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**GLENBROOK SANITARY DISTRICT
COOK COUNTY, ILLINOIS**

COMPILED FINANCIAL STATEMENTS

JUNE 30, 2018

eder, casella & co.

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, 2018 and 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, 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 – 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

McHenry, Illinois
November 19, 2018

BASIC FINANCIAL STATEMENTS

GLENBROOK SANITARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 468,831	\$ -	\$ 468,831
Prepaid Expenses	2,062	973	3,035
Interest Receivable	56	-	56
Water/Sewer Usage Receivable	9,027	32,006	41,033
Property Tax Receivable	43,237	-	43,237
Interfund Receivable	276	-	276
Due from Governmental Funds	-	34,682	34,682
Other Capital Assets, Net of Depreciation	-	553,122	553,122
Total Assets	\$ 523,489	\$ 620,783	\$ 1,144,272
LIABILITIES			
Accounts Payable	\$ 1,358	\$ 16,635	\$ 17,993
Payroll Liabilities	961	961	1,922
Interfund Payable	276	-	276
Due to Water Fund	34,682	-	34,682
Total Liabilities	\$ 37,277	\$ 17,596	\$ 54,873
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue - Subsequent Year	\$ 43,237	\$ -	\$ 43,237
Total Deferred Inflows of Resources	\$ 43,237	\$ -	\$ 43,237
NET POSITION			
Net Investment in Capital Assets	\$ -	\$ 553,122	\$ 553,122
Unrestricted / (Deficit)	442,975	50,065	493,040
Total Net Position	\$ 442,975	\$ 603,187	\$ 1,046,162

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, 2018

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Governmental Activities	Business-Type Activities	Total
Governmental Activities					
Capital Improvement	\$ 189,724	\$ -	\$ (189,724)	\$ -	\$ (189,724)
Sewer	48,683	50,817	2,134	-	2,134
Depreciation - Sewer	7,696	-	(7,696)	-	(7,696)
Total Governmental Activities	<u>\$ 246,103</u>	<u>\$ 50,817</u>	<u>\$ (195,286)</u>	<u>\$ -</u>	<u>\$ (195,286)</u>
Business-Type Activities					
Water	\$ 218,999	\$ 181,193	\$ -	\$ (37,806)	\$ (37,806)
Total Business-Type Activities	<u>\$ 218,999</u>	<u>\$ 181,193</u>	<u>\$ -</u>	<u>\$ (37,806)</u>	<u>\$ (37,806)</u>
Total Primary Government	<u>\$ 465,102</u>	<u>\$ 232,010</u>	<u>\$ (195,286)</u>	<u>\$ (37,806)</u>	<u>\$ (233,092)</u>
General Revenues					
Taxes					
Property Taxes			\$ 84,514	\$ -	\$ 84,514
Personal Property Replacement Taxes			135	135	270
Unrestricted Investment Earnings			1,039	-	1,039
Total General Revenues and Transfers			<u>\$ 85,688</u>	<u>\$ 135</u>	<u>\$ 85,823</u>
Change in Net Position			\$ (109,598)	\$ (37,671)	\$ (147,269)
Net Position - Beginning of Year			<u>552,573</u>	<u>640,858</u>	<u>1,193,431</u>
Net Position - End of Year			<u>\$ 442,975</u>	<u>\$ 603,187</u>	<u>\$ 1,046,162</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, 2018 WITH COMPARATIVE TOTALS FOR 2017

	2018			2017
	General Fund	Capital Improvement Fund	Total Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 468,831	\$ -	\$ 468,831	\$ 565,656
Prepaid Expenses	2,062	-	2,062	1,985
Interest Receivable	56	-	56	56
Interfund Receivable	-	276	276	37,811
Property Tax Receivable	43,237	-	43,237	63,109
Sewer Usage Receivable	9,027	-	9,027	9,364
TOTAL ASSETS	\$ 523,213	\$ 276	\$ 523,489	\$ 677,981
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 1,358	\$ -	\$ 1,358	\$ 4,388
Payroll Liabilities	961	-	961	982
Interfund Payable	276	-	276	37,811
Due To Water Fund	34,682	-	34,682	26,814
Total Liabilities	\$ 37,277	\$ -	\$ 37,277	\$ 69,995
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue - Subsequent Year	\$ 43,237	\$ -	\$ 43,237	\$ 63,109
Total Deferred Inflows of Resources	\$ 43,237	\$ -	\$ 43,237	\$ 63,109
FUND BALANCE				
Unassigned	\$ 442,699	\$ 276	\$ 442,975	\$ 544,877
Total Fund Balance	\$ 442,699	\$ 276	\$ 442,975	\$ 544,877
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 523,213	\$ 276	\$ 523,489	\$ 677,981

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, 2018

Total Fund Balances - Governmental Funds \$ 442,975

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

Capital Assets, net of accumulated depreciation -

Net Position of Governmental Activities \$ 442,975

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, 2018 WITH COMPARATIVE TOTALS FOR 2017

	2018		2017	
	General Fund	Capital Improvement Fund	Total Governmental Funds	Total Governmental Funds
REVENUES				
Local Taxes				
Property Taxes	\$ 84,514	\$ -	\$ 84,514	\$ 63,351
Intergovernmental				
Personal Property Replacement Taxes	135	-	135	189
Other Local Sources				
Interest	1,039	-	1,039	1,084
Charges for Services	50,817	-	50,817	66,511
Permit Fees	-	-	-	8,000
Total Revenues	\$ 136,505	\$ -	\$ 136,505	\$ 139,135
EXPENDITURES				
CURRENT				
Bank Charges	\$ 147	\$ -	\$ 147	\$ 126
Billing Service	10,555	-	10,555	10,595
Capital Improvements	-	189,724	189,724	95,392.00
Legal Fees	1,313	-	1,313	821
Legal Notices	447	-	447	568
Liability Insurance	3,844	-	3,844	4,282
Miscellaneous	375	-	375	-
Office Supplies and Expense	1,063	-	1,063	570
Outside Services Engineering Fees	1,154	-	1,154	7,592
Payroll Taxes	610	-	610	1,618
Postage	300	-	300	45
Professional Fees	3,050	-	3,050	2,919
Repairs and Maintenance	-	-	-	270
Salaries	16,524	-	16,524	16,502
Trustee Fees	9,000	-	9,000	9,000
Web and Computer	301	-	301	-
Total Expenditures	\$ 48,683	\$ 189,724	\$ 238,407	\$ 150,300
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 87,822	\$ (189,724)	\$ (101,902)	\$ (11,165)
OTHER FINANCING SOURCES/(USES)				
Transfers	(254,625)	254,625	-	-
NET CHANGE IN FUND BALANCES	\$ (166,803)	\$ 64,901	\$ (101,902)	\$ (11,165)
FUND BALANCE - BEGINNING	609,502	(64,625)	544,877	556,042
FUND BALANCE - ENDING	\$ 442,699	\$ 276	\$ 442,975	\$ 544,877

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (101,902)

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However,
in the Statement of Activities the cost of those assets is allocated
over their estimated useful lives and reported as depreciation expense.

Depreciation Expense (7,696)

Change in Net Position of Governmental Activities \$ (109,598)

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, 2018 AND 2017

	Enterprise Fund - Water Fund	
	2018	2017
ASSETS		
Current Assets		
Prepaid Expenses	\$ 973	\$ 1,028
Water Usage Receivable	32,006	33,198
Interfund Balances	34,682	26,814
	\$ 67,661	\$ 61,040
Non-Current Assets		
Capital Assets		
Infrastructure	\$ 1,867,049	\$ 1,867,049
Less: Accumulated Depreciation	(1,313,927)	(1,269,250)
	\$ 553,122	\$ 597,799
 Total Assets	 \$ 620,783	 \$ 658,839
 LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 16,635	\$ 16,999
Payroll Liabilities	961	982
Total Liabilities	\$ 17,596	\$ 17,981
 NET POSITION		
Net Investment in Capital Assets	\$ 553,122	\$ 597,799
Unrestricted / (Deficit)	50,065	43,059
	\$ 603,187	\$ 640,858

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, 2018 AND 2017

	Enterprise Fund - Water Fund	
	2018	2017
OPERATING REVENUES		
Charges for Services		
Water Sales	\$ 181,193	\$ 215,535
Total Operating Revenues	\$ 181,193	\$ 215,535
OPERATING EXPENSES		
Water Department		
Answering Service and Phone	\$ 630	\$ 507
Bank Charges	147	101
Billing Service	20,032	14,979
Depreciation	44,676	44,676
Engineering Expense	4,718	5,647
Legal Fees	1,760	1,389
Liability Insurance	3,931	9,726
Miscellaneous	4,808	134
Officers Bond	375	-
Payroll Taxes	1,635	1,626
Postage	300	45
Professional Fees	3,050	2,919
Repairs and Maintenance	300	954
Salaries	16,524	16,493
Trustee Fees	9,000	9,000
Water Purchases	99,931	97,481
Water Testing	7,137	248
Workers Compensation Insurance	45	440
Total Operating Expenses	\$ 218,999	\$ 206,365
OPERATING INCOME/(LOSS)	\$ (37,806)	\$ 9,170
NON-OPERATING REVENUE/(EXPENSE)		
Personal Property Replacement Taxes	\$ 135	\$ 135
Total Non-Operating Revenue/(Expense)	\$ 135	\$ 135
CHANGE IN NET POSITION	\$ (37,671)	\$ 9,305
NET POSITION - BEGINNING	640,858	631,553
NET POSITION - ENDING	\$ 603,187	\$ 640,858

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, 2018 AND 2017

	Enterprise Fund - Water Fund	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Water Customers	\$ 182,385	\$ 186,274
Security Deposits	-	(11,925)
Other Income	135	135
Payments to Suppliers	(99,931)	(97,481)
Payments for Employees and Officers	(25,524)	(25,493)
Payments for Engineering, Billing, and Collection	(24,750)	(20,626)
Payments for Insurance	(3,976)	(10,166)
Payments for Repairs and Maintenance	(300)	(954)
Payments for Water Testing	(7,137)	(248)
Payments for Legal Fees	(1,760)	(1,389)
Other Expenses	(19,142)	(18,127)
Net Cash Provided/(Used) by Operating Activities	\$ -	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Provided/(Used) by Investing Activities	\$ -	\$ -
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)	\$ (37,806)	\$ 9,170
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation Expense	44,676	44,676
Other Income	136	135
Change in assets and liabilities:		
Receivables, Net	1,192	(29,261)
Prepaid Expenses	55	(168)
Accounts Payable	(364)	6,353
Intercompany Account	(7,868)	(19,333)
Payroll Liabilities	(21)	353
Security Deposits	-	(11,925)
Net Cash Provided/(Used) by Operating Activities	\$ -	\$ -

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

GLENBROOK SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018.

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 2018.

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, as well as issuance costs, 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 2017 levy was passed by the Board on December 1, 2017. 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, 2018, the District had investments of \$1,448 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, 2018 was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
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	\$ 377,110	\$ 7,696	\$ -	\$ 384,806
Total Accumulated Depreciation	<u>\$ 377,110</u>	<u>\$ 7,696</u>	<u>\$ -</u>	<u>\$ 384,806</u>
Other Capital Assets, Net	<u>\$ 7,696</u>	<u>\$ (7,696)</u>	<u>\$ -</u>	<u>\$ -</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 7,696</u></u>	<u><u>\$ (7,696)</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	\$ 1,269,250	\$ 44,677	\$ -	\$ 1,313,927
Total Accumulated Depreciation	<u>\$ 1,269,250</u>	<u>\$ 44,677</u>	<u>\$ -</u>	<u>\$ 1,313,927</u>
Other Capital Assets, Net	<u>\$ 597,799</u>	<u>\$ (44,677)</u>	<u>\$ -</u>	<u>\$ 553,122</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 597,799</u></u>	<u><u>\$ (44,677)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 553,122</u></u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Sewer	\$ 7,696
Total Governmental Activities Depreciation Expense	<u><u>\$ 7,696</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, 2018.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements, in the amount of \$43,237, are from the uncollected portion of the 2017 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 2018.

The District has determined that the amounts collected for the 2017, 2016 and prior levies are allocable for use in fiscal year 2018. Therefore, the amounts collected for the 2017 levy (\$46,455) and 2016 and prior levies (\$38,059) are recorded in these financial statements as property taxes revenue. A summary of the assessed valuations, rates, and extensions for the years 2017, 2016, and 2015 follows:

Tax Year	2017		2016		2015	
Assessed Valuation	\$194,982,851		\$187,742,765		\$164,485,631	
	Rate	Extension	Rate	Extension	Rate	Extension
Corporate	0.0460	\$ 88,065	0.0460	\$ 86,254	0.0520	\$ 84,052
	0.0460	\$ 88,065	0.0460	\$ 86,254	0.0520	\$ 84,052

NOTE 6 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2018 the Water Fund had expenditures that exceeded the budget by \$41,706 primarily due to the District not budgeting for depreciation expense.

NOTE 7 - INTERFUND TRANSFER

For the year ended June 30, 2018 there was an interfund transfer between the General Fund and the Capital Improvements Fund to fund capital project expenditures.

Transfer From	Transfer To	Amount
General Fund	Capital Improvements Fund	\$ 254,625

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 2018 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, 2018, 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.

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, 2018

	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
REVENUES			
Local Taxes			
Property Taxes	\$ 86,400	\$ 84,514	\$ (1,886)
Intergovernmental			
Personal Property Replacement Taxes	200	135	(65)
Other Local Sources			
Interest	700	1,039	339
Charges for Services	45,000	50,817	5,817
Miscellaneous	2,200	-	(2,200)
Total Revenues	<u>\$ 134,500</u>	<u>\$ 136,505</u>	<u>\$ 2,005</u>
EXPENDITURES			
CURRENT			
Sewer	\$ 91,293	\$ 48,683	\$ 42,610
Total Expenditures	<u>\$ 91,293</u>	<u>\$ 48,683</u>	<u>\$ 42,610</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 43,207	\$ 87,822	\$ 44,615
OTHER FINANCING SOURCES/(USES)			
Transfers	-	(254,625)	(254,625)
NET CHANGE IN FUND BALANCE	<u>\$ 43,207</u>	<u>\$ (166,803)</u>	<u>\$ (210,010)</u>
FUND BALANCE - BEGINNING		<u>609,502</u>	
FUND BALANCE - ENDING		<u><u>\$ 442,699</u></u>	

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GLENBROOK SANITARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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 7, 2017 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, 2018

	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
CURRENT			
Capital Improvements	\$ 220,000	\$ 189,724	\$ 30,276
Total Expenditures	<u>\$ 220,000</u>	<u>\$ 189,724</u>	<u>\$ 30,276</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (220,000)	\$ (189,724)	\$ 30,276
OTHER FINANCING SOURCES/(USES)			
Transfers	<u>-</u>	<u>254,625</u>	<u>254,625</u>
NET CHANGE IN FUND BALANCE	<u>\$ (220,000)</u>	\$ 64,901	<u>\$ 284,901</u>
FUND BALANCE - BEGINNING		<u>(64,625)</u>	
FUND BALANCE - ENDING		<u>\$ 276</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, 2018

	Appropriation Amounts	Actual Amounts	Variance
	<u>Original and Final</u>	<u> </u>	<u> </u>
REVENUES			
Charges for Services			
Water Sales	\$ 170,000	\$ 181,193	\$ 11,193
Inspection and Permit Fees	2,200		
Intergovernmental			
Personal Property Replacement Taxes	-	135	135
Other Local Sources			
Interest	300	-	(300)
Total Revenues	<u>\$ 172,500</u>	<u>\$ 181,328</u>	<u>\$ 8,828</u>
EXPENDITURES			
CURRENT			
Water	\$ 181,192	\$ 218,999	\$ (37,807)
Total Expenditures	<u>\$ 181,192</u>	<u>\$ 218,999</u>	<u>\$ (37,807)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (8,692)	\$ (37,671)	\$ (28,979)
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (8,692)</u>	<u>\$ (37,671)</u>	<u>\$ (28,979)</u>
FUND BALANCE - BEGINNING		<u>640,858</u>	
FUND BALANCE - ENDING		<u>\$ 603,187</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, 2018

	<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	\$ 86,400	\$ 84,514	\$ (1,886)
Intergovernmental			
Personal Property Replacement Taxes	200	270	70
Other Local Sources			
Interest	1,000	1,039	39
Charges for Services	217,200	232,010	14,810
Miscellaneous	2,200	-	(2,200)
Total Revenues	<u>\$ 307,000</u>	<u>\$ 317,833</u>	<u>\$ 10,833</u>
EXPENDITURES			
CURRENT			
General Government			
All Funds	\$ 492,485	\$ 457,406	\$ 35,079
Total Expenditures	<u>\$ 492,485</u>	<u>\$ 457,406</u>	<u>\$ 35,079</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (185,485)	\$ (139,573)	\$ 45,912
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (185,485)</u>	<u>\$ (139,573)</u>	<u>\$ 45,912</u>
FUND BALANCE - BEGINNING		<u>1,185,735</u>	
FUND BALANCE - ENDING		<u>\$ 1,046,162</u>	

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GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
SEWER FUND
YEAR ENDED JUNE 30, 2018

EXPENDITURES	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
Bank Charges	\$ 150	\$ 147	\$ 3
Billing Service	12,500	10,555	1,945
Contingency	2,000	-	2,000
Legal Fees	3,500	1,313	2,187
Legal Notices	500	447	53
Liability Insurance	5,150	3,844	1,306
Miscellaneous	300	375	(75)
Office Supplies and Expense	710	1,063	(353)
Outside Services Engineering Fees	14,300	1,154	13,146
Payroll Taxes	1,363	610	753
Postage	300	300	-
Professional Fees	2,900	3,050	(150)
Repairs and Maintenance	19,000	-	19,000
Salaries	17,620	16,524	1,096
Trustee Fees	9,000	9,000	-
Web and Computer	2,000	301	1,699
Total Expenditures	<u>\$ 91,293</u>	<u>\$ 48,683</u>	<u>\$ 42,610</u>

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GLENBROOK SANITARY DISTRICT
 SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
 CAPITAL IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2018

	<u>Appropriation Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance</u>
EXPENDITURES			
Capital Improvements	\$ 215,000	\$ 189,724	\$ 25,276
Engineering	5,000	-	5,000
Total Expenditures	<u>\$ 220,000</u>	<u>\$ 189,724</u>	<u>\$ 30,276</u>

See Accompanying Independent Accountant's Compilation Report

GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
WATER FUND
YEAR ENDED JUNE 30, 2018

	Amounts	Appropriation Amounts	Actual	Variance
	Original	Original and Final	Amounts	
EXPENDITURES				
Answering Service and Phone	\$ 410	\$ 410	\$ 630	\$ (220)
Bank Charges	150	150	147	3
Billing Service	12,500	12,500	20,032	(7,532)
Contingency	2,000	2,000	-	2,000
Depreciation	-	-	44,676	(44,676)
Engineering	14,600	14,600	4,718	9,882
Legal Fees	4,000	4,000	1,760	2,240
Liability Insurance	4,700	4,700	3,931	769
Miscellaneous	2,799	2,799	4,808	(2,009)
Officers Bond	-	-	375	(375)
Payroll Taxes	1,363	1,363	1,635	(272)
Postage	500	500	300	200
Professional Fees	2,900	2,900	3,050	(150)
Repairs and Maintenance	10,000	10,000	300	9,700
Salaries	17,620	17,620	16,524	1,096
Trustee Fees	9,000	9,000	9,000	-
Water Purchases	94,100	94,100	99,931	(5,831)
Water Testing	4,100	4,100	7,137	(3,037)
Workers Compensation Insurance	450	450	45	405
Total Expenditures	<u>\$ 181,192</u>	<u>\$ 181,192</u>	<u>\$ 218,999</u>	<u>\$ (37,807)</u>

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GLENBROOK SANITARY DISTRICT
SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL
SEWER, CAPITAL IMPROVEMENT, AND WATER FUNDS
YEAR ENDED JUNE 30, 2018

EXPENDITURES	Appropriation Amounts <u>Original and Final</u>	Actual Amounts	Variance
Answering Service and Phone	\$ 410	\$ 630	\$ (220)
Bank Charges	300	294	6
Billing Service	25,000	30,587	(5,587)
Capital Improvements	215,000	189,724	25,276
Contingency	4,000	-	4,000
Depreciation	-	44,676	(44,676)
Engineering Expense	19,600	4,718	14,882
Legal Fees	7,500	3,073	4,427
Legal Notices	500	447	53
Liability Insurance	9,850	7,775	2,075
Miscellaneous	3,099	5,183	(2,084)
Office Supplies and Expense	710	1,063	(353)
Officers Bond	-	375	(375)
Outside Services Engineering Fees	14,300	1,154	13,146
Payroll Taxes	2,726	2,245	481
Postage	800	600	200
Professional Fees	5,800	6,100	(300)
Repairs and Maintenance	29,000	300	28,700
Salaries	35,240	33,048	2,192
Trustee Fees	18,000	18,000	-
Water Purchases	94,100	99,931	(5,831)
Water Testing	4,100	7,137	(3,037)
Web and Computer	2,000	301	1,699
Workers Compensation Insurance	450	45	405
Total Expenditures	<u>\$ 492,485</u>	<u>\$ 457,406</u>	<u>\$ 35,079</u>

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