



***GLENBROOK SANITARY DISTRICT
COOK COUNTY, ILLINOIS***

COMPILED FINANCIAL STATEMENTS

JUNE 30, 2023

GLENBROOK SANITARY DISTRICT
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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, 2023 and 2022, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a 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. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 10 to the financial statements, Glenbrook Sanitary District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

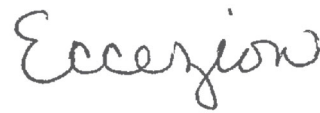
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has omitted Management's Discussion and Analysis as required supplementary information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

Supplementary Information

The accompanying 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.



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March 20, 2024

BASIC FINANCIAL STATEMENTS

GLENBROOK SANITARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 775,757	\$ 1,989	\$ 777,746
Prepaid Items	78	78	156
Water/Sewer Usage Receivable (Net of allowance of \$0)	15,376	64,291	79,667
Property Tax Receivable (Net of allowance of \$0)	58,588	-	58,588
Other Capital Assets, Net of Depreciation	-	387,795	387,795
Total Assets	\$ 849,799	\$ 454,153	\$ 1,303,952
LIABILITIES			
Accounts Payable	\$ 30,996	\$ 8,045	\$ 39,041
Total Liabilities	\$ 30,996	\$ 8,045	\$ 39,041
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue - Subsequent Year	\$ 58,588	\$ -	\$ 58,588
Total Deferred Inflows of Resources	\$ 58,588	\$ -	\$ 58,588
NET POSITION			
Investment in Capital Assets	\$ -	\$ 387,795	\$ 387,795
Unrestricted / (Deficit)	760,215	58,313	818,528
Total Net Position	\$ 760,215	\$ 446,108	\$ 1,206,323

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, 2023

	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Governmental Activities	Business-Type Activities	
Functions/Programs					
Governmental Activities					
Capital Improvement	\$ 3,009	\$ 16,190	\$ 13,181	\$ -	\$ 13,181
Sewer	143,426	66,711	(76,715)	-	(76,715)
Total Governmental Activities	<u>\$ 146,435</u>	<u>\$ 82,901</u>	<u>\$ (63,534)</u>	<u>\$ -</u>	<u>\$ (63,534)</u>
Business-Type Activities					
Water	\$ 286,066	\$ 260,721	\$ -	\$ (25,345)	\$ (25,345)
Total Business-Type Activities	<u>\$ 286,066</u>	<u>\$ 260,721</u>	<u>\$ -</u>	<u>\$ (25,345)</u>	<u>\$ (25,345)</u>
Total Primary Government	<u>\$ 432,501</u>	<u>\$ 343,622</u>	<u>\$ (63,534)</u>	<u>\$ (25,345)</u>	<u>\$ (88,879)</u>
General Revenues					
Taxes					
Property Taxes			\$ 108,170	\$ -	\$ 108,170
Personal Property Replacement Taxes			842	-	842
Unrestricted Investment Earnings			11,922	286	12,208
Other Income			394	-	394
Total General Revenues and Transfers			<u>\$ 121,328</u>	<u>\$ 286</u>	<u>\$ 121,614</u>
Change in Net Position			\$ 57,794	\$ (25,059)	\$ 32,735
Net Position - Beginning of Year			<u>702,421</u>	<u>471,167</u>	<u>1,173,588</u>
Net Position - End of Year			<u>\$ 760,215</u>	<u>\$ 446,108</u>	<u>\$ 1,206,323</u>

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, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023			2022
	General Fund	Capital Improvement Fund	Total Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 658,219	\$ 117,538	\$ 775,757	\$ 694,337
Prepaid Items	78	-	78	1,669
Interest Receivable (Net of allowance of \$0)	-	-	-	54
Property Tax Receivable (Net of allowance of \$0)	58,588	-	58,588	58,072
Sewer Usage Receivable (Net of allowance of \$0)	15,376	-	15,376	10,612
TOTAL ASSETS	<u>\$ 732,261</u>	<u>\$ 117,538</u>	<u>\$ 849,799</u>	<u>\$ 764,744</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 28,004	\$ 2,992	\$ 30,996	\$ 3,620
Payroll Liabilities	-	-	-	631
Total Liabilities	<u>\$ 28,004</u>	<u>\$ 2,992</u>	<u>\$ 30,996</u>	<u>\$ 4,251</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue - Subsequent Year	\$ 58,588	\$ -	\$ 58,588	\$ 58,072
Total Deferred Inflows of Resources	<u>\$ 58,588</u>	<u>\$ -</u>	<u>\$ 58,588</u>	<u>\$ 58,072</u>
FUND BALANCE				
Assigned for:				
Capital Projects	\$ -	\$ 114,546	\$ 114,546	\$ 98,649
Unassigned	645,669	-	645,669	603,772
Total Fund Balance	<u>\$ 645,669</u>	<u>\$ 114,546</u>	<u>\$ 760,215</u>	<u>\$ 702,421</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 732,261</u>	<u>\$ 117,538</u>	<u>\$ 849,799</u>	<u>\$ 764,744</u>

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, 2023

Total Fund Balances - Governmental Funds	<u>\$ 760,215</u>
Net Position of Governmental Activities	<u><u>\$ 760,215</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, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023			2022
	General Fund	Capital Improvement Fund	Total Governmental Funds	Total Governmental Funds
REVENUES				
Local Taxes				
Property Taxes	\$ 108,170	\$ -	\$ 108,170	\$ 72,077
Intergovernmental				
Personal Property Replacement Taxes	842	-	842	884
Other Local Sources				
Interest	9,206	2,716	11,922	881
Charges for Services	62,311	-	62,311	53,809
Capital User Fees	-	16,190	16,190	-
Permit Fees	4,400	-	4,400	1,900
Miscellaneous	394	-	394	-
Total Revenues	\$ 185,323	\$ 18,906	\$ 204,229	\$ 129,551
EXPENDITURES				
CURRENT				
Accounting	\$ 3,663	\$ -	\$ 3,663	\$ -
Bank Charges	250	17	267	7
Billing Service	-	-	-	9,329
Capital Improvements	-	-	-	2,496
Engineering Services	36,881	2,992	39,873	-
Legal Fees	1,889	-	1,889	1,039
Legal Notices	306	-	306	305
Insurance	6,821	-	6,821	4,054
Miscellaneous	774	-	774	574
Office Supplies	662	-	662	869
Outside Services Engineering Fees	-	-	-	1,450
Payroll Taxes	1,170	-	1,170	1,255
Postage	605	-	605	345
Professional Fees	21,540	-	21,540	3,138
Repairs and Maintenance	38,032	-	38,032	20,917
Salaries	18,167	-	18,167	16,131
Trustee Fees	7,500	-	7,500	7,500
Utilities	1,303	-	1,303	-
Web and Computer	3,863	-	3,863	1,700
Total Expenditures	\$ 143,426	\$ 3,009	\$ 146,435	\$ 71,109
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 41,897	\$ 15,897	\$ 57,794	\$ 58,442
OTHER FINANCING SOURCES/(USES)				
Transfers	-	-	-	(53,620)
NET CHANGE IN FUND BALANCES	\$ 41,897	\$ 15,897	\$ 57,794	\$ 4,822
FUND BALANCE - BEGINNING	603,772	98,649	702,421	697,599
FUND BALANCE - ENDING	\$ 645,669	\$ 114,546	\$ 760,215	\$ 702,421

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, 2023

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 57,794</u>
Change in Net Position of Governmental Activities	<u><u>\$ 57,794</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, 2023 AND 2022

	Enterprise Fund - Water Fund	
	2023	2022
ASSETS		
Current Assets		
Cash	\$ 1,989	\$ 10,382
Prepaid Items	78	1,669
Water Usage Receivable (Net of allowance of \$0)	64,291	42,446
	\$ 66,358	\$ 54,497
Non-Current Assets		
Capital Assets		
Infrastructure	\$ 1,929,809	\$ 1,929,809
Less: Accumulated Depreciation	(1,542,014)	(1,494,200)
	\$ 387,795	\$ 435,609
Total Assets	\$ 454,153	\$ 490,106
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 8,045	\$ 18,308
Payroll Liabilities	-	631
	\$ 8,045	\$ 18,939
Non-Current Liabilities	\$ -	\$ -
Total Liabilities	\$ 8,045	\$ 18,939
NET POSITION		
Investment in Capital Assets	\$ 387,795	\$ 435,609
Unrestricted / (Deficit)	58,313	35,558
	\$ 446,108	\$ 471,167
Total Net Position	\$ 446,108	\$ 471,167

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, 2023 AND 2022

	Enterprise Fund - Water Fund	
	2023	2022
OPERATING REVENUES		
Charges for Services		
Water Sales	\$ 256,321	\$ 211,251
Inspection and Permit Fees	4,400	1,100
Total Operating Revenues	\$ 260,721	\$ 212,351
OPERATING EXPENSES		
Water Department		
Answering Service and Phone	\$ -	\$ 810
Accounting	3,663	-
Bank Charges	1	8
Billing Service	-	9,334
Depreciation	47,814	46,245
Engineering Services	3,308	1,471
Legal Fees	1,889	1,344
Legal Notices	306	-
Insurance	6,821	3,675
Miscellaneous	729	2,446
Office Supplies	662	304
Payroll Taxes	1,170	1,284
Postage	605	345
Professional Fees	24,627	3,138
Repairs and Maintenance	24,207	16,681
Salaries	18,167	16,131
Trustee Fees	7,500	7,500
Utilities	1,303	-
Water Purchases	134,269	144,324
Water Testing	5,192	9,016
Web and Computer	3,833	379
Total Operating Expenses	\$ 286,066	\$ 264,435
OPERATING INCOME/(LOSS)	\$ (25,345)	\$ (52,084)
NON-OPERATING REVENUE/(EXPENSE)		
Interest Income	\$ 286	\$ 881
Total Non-Operating Revenue/(Expense)	\$ 286	\$ 881
TRANSFERS (TO)/FROM OTHER FUNDS	-	53,620
CHANGE IN NET POSITION	\$ (25,059)	\$ 2,417
NET POSITION - BEGINNING	471,167	468,750
NET POSITION - ENDING	\$ 446,108	\$ 471,167

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, 2023 AND 2022

	Enterprise Fund - Water Fund	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Water Customers	\$ 238,876	\$ 212,301
Payments to Suppliers	(134,269)	(144,324)
Payments for Employees and Officers	(25,667)	(23,631)
Payments for Engineering, Billing, and Collection	(3,308)	(10,805)
Payments for Insurance	(6,821)	(4,054)
Payments for Repairs and Maintenance	(24,207)	(16,681)
Payments for Water Testing	(5,192)	(9,016)
Payments for Legal Fees	(2,195)	(1,344)
Other Expenses	(45,896)	(15,358)
Net Cash Provided/(Used) by Operating Activities	\$ (8,679)	\$ (12,912)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contributions	\$ -	\$ 53,620
Purchase of Fixed Assets	-	(62,760)
Net Cash Provided/(Used) by Capital and Related Financing Activities	\$ -	\$ (9,140)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Cash and Cash Equivalents and Investments	\$ 286	\$ 881
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (8,393)	\$ (21,171)
CASH AND CASH EQUIVALENTS BALANCE - Beginning of Year	10,382	31,553
CASH AND CASH EQUIVALENTS BALANCE - End of Year	\$ 1,989	\$ 10,382
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Operating Income/(Loss)	\$ (25,345)	\$ (52,084)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation Expense	47,814	46,245
Change in assets and liabilities:		
Receivables, Net	(21,845)	(50)
Prepaid Items	1,591	(456)
Accounts Payable	(10,263)	(6,576)
Payroll Liabilities	(631)	9
Net Cash Provided/(Used) by Operating Activities	\$ (8,679)	\$ (12,912)

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

GLENBROOK SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023.

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 2023.

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.

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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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 2022 levy was passed by the Board on December 1, 2022. 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.

P. *Lease Arrangements*

The District recognizes a right-to-use liability and asset for various lease and subscription-based IT agreements right-to-use assets (right-to-use asset) in the government-wide financial statements.

At the commencement of a lease or subscription-based IT agreement, the District initially measures the right-to-use liability at the present value of payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the term of the lease or subscription-based IT agreement. Key estimates and judgments related to leases or subscription-based IT agreements include

NOTES TO FINANCIAL STATEMENTS (Continued)

how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) the term, and (3) payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases or subscription-based IT agreements.

The District monitors changes in circumstances that would require a remeasurement of its lease or SBITA and will remeasure the right-to-use or SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use or SBITA liability. Right-to-use or SBITA assets are reported with Capital Assets and right-to-use or SBITA liabilities are reported with Long Term Liabilities on the Statement of Net Position.

The District currently has no material leases or subscription-bases IT agreements that fall under this type of arrangement.

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, 2023, the District had investments of \$1,575 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.

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.

Credit Risk

State law limits investments based on credit risk. The District does not have a formal investment policy that would further limit its investment choices.

Concentration of Credit Risk

The District places no specific limit on the amount the District may invest in any one issuer.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
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	\$ 1,929,809	\$ -	\$ -	\$ 1,929,809
Total Other Capital Assets at Historical Cost	<u>\$ 1,929,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,929,809</u>
Less Accumulated Depreciation for:				
Water Improvements	\$ 1,494,200	\$ 47,814	\$ -	\$ 1,542,014
Total Accumulated Depreciation	<u>\$ 1,494,200</u>	<u>\$ 47,814</u>	<u>\$ -</u>	<u>\$ 1,542,014</u>
Other Capital Assets, Net	<u>\$ 435,609</u>	<u>\$ (47,814)</u>	<u>\$ -</u>	<u>\$ 387,795</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 435,609</u></u>	<u><u>\$ (47,814)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 387,795</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	\$ 47,814
Total Business-Type Activities Depreciation Expense	<u><u>\$ 47,814</u></u>

NOTE 4 - DEFICIT FUND BALANCE

No fund balances had a deficit as of June 30, 2023.

NOTE 5 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements, in the amount of \$58,588, are from the uncollected portion of the 2022 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 2023.

The District has determined that the amounts collected for the 2022, 2021 and prior levies are allocable for use in fiscal year 2023. Therefore, the amounts collected for the 2022 levy (\$39,048) and 2021 and prior levies (\$69,122) are recorded in these financial statements as property taxes revenue. A summary of the assessed valuations, rates, and extensions for the years 2022, 2021, and 2020 follows:

Tax Year	2022		2021		2020	
	Rate	Extension	Rate	Extension	Rate	Extension
Assessed Valuation	\$184,459,552		\$173,649,487		\$187,207,362	
Corporate	0.0529	\$ 98,502	0.0535	\$ 93,424	0.0489	\$ 91,732
Revenue Recapture	0.0016	2,951	0.0002	347	-	-
	<u>0.0545</u>	<u>\$ 101,453</u>	<u>0.0537</u>	<u>\$ 93,771</u>	<u>0.0489</u>	<u>\$ 91,732</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2023, no fund had expenditures that exceeded the budget.

NOTE 7 - INTERFUND TRANSFERS

For the year ended June 30, 2023, 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 2023 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, 2023, 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 - CHANGE IN ACCOUNTING PRINCIPLE

The District has implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement establishes financial reporting standards related to subscription-based information technology arrangements. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

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, 2023

	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
REVENUES			
Local Taxes			
Property Taxes	\$ 93,000	\$ 108,170	\$ 15,170
Intergovernmental			
Personal Property Replacement Taxes	900	842	(58)
Other Local Sources			
Interest	1,000	9,206	8,206
Charges for Services	52,500	62,311	9,811
Permit Fees	2,200	4,400	2,200
Miscellaneous	-	394	394
Total Revenues	<u>\$ 149,600</u>	<u>\$ 185,323</u>	<u>\$ 35,723</u>
EXPENDITURES			
CURRENT			
Sewer	\$ 171,800	\$ 143,426	\$ 28,374
Total Expenditures	<u>\$ 171,800</u>	<u>\$ 143,426</u>	<u>\$ 28,374</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (22,200)	\$ 41,897	\$ 64,097
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (22,200)</u>	\$ 41,897	<u>\$ 64,097</u>
FUND BALANCE - BEGINNING		<u>603,772</u>	
FUND BALANCE - ENDING		<u>\$ 645,669</u>	

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GLENBROOK SANITARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

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 July 20, 2022, and was not amended.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

There was no fund listed in the required supplementary information that had expenditures over budget for the year ended June 30, 2023.

SUPPLEMENTARY INFORMATION

GLENBROOK SANITARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - APPROPRIATION AND ACTUAL
WATER FUND
YEAR ENDED JUNE 30, 2023

	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
REVENUES			
Charges for Services			
Water Sales	\$ 230,000	\$ 256,321	\$ 26,321
Inspection and Permit Fees	2,200	4,400	2,200
Other Local Sources			
Interest	-	286	286
Total Revenues	<u>\$ 232,200</u>	<u>\$ 261,007</u>	<u>\$ 28,807</u>
EXPENDITURES			
CURRENT			
Water	\$ 293,600	\$ 286,066	\$ 7,534
Total Expenditures	<u>\$ 293,600</u>	<u>\$ 286,066</u>	<u>\$ 7,534</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (61,400)	\$ (25,059)	\$ 36,341
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (61,400)</u>	<u>\$ (25,059)</u>	<u>\$ 36,341</u>
FUND BALANCE - BEGINNING		<u>471,167</u>	
FUND BALANCE - ENDING		<u>\$ 446,108</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, 2023

	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
REVENUES			
Local Taxes			
Property Taxes	\$ 93,000	\$ 108,170	\$ 15,170
Intergovernmental			
Personal Property Replacement Taxes	900	842	(58)
Other Local Sources			
Interest	1,000	12,208	11,208
Charges for Services	282,500	318,632	36,132
Capital User Fees	-	16,190	16,190
Permit Fees	2,200	4,400	2,200
Inspection and Permit Fees	2,200	4,400	2,200
Miscellaneous	-	394	394
Total Revenues	<u>\$ 381,800</u>	<u>\$ 465,236</u>	<u>\$ 83,436</u>
EXPENDITURES			
CURRENT			
General Government			
Water	\$ 293,600	\$ 286,066	\$ (7,534)
Sewer	171,800	143,426	(28,374)
Capital	245,792	3,009	(242,783)
Total Expenditures	<u>\$ 711,192</u>	<u>\$ 432,501</u>	<u>\$ (278,691)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (329,392)	\$ 32,735	\$ 362,127
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (329,392)</u>	\$ 32,735	<u>\$ 362,127</u>
FUND BALANCE - BEGINNING		<u>1,173,588</u>	
FUND BALANCE - ENDING		<u>\$ 1,206,323</u>	

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GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
SEWER FUND
YEAR ENDED JUNE 30, 2023

EXPENDITURES	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
Accounting	\$ 3,300	\$ 3,663	\$ (363)
Bank Charges	100	250	(150)
Engineering Services	38,300	36,881	1,419
Legal Fees	2,500	1,889	611
Legal Notices	-	306	(306)
Insurance	5,800	6,821	(1,021)
Miscellaneous	300	774	(474)
Office Supplies	400	662	(262)
Payroll Taxes	1,300	1,170	130
Postage	300	605	(305)
Professional Fees	20,000	21,540	(1,540)
Repairs and Maintenance	68,000	38,032	29,968
Salaries	16,000	18,167	(2,167)
Trustee Fees	9,000	7,500	1,500
Utilities	700	1,303	(603)
Web and Computer	5,800	3,863	1,937
Total Expenditures	<u>\$ 171,800</u>	<u>\$ 143,426</u>	<u>\$ 28,374</u>

See Accompanying Independent Accountant's Compilation Report

GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
WATER FUND
YEAR ENDED JUNE 30, 2023

EXPENDITURES	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
Accounting	\$ 3,300	\$ 3,663	\$ (363)
Bank Charges	100	1	99
Depreciation	-	47,814	(47,814)
Engineering Services	7,000	3,308	3,692
Legal Fees	2,500	1,889	611
Legal Notices	300	306	(6)
Insurance	5,800	6,821	(1,021)
Miscellaneous	1,000	729	271
Office Supplies	400	662	(262)
Payroll Taxes	1,300	1,170	130
Postage	300	605	(305)
Professional Fees	20,000	24,627	(4,627)
Repairs and Maintenance	46,600	24,207	22,393
Salaries	16,000	18,167	(2,167)
Trustee Fees	9,000	7,500	1,500
Utilities	1,200	1,303	(103)
Water Purchases	163,000	134,269	28,731
Water Testing	10,000	5,192	4,808
Web and Computer	5,800	3,833	1,967
Total Expenditures	<u>\$ 293,600</u>	<u>\$ 286,066</u>	<u>\$ 7,534</u>

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GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
SEWER, CAPITAL IMPROVEMENT, AND WATER FUNDS
YEAR ENDED JUNE 30, 2023

EXPENDITURES	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
Accounting	\$ 6,600	\$ 7,326	\$ (726)
Bank Charges	200	268	(68)
Capital Improvements	245,792	-	245,792
Depreciation	-	47,814	(47,814)
Engineering Services	45,300	43,181	2,119
Legal Fees	5,000	3,778	1,222
Legal Notices	300	612	(312)
Insurance	11,600	13,642	(2,042)
Miscellaneous	1,300	1,503	(203)
Office Supplies	800	1,324	(524)
Payroll Taxes	2,600	2,340	260
Postage	600	1,210	(610)
Professional Fees	40,000	46,167	(6,167)
Repairs and Maintenance	114,600	62,239	52,361
Salaries	32,000	36,334	(4,334)
Trustee Fees	18,000	15,000	3,000
Utilities	1,900	2,606	(706)
Water Purchases	163,000	134,269	28,731
Water Testing	10,000	5,192	4,808
Web and Computer	11,600	7,696	3,904
Total Expenditures	<u>\$ 711,192</u>	<u>\$ 432,501</u>	<u>\$ 278,691</u>

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