENDED JUNE 30, 2020

EXPENDITURES	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
Answering Service and Phone	\$ 500	\$ 798	\$ (298)
Bank Charges	200	43	157
Billing Service	12,500	8,604	3,896
Contingency	2,000	-	2,000
Depreciation	-	44,676	(44,676)
Engineering	14,600	5,153	9,447
Legal Fees	3,100	682	2,418
Liability Insurance	5,300	4,578	722
Miscellaneous	7,600	1,537	6,063
Officers Bond	-	312	(312)
Payroll Taxes	1,400	1,251	149
Postage	500	431	69
Professional Fees	3,300	3,150	150
Repairs and Maintenance	23,500	22,208	1,292
Salaries	17,700	16,347	1,353
Trustee Fees	9,000	7,500	1,500
Water Purchases	107,100	128,636	(21,536)
Water Testing	7,100	7,785	(685)
Workers Compensation Insurance	500	564	(64)
Total Expenditures	<u>\$ 215,900</u>	<u>\$ 254,255</u>	<u>\$ (38,355)</u>

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GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
SEWER, CAPITAL IMPROVEMENT, AND WATER FUNDS
YEAR ENDED JUNE 30, 2020

EXPENDITURES	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
Answering Service and Phone	\$ 500	\$ 798	\$ (298)
Bank Charges	400	86	314
Billing Service	25,000	18,275	6,725
Contingency	4,000	-	4,000
Depreciation	-	44,676	(44,676)
Engineering Expense	14,600	5,153	9,447
Legal Fees	5,600	1,102	4,498
Legal Notices	600	104	496
Liability Insurance	11,100	10,809	291
Miscellaneous	7,900	1,849	6,051
Office Supplies and Expense	1,100	826	274
Officers Bond	-	312	(312)
Outside Services Engineering Fees	14,300	1,519	12,781
Payroll Taxes	2,800	2,502	298
Postage	900	865	35
Professional Fees	6,600	6,300	300
Repairs and Maintenance	43,500	24,308	19,192
Salaries	35,400	32,694	2,706
Trustee Fees	18,000	15,000	3,000
Water Purchases	107,100	128,636	(21,536)
Water Testing	7,100	7,785	(685)
Web and Computer	5,500	756	4,744
Workers Compensation Insurance	500	564	(64)
Total Expenditures	<u>\$ 312,500</u>	<u>\$ 304,919</u>	<u>\$ 7,581</u>

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