GLENBARD WASTEWATER AUTHORITY GLEN ELLYN, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS
27W457 WARRENVILLE RD. • WARRENVILLE, ILLINOIS 60555
PHONE 630.393.1483 • FAX 630.393.2516
www.lauterbachamen.com

May 12, 2017

The Honorable Chairman
Members of the Board of Directors
Glenbard Wastewater Authority
Glen Ellyn, Illinois

In planning and performing our audit of the financial statements of the Glenbard Wastewater Authority, for the fiscal year ended December 31, 2016, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Members of the Board of Directors, management, and others within the Glenbard Wastewater Authority.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Authority personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Authority staff.

Lauterbach + Amen LLP
LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. GASB STATEMENT NO. 74 FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS AND GASB STATEMENT NO. 75 ACCOUNTING AND FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Comment

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, *Financial Reporting for Post-Employment Benefits Plans Other Than Pension Plans*, which applies to individual postemployment benefit plans, and Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which applies to the state and local government employers that sponsor the plans. The Statements apply to the reporting of other post-employment benefits, including medical, dental, life, vision and other insurance coverages provided by the employer post-employment. The Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the other post-employment benefit plans, and specifically identify the methods and assumptions that are to be used in calculating and disclosing these OPEB accounts in the financial statements. The Statements also provide for additional note disclosures and required supplementary information and are intended to improve information provided by state and local government employers regarding financial support to their OPEB plans. GASB Statement No. 75 applies to the employer's reporting of other post-employment benefit plans and is applicable to the Glenbard Wastewater Authority's financial statements for the year ended December 31, 2018.

Recommendation

We recommend that the Glenbard Wastewater Authority reach out to the private pension actuary engaged to provide the OPEB actuarial calculations in order to confirm the timeline for implementation and to review requested materials that will be required in order to implement the provisions and requirements of the new Statements. Lauterbach & Amen, LLP will also work directly with the Glenbard Wastewater Authority to assist in the implementation process, including assistance in determining the implementation timeline with the Glenbard Wastewater Authority and private actuary, providing all framework for the financial statements in order to complete the implementation, and assist in answering any questions or concerns the Glenbard Wastewater Authority might have related to the implementation process or requirements.

PRIOR RECOMMENDATIONS

1. INVESTMENT POLICY

Comment

Previously, we noted that the Glenbard Wastewater Authority does not have a formal written investment policy and instead uses the same investment policy as the Village of Glen Ellyn. A well-written investment policy will provide the Board with a strong internal control for cash and investment related transactions as well as a benchmark for monitoring the success of its investment program.

Recommendation

It was recommended that Glenbard Wastewater Authority create and adopt a formal investment policy. The policy should outline general investment objectives, authorized investments, safekeeping and custody requirements and any other information pertinent to the investment policy.

Status

This comment has been implemented and will not be repeated in the future.

GLENBARD WASTEWATER AUTHORITY
GLEN ELLYN, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

May 12, 2017

The Honorable Chairman
Members of the Board of Directors
Glenbard Wastewater Authority
Glen Elltn, Illinois

We have audited the accompanying financial statements of the Glenbard Wastewater Authority, Illinois, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Glenbard Wastewater Authority, Illinois, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glenbard Wastewater Authority, Illinois' basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Comparative Flows and the Schedule of Allocation of Costs have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT DISCUSSION AND ANALYSIS

This discussion and analysis of the Glenbard Wastewater Authority (the "Authority") is designed to provide the reader an objective and easily readable analysis of the Authority's financial activities for the fiscal year 2016 which began on January 1, 2016 and concluded on December 31, 2016. Also highlighted in this analysis are significant financial transactions and issues, comparisons to prior year activities, any relevant trend information, and changes in the Authority's financial position.

This discussion and analysis is an integral part of the Authority's financial statements and should be read in conjunction with the financial statements, which begin on page 3.

Background and Overview of the Financial Statements

The Authority was established by an intergovernmental agreement dated November 28, 1977 between the neighboring villages of Lombard and Glen Ellyn, Illinois for the purpose of jointly treating and processing wastewater. Prior to creation of the Authority, wastewater processing was decentralized. The Authority processes wastewater for the Villages of Lombard and Glen Ellyn as well as certain other areas in DuPage County.

The four principal components of the Authority are the Glenbard Plant, the Lombard Combined Sewerage Treatment Facility (LCSTF) facility, the North Regional Interceptor (NRI) and the South Regional Interceptor (SRI). The original construction cost of these facilities was approximately $43 million, with $32 million contributed by a grant from the United States Environmental Protection Agency (USEPA) and the remaining $11 million contributed by Lombard and Glen Ellyn.

The Board of Directors of the Authority consists of the Village President and six Trustees from each of the Villages of Lombard and Glen Ellyn. The Executive Oversight Committee (EOC) is responsible for overseeing the operational aspects of the Authority's activities and is composed of both Village Presidents, both Village Managers, one Trustee representative from each Village Board and one staff member, traditionally the Public Works Director, of each Village. The Committee meets monthly and reviews operational and staff reports, approves Authority expenditures, awards various contracts for services, reviews the financial statements, reviews and recommends an annual budget to the full Authority Board and performs other functions as defined in the intergovernmental agreement.

The Village of Glen Ellyn is identified by the intergovernmental agreement as the "operating" or lead agency of the Authority. In its capacity as lead agency, Glen Ellyn performs operational supervision, accounting, personnel and administrative services for the Authority on a contractual basis.

The Authority's accounting and financial transactions are recorded in two separate funds – the Operating Fund and the Equipment Replacement Fund.

The Operating Fund pays for the day-to-day operating costs of the Glenbard Plant, LCSTF, NRI and SRI and includes costs such as staff salaries and benefits, contractual services, sludge removal, utilities, insurance and related expenses. Operating costs are allocated between the Lombard and Glen Ellyn partners based on a five year rolling average of the percentage of wastewater flow contributed by each community.

Each Village contributes a monthly amount to the Authority based on the adopted Operating Fund budget for the year. These contributions are adjusted two times per fiscal year based on actual wastewater flow share between the parties. Also, an adjustment is made after the conclusion of the fiscal year so that total year-end operating revenues are equivalent to total year-end operating expenses, excluding the adjustment for the IMRF pension obligation.

The Equipment Replacement Fund was established to accumulate funds for the repair and replacement of plant components as needed and was a required element for the initial grant assistance received from the Federal EPA. The two partners contribute a budgeted amount to the Equipment Replacement Fund each year based the wastewater flow split percentage of the Glenbard Plant and associated infrastructure.

Financial Highlights

1. The Authority's overall cash position at December 31, 2016 decreased by $1.93 million or decreased 42% compared to balances at the close of the prior fiscal year. The Operating Fund experienced a decrease in cash balance of $92,421, while the Equipment Replacement Fund's cash balance decreased by $1.84 million. The Equipment Reserve Fund's cash balance decreased due to investment in capital projects. For the operating fund, as part of the fiscal 2015 closeout, both Villages transferred the operating surplus from fiscal year 2015 to the Equipment Replacement Fund. See page 33 for detailed cash flow information.

2. Total Operating Fund expenses for fiscal year 2016 were $4,237,724, an increase of $49,537 or 1.2% compared to the previous fiscal year. For additional information concerning changes in operating costs compared to the prior fiscal year, see page 8 of this Management's Discussion and Analysis.

3. Total Operating Fund expenses were over the approved budget of $4,178,000 by $59,724 or 1.4%. This was largely due to higher than anticipated utility costs as well as the IMRF pension expense which is unbudgeted. Additional budget comparison information is located on pages 34 – 35.

4. Amounts due from/(to) each of the Villages as of December 31, 2016, include following components:

	Village of Lombard	Village of Glen Ellyn	Total
Amounts Due from (to) Villages			
Billing Adjustment for the Fiscal Year Ended on December 31, 2016	$ (31,281)	(17,411)	(48,692)
Billing Adjustment - July 2016 to December 2016	73,676	(73,676)	-
Miscellaneous Receivable (Payable)	-	11,400	11,400
Cumulative Balance Due from (to) Villages	42,395	(79,687)	(37,292)

5. The percentage of wastewater flow contributed by each of the partners to the Glenbard Plant for 2016 compared to the previous two years is shown below:

	SY 2014	FY 2015	FY 2016
Lombard	54.57%	54.75%	55.61%
Glen Ellyn	45.43%	45.25%	44.39%

   A history of annual flow data is presented on page 38.

6. The Authority has a minimum working cash policy for its Operating Fund equal to 25% of operating expenses (see Note 3 on page 18 - 19). The Authority's net working cash balance of $1,085,804 as of December 31, 2016 is equivalent to a 26.3% reserve level, above the minimum 25% level by $54,746.

7. The Authority invested significantly in capital projects during 2016. One major project was the Combined Heat and Power project, with a cost of $5.45 million. This project installed two engines which convert methane gas produced during the wastewater treatment process into electricity to heat the digester as well as to save money on electricity and natural gas.

Authority's Financial Analysis

Net Position

The Statement of Net Position includes all of the Authority's assets/deferred outflows and liabilities/deferred inflows and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Authority.

A summary of the Authority's Statement of Net Position is presented on the next page.

	SY 2014*	FY 2015	FY 2016
Current and Other Assets	$ 5,951,295	$ 4,737,766	$ 2,848,307
Deferred Outflows	-	518,751	400,244
Capital Assets	35,372,927	37,675,061	38,913,771
Total Assets & Deferred Outflows	41,324,222	42,931,578	42,162,322
Long Term Debt	5,369,925	4,850,739	4,331,782
Other Liabilities	1,797,623	3,080,999	1,854,562
Deferred Inflows	-	-	51,668
Total Liabilities & Deferred Inflows	7,167,548	7,931,738	6,238,012
Net Investment in Capital Assets	29,320,997	32,318,101	34,063,033
Restricted	4,835,677	2,681,739	1,861,277
Total Net Position	$34,156,674	$34,999,840	$35,924,310

*SY 2014 refers to a short eight-month fiscal year which ran from May 1, 2014 to December 31, 2014. All other years presented are 12 month fiscal periods.

The total net position of the Authority increased $924,470 to $35,924,310, an increase of 2.6% from the prior fiscal year, due to the contribution by the Villages of the previous year operating surplus to the Equipment Replacement Fund as well as increases in other revenue streams such as leachate revenues, FOG (fats, oils, and grease) revenue and grant revenue.

For more detailed information, see the Statement of Net Position beginning on page 3.

Activities

The Statement of Revenues, Expenses and Changes in Net position provides an indication of the Authority's financial health. A summary of the Authority's Statement of Revenues, Expenses and Changes in Net Position is presented below.

	SY 2014*	FY 2015	FY 2016
Operating Revenues	$ 4,672,674	$ 7,267,893	$ 7,455,808
Non-Operating Revenues	524,351	680,880	868,299
Total Revenues	5,197,025	7,948,773	8,324,107
Depreciation Expense	1,555,902	2,525,016	2,624,572
Other Operating Expenses	2,893,372	4,416,232	4,649,616
Non-Operating Expenses	171,977	151,674	125,449
Total Expenses	4,621,251	7,092,922	7,399,637
Changes in Net Position	575,774	855,851	924,470
Net Position – Beginning of Year**	33,580,900	34,143,989	34,999,840
Net Position – End of Year	$34,156,674	$34,999,840	$35,924,310

*SY 2014 refers to a short eight-month fiscal year which ran from May 1, 2014 to December 31, 2014. All other years presented are 12 month fiscal periods.
**Net position was restated in FY2015 for the implementation of GASB Statement No. 68.

For more detailed information, see the Statement of Revenues, Expenses and Changes in Net Position on page 5.

Revenues

Operating Fund Revenues

Operating Fund operating revenues consist of contributions made by the Villages of Lombard and Glen Ellyn. These contributions are initially based on the adopted Operating Fund budget for the year and are adjusted so that total year-end operating revenues are equivalent to total year-end operating expenses. Amounts that are contributed by the partners in excess of total year-end operating expenses are distributed based on each partner's five-year rolling average wastewater flow and are recorded in the Statement of Net Position as liabilities payable to the respective Villages.

A comparison of Operating Fund operating revenues from charges to the Villages for the fiscal year ended December 31, 2016 compared to the previous two years is shown in the table below.

Partner	SY 2014*	FY 2015	FY 2016	$ Change from 2015 to 2016	% Change from 2015 to 2016
Village of Lombard	$1,480,284	$2,190,422	$2,294,324	$ 103,902	4.74%
Village of Glen Ellyn	1,232,190	1,810,471	1,831,484	21,013	1.16%
Total	$2,712,474	$4,000,893	$4,125,808	$ 124,915	3.12%

*SY 2014 refers to a short eight-month fiscal year which ran from May 1, 2014 to December 31, 2014. All other years presented are 12 month fiscal periods.

In 2016, the Authority added an Assistant Director/Engineer to offset external engineering costs as well as to provide additional administrative oversight and backup.

<u>Equipment Replacement Fund Revenues</u>

A comparison of Equipment Replacement Fund revenues for the fiscal year ended December 31, 2016 compared to the previous two years is shown in the table below:

Revenue	SY 2014*	FY 2015	FY 2016	$ Change from 2015 to 2016	% Change from 2015 to 2016
Lombard[1]	$ 1,026,563	$ 1,713,122	$ 1,760,068	$ 46,946	2.7%
Glen Ellyn[1]	933,637	1,553,878	1,569,932	16,054	1.0%
Excess Contributions[2]	292,076	244,704	142,157	(102,547)	-41.9%
Connection Fees[3]	63,192	145,130	67,124	(78,006)	-53.7%
Leachate Revenue[4]	101,765	133,389	166,863	33,474	25.1%
Cell Tower Revenue[5]	17,306	26,651	27,179	528	2.0%
FOG Revenue[6]	-	-	35,818	35,818	NA
Investment Income[7]	(76,255)	10,918	6,260	(4,658)	-42.7%
Grant Revenue[8]	-	57,000	383,000	326,000	NA
Other Income[9]	49,456	53,871	41,472	(12,399)	-23.0%
Total Revenues	$ 2,407,740	$ 3,938,663	$ 4,199,873	$ 261,210	6.6%

*SY 2014 refers to a short eight-month fiscal year which ran from May 1, 2014 to December 31, 2014. All other years presented are 12 month fiscal periods.

1. Each partner contributes an annual amount to be allocated for reinvestment in plant infrastructure and rehabilitation. Contributions are determined annually as a part of the budget preparation process and are allocated based on the wastewater flows contributed by each partner at the Glenbard Plant.

[2.] As part of the closeout of the 2015 fiscal year, both Villages contributed their portion of the operating surplus in the Operating Fund to the Equipment Replacement Fund.

[3.] New connections to the respective sanitary sewer systems of the partners are charged a fee which is paid into the Equipment Replacement Fund. FY 2015 had greater fees than FY 2016 fees due to a few larger development projects.

[4.] Beginning in FY2012/13, the Authority began processing Leachate at the rate of two trucks per day. In FY2013/14, the number of trucks increased to three per day. In April 2014, the number of trucks was increased to a maximum of 6 per day.

[5.] GWA has an agreement with AT&T to house a cell phone tower on its premises. Beginning in November 2016, Verizon also entered into an agreement with the Authority to house a cell tower on the premises of the Glenbard plant.

[6.] Starting in 2016, the Authority began collecting Fats, Oils, and Grease (FOG) revenue. The Authority processes unwanted FOG from outside customers in the Authority's treatment process. This is a new revenue stream for the Authority.

[7.] During 2016, due to several large capital projects, the cash balances were drawn down, decreasing the potential for investment income.

[8.] The Authority received state grants for its Combined Heat and Power capital project in 2015 and 2016.

[9.] The Authority participates in the EnerNoc Demand Response Program, which enables program participants to receive payment for being available to reduce or eliminate electricity consumption when the reliability of the electric grid is in jeopardy.

Expenses

<u>Operating Fund Expenses</u>

A comparison of Operating Fund expenses for FY 2016 compared to the previous two years is shown in the table on the next page:

	SY 2014	FY 2015	FY 2016	2016 Percent of Total	$ Change from 2015 to 2016	% Change from 2015 to 2016
Personnel Services[1]	$1,012,936	$1,545,124	$1,592,611	37.58%	$ 47,487	3.1%
IMRF Pension Expense	-	178,077	113,490	2.68%	(64,587)	-36.3%
Contractual Services						
Maintenance	347,100	444,683	451,733	10.66%	7,050	1.6%
Service Charge	84,000	126,500	128,372	3.03%	1,872	1.5%
Sludge Removal	102,416	150,591	155,380	3.67%	4,789	3.2%
Utilities	592,736	1,001,479	1,015,080	23.95%	13,601	1.4%
Insurance	276,698	399,545	408,304	9.63%	8,759	2.2%
Other[2]	183,780	191,498	225,496	5.32%	33,998	17.8%
Commodities	102,309	150,690	147,258	3.47%	(3,432)	-2.3%
Total	$2,701,975	$4,188,187	$4,237,724	99.99%	$49,537	1.2%

*SY 2014 refers to a short eight-month fiscal year which ran from May 1, 2014 to December 31, 2014. All other years presented are 12 month fiscal periods.

1. Personnel services include salaries for 17 full-time and 7 part-time/seasonal staff positions, overtime, Social Security and Medicare employer costs, and required retirement contributions to the Illinois Municipal Retirement Fund (IMRF) for full-time employees. Costs of employee health plan benefits are reflected in the "Insurance" category. The Authority added a full-time Pretreatment Coordinator position during SY 2014. In 2016, an Assistant Director/Engineer was added.

2. There was an increase in design engineering services paid for from the Operating Fund. In 2016, the Authority sought assistance with special condition requirements for its new NPDES permits for the Glenbard Plant and the Stormwater Plant.

Equipment Replacement Fund Expenses

The Authority invested over $3.9 million in the continued replacement and rehabilitation of various capital equipment and plant upgrades during the fiscal year ended December 31, 2016. The major projects undertaken during the year were the completion of the Combined Heat and Power project and the Facility Improvement Plan.

Capital Assets

A schedule of the Authority's capital asset balances is presented below.

	SY 2014	FY 2015	FY 2016
Capital Assets, Not Being Depreciated	$ 1,912,829	$ 3,689,853	$ 1,757,788
Capital Assets Being Depreciated	85,976,864	88,870,523	94,636,354
Less: Accumulated Depreciation	(52,516,766)	(54,885,315)	(57,480,371)
Total Capital Assets Being Depreciated, Net	33,460,098	33,985,208	37,155,983
Net Capital Assets	$35,372,927	$37,675,061	$38,913,771

*SY 2014 refers to a short eight-month fiscal year which ran from May 1, 2014 to December 31, 2014. All other years presented are 12 month fiscal periods.

For more detailed information, see Note 3 on page 14.

Long-Term Debt

A schedule of the Authority's State of Illinois EPA loan balances at December 31, 2016 is presented below.

	Outstanding Amount
Digester Project	$ 4,850,738

For more detailed information, see Note 3 on pages 15 – 16.

Contacting the Authority's Financial Management

This financial report is designed to provide the users of these financial statements an overview of the Authority's operations and finances and to demonstrate accountability for the funds it receives. Questions concerning these financial statements may be directed to the Authority at 21W551 Bemis Road, Glen Ellyn, IL 60137.

FINANCIAL STATEMENTS

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Statement of Net Position
December 31, 2016
(with Comparative Information for December 31, 2015)

See Following Page

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Statement of Net Position
December 31, 2016
(with Comparative Information for December 31, 2015)

	December 31, 2016	December 31, 2015
ASSETS		
Current Assets		
Restricted Cash and Investments		
Working Cash Account	$ 1,086,324	1,178,745
Equipment Replacement Account	1,532,712	3,371,262
Accounts Receivable - Net of Allowances		
Accounts Receivable	47,323	21,525
Member Contributions	42,395	20,074
Deposits	33,682	40,828
Inventory and Prepaids	105,871	105,332
Total Current Assets	2,848,307	4,737,766
Noncurrent Assets		
Capital Assets		
Nondepreciable Capital Assets	1,757,788	3,689,853
Depreciable Capital Assets	94,636,354	88,870,523
Accumulated Depreciation	(57,480,371)	(54,885,315)
Total Noncurrent Assets	38,913,771	37,675,061
Total Assets	41,762,078	42,412,827
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Items - IMRF	400,244	518,751
Total Assets and Deferred Outflows of Resources	42,162,322	42,931,578

The notes to the financial statements are an integral part of this statement.

	December 31, 2016	December 31, 2015
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 298,084	1,464,843
Unearned Rental Revenue	21,297	8,999
Members Payable	79,352	145,345
Accrued Payroll	76,124	60,005
Interest Payable	51,078	56,408
Current Portion of Long-Term Debt	547,249	532,154
Total Current Liabilities	1,073,184	2,267,754
Noncurrent Liabilities		
Compensated Absences	113,172	103,732
Net Pension Liability - IMRF	668,206	709,513
Digester Loan Payable	4,331,782	4,850,739
Total Noncurrent Liabilities	5,113,160	5,663,984
Total Liabilities	6,186,344	7,931,738
DEFERRED INFLOWS OF RESOURCES		
Deferred Items - IMRF	51,668	-
Total Liabilities and Deferred Inflows of Resources	6,238,012	7,931,738
NET POSITION		
Net Investment in Capital Assets	34,063,033	32,318,101
Restricted	1,861,277	2,681,739
Total Net Position	35,924,310	34,999,840

The notes to the financial statements are an integral part of this statement.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended December 31, 2016
(with Comparative Information for the Fiscal Year Ended December 31, 2015)

	December 31, 2016	December 31, 2015
Operating Revenues		
Charges to Villages	$ 7,455,808	7,267,893
Operating Expenses		
Personnel Services	1,669,810	1,545,124
IMRF Pension Expense	128,868	178,077
Contractual Services		
Maintenance	451,733	444,683
Service Charge	128,372	126,500
Sludge Removal	155,380	150,591
Utilities	1,015,080	1,001,479
Insurance	411,909	399,545
Other	225,496	191,498
Commodities	147,258	150,690
Maintenance of Capital Facilities and Equipment	315,710	228,045
Depreciation	2,624,572	2,525,016
Total Operating Expenses	7,274,188	6,941,248
Operating Income	181,620	326,645
Nonoperating Revenues (Expenses)		
Surplus Contributions	142,157	244,704
Connection Fees	67,124	145,130
Leachate Revenues	166,863	133,389
Fats, Oil & Grease Waste Fees	35,818	-
Enernoc Demand Response	25,112	23,960
Cell Tower Revenues	27,179	26,651
Other Income	515	36,326
Sale of Capital Assets	12,365	(11,735)
Grant Revenue	383,000	57,000
Investment Income	8,166	13,720
Interest Expense	(125,449)	(139,939)
Total Nonoperating Revenues (Expenses)	742,850	529,206
Change in Net Position	924,470	855,851
Net Position - Beginning	34,999,840	34,143,989
Net Position - Ending	35,924,310	34,999,840

The notes to the financial statements are an integral part of this statement.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Statement of Cash Flows
For the Fiscal Year Ended December 31, 2016
(with Comparative Information for the Fiscal Year Ended December 31, 2015)

	December 31, 2016	December 31, 2015
Cash Flows from Operating Activities		
Receipts from Charges to Villages	$ 8,274,429	7,949,863
Payments to Employees	(1,669,810)	(1,723,201)
Payments to Suppliers	(4,048,803)	(1,765,307)
	2,555,816	4,461,355
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(3,863,528)	(4,859,061)
Disposal of Capital Assets	246	31,911
Interest and Fiscal Charges	(125,449)	(139,939)
Payment of Loans Principal	(506,222)	(694,970)
	(4,494,953)	(5,662,059)
Cash Flows from Investing Activities		
Investment Income	8,166	13,720
Net Change in Cash and Cash Equivalents	(1,930,971)	(1,186,984)
Cash and Cash Equivalents		
Beginning	4,550,007	5,736,991
Ending	2,619,036	4,550,007
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	181,620	326,645
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:		
Depreciation Expense	2,624,572	2,525,016
Other Income	860,133	655,425
Other Expense	128,868	-
(Increase) Decrease in Current Assets	(41,512)	26,545
Increase (Decrease) in Current Liabilities	(1,197,865)	927,724
Net Cash Provided by Operating Activities	2,555,816	4,461,355

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Glenbard Wastewater Authority, Glen Ellyn, Illinois, Illinois (the “Authority”) was created and established by an agreement dated November 28, 1977, between the Villages of Lombard, Illinois and Glen Ellyn, Illinois, for the purpose of jointly treating and processing wastewater. This agreement has been amended since inception. The last amendment was April 17, 2014. The wastewater is treated in two plants, known as the Glenbard Wastewater Authority and the Lombard Storm Water Facility.

Construction of the facilities was financed by monies appropriated by the Villages and by grants from the U.S. Environmental Protection Authority. The Village of Glen Ellyn, as the designated lead Authority, maintained the Glenbard Lead Authority Construction Fund, which included all transactions relating to planning, design, and construction of the wastewater treatment facilities. The cost of the facilities, which aggregated $43,297,682, was contributed to the Authority by the Glenbard Lead Authority Construction Fund.

In accordance with the 1977 agreement, as amended in April 1998 and April 2014, the Village of Glen Ellyn provides certain management services (administration, personnel, payroll, data processing, and accounting services) to the Authority. The Village is reimbursed for such services and, therefore, receives a service charge (overhead fee) pursuant to the agreement.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Authority’s accounting policies established in GAAP and used by the Authority are described below.

REPORTING ENTITY

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. Criteria for including a component unit in the Authority’s reporting entity principally consist of the potential component unit’s financial interdependency and accountability to the Authority. Based on those criteria, there are no potential component units to be included in the reporting entity. The Authority itself is not a component unit of another governmental entity, but rather is considered to be a jointly governed organization.

BASIS OF PRESENTATION

In the Statement of Net Position, the Authority’s activities are reported on a full accrual, economic resources basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term obligations/deferred inflows.

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

The Authority utilizes a single proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

The Authority's basic financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, the 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 purchase.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Cash and Investments – Continued

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Authority's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

The Authority operates under the Village of Glen Ellyn's investment policy as the Village is responsible for the Authority's administration.

Restricted Cash and Investments

Refer to the working cash account and equipment replacement account sections in the Net Position note for details on assets restricted under intergovernmental and grant agreements.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. There is no allowance for uncollectible since these amounts are expected to be fully collectible. The Authority reports member contributions as its major receivable.

Prepaids/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. For movable property, the Authority's capitalization policy includes all items with a unit cost of $20,000 or more and an estimated useful life that is greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Donated capital assets are recorded at estimated fair market value at the date of donation. Depreciation has been provided using the straight-line method over the following estimated useful lives of the assets:

Vehicles	7 Years
Land Improvements	7 - 20 Years
Equipment	10 - 15 Years
Buildings and Improvements	10 - 45 Years
Sewer Lines	40 - 50 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The Authority grants a specific number of annual leave hours monthly with pay to its employees. Earned annual leave and compensatory time may be accumulated and is payable to the employee upon termination of employment and, therefore, is accrued through year-end. Long-term accumulated sick leave is not reimbursable upon termination of employment and, therefore, is not accrued.

Long-Term Obligations

In the financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in two components:

> Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.
>
> Unrestricted – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

The Authority considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund position is available.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgeted amounts used for comparison in this report are obtained from the operating budget of the Authority, approved by Glenbard Wastewater Authority Board of Directors, which is prepared in accordance with generally accepted accounting principles, except that depreciation expense is not part of the operating budget, and note principal payments are budgeted as expenses. The budget amounts included in the supplemental information are from the final adopted budget, including all amendments, which were not significant. The budget lapses at the end of the fiscal year.

NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes authorize the Authority to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds and Illinois Metropolitan Investment Fund investment pools.

Illinois Funds is an investment pool management by the Illinois Public Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the investment company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Authority's deposits totaled $46,503 and the bank balances totaled $1,173,398. The Authority also has $1,567,094 invested in the Illinois Funds and $1,005,439 in IMET at year end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states they will attempt to match its investments with anticipated cash flows requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than five years from the date of purchase. Any investment purchased with a maturity longer than four years must be supported with written documentation explaining the reason for the purchase and must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the Village Board. The Authority's investments in the Illinois Funds and IMET have an average maturity of less than one year.

NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village may invest in any type of security authorized by the State of Illinois Public Funds Investment Act (30 ILCS 235/) regarding the investment of public funds. The Authority's investments in the Illinois Funds is rated AAAm by Standard & Poor's and the Authority's investment in IMET is not rated.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Village's policy requires that funds on deposit in excess of FDIC limits be secured by some form of collateral. The Village will accept government securities, obligations of federal agencies, obligations of federal instrumentalities, and obligations of the State of Illinois. At year end, the entire bank balance was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2016, the Authority's investment in the Illinois Funds and IMET funds are not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. At year-end, the Authority does not have any investments over 5 percent (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CONSTRUCTION COMMITMENTS

The Authority has entered into contracts for the construction or renovation of various facilities as follows:

Project	Expended to Date	Remaining Commitment
Combined Heat and Power Design	$ 5,103,187	175,637
Facility Improvement Plan	116,868	16,922,433

NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

CAPITAL ASSETS

The following is a summary of capital assets as of the date of this report:

	Beginning Balances	Additions	Deletions	Ending Balances
Nondepreciable Capital Assets				
Land	$ 189,755	277,033	-	466,788
Construction in Progress	3,500,098	3,461,831	5,670,929	1,291,000
	3,689,853	3,738,864	5,670,929	1,757,788
Depreciable Capital Assets				
Glenbard Plant	60,683,094	5,795,593	29,762	66,448,925
Stormwater Plant	11,865,247	-	-	11,865,247
North Regional Interceptor	10,751,759	-	-	10,751,759
South Regional Interceptor	5,570,423	-	-	5,570,423
	88,870,523	5,795,593	29,762	94,636,354
Less Accumulated Depreciation				
Glenbard Plant	37,242,366	1,823,474	29,516	39,036,324
Stormwater Plant	8,153,645	262,639	-	8,416,284
North Regional Interceptor	6,762,460	301,352	-	7,063,812
South Regional Interceptor	2,726,844	237,107	-	2,963,951
	54,885,315	2,624,572	29,516	57,480,371
Total Net Depreciable Capital Assets	33,985,208	3,171,021	246	37,155,983
Total Net Capital Assets	37,675,061	6,909,885	5,671,175	38,913,771

Depreciation was allocated to the members as follows:

Village of Lombard	$ 1,385,905
Village of Glen Ellyn	1,238,667
	2,624,572

NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

LONG-TERM DEBT

Loans Payable

The Authority has entered into loan agreements to provide low interest financing for capital improvements. Loans currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances (a)
Anaerobic Digester Loan Payable dated October 10, 2007, due in annual installments of $319,271, including interest at 2.500%, through July 31, 2024.	$ 5,356,960	-	506,222	4,850,738 (b)

(a) Includes construction interest.

(b) Amounts disbursed as of the date of the audit report is $7,703,497. Total approved loan amount is $7,700,000. The future debt service shown here has been calculated based on a preliminary repayment schedule issued by the IEPA and adjusted for final disbursements reimbursed. As of December 31, 2016, there were no additional loan requests outstanding. The original amount exceeds the $7,700,000 due to estimated construction interest.

NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	$ 129,665	23,600	11,800	141,465	28,293
Net Pension Liability - IMRF	709,513	-	41,307	668,206	-
Loans Payable	5,356,960	-	506,222	4,850,738	518,956
	6,196,138	23,600	559,329	5,660,409	547,249

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Loans Payable Principal	Loans Payable Interest
2017	$ 518,956	118,045
2018	532,009	104,990
2019	545,394	91,607
2020	559,115	77,887
2021	573,180	63,822
2022	587,599	49,402
2023	602,381	34,621
2024	617,534	19,467
2025	314,570	3,932
	4,850,738	563,773

NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

NET POSITION

Net Position Classification

Net position consists of the following as of December 31, 2016 and December 31, 2015:

	December 31, 2016	December 31, 2015
Net Position		
Net Investment in Capital Assets	$ 34,063,033	32,318,101
Equipment Replacement Account (Restricted)	1,332,027	2,038,999
Working Cash Account (Restricted)	529,250	642,740
Total Net Position	35,924,310	34,999,840

Net investment in capital assets was comprised of the following as of December 31, 2016 and December 31, 2015:

	December 31, 2016	December 31, 2015
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation	$ 38,913,771	37,675,061
Less Capital Related Debt:		
Loans Payable	(4,850,738)	(5,356,960)
Net Investment in Capital Assets	34,063,033	32,318,101

NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

NET POSITION – Continued

Equipment Replacement Fund

The equipment replacement account is required under the grant agreement from the U.S. Environmental Protection Agency and represents accumulated funds held for plan and equipment replacement. The activities for the years ended December 31, 2016 and December 31, 2015 are as follows:

	December 31, 2016	December 31, 2015
Beginning Balance	$ 34,357,100	33,323,172
Revenue and Expense Results within Equipment Replacement Sub-Fund	184,115	36,322
Surplus Contributions	142,157	244,704
Investment Income (Loss)	6,260	10,918
Service Fees Charged to Villages	3,330,000	3,267,000
Depreciation	(2,624,572)	(2,525,016)
	35,395,060	34,357,100
Less: Net Investment in Capital Assets	(34,063,033)	(32,318,101)
Restricted for Future Plant and Equipment Replacement	1,332,027	2,038,999

Working Cash Account

The agreement dated November 28, 1977 and all amended agreements as of March 31, 1987 between the Villages were amended as of April 16, 1998. The purpose of the amendment was to provide the Authority the ability to maintain a working cash account as of the end of the fiscal year at a level not less than 25% of the annual operating and maintenance expenses exclusive of depreciation and equipment replacement. Working cash is calculated as the total general ledger cash and short-term investment balances less all current and prior open encumbrances (Operating Sub-Fund only). In the event the working cash balance at the end of the fiscal year is less than 25% of the annual operating expenses exclusive of depreciation and equipment replacement, each of the Villages will contribute an amount sufficient to adjust the working cash balance to the minimum amount required. The required contribution by the Villages is based upon their proportionate share of total operating expenses for the year. No additional funding is required by the Villages in the event the minimum 25% of operating expense working cash requirement is satisfied as of the end of the fiscal year. Additionally, the amendment also was designed to modify the payment process with the Villages. The following is the calculation of the working cash account required:

NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

NET POSITION – Continued

Working Cash Account – Continued

	Village of Lombard	Village of Glen Ellyn	December 31, 2016	December 31, 2015
Operating Expenses (as Defined in Intergovernmental Agreement)	$ 2,293,449	1,830,785	4,124,234	4,010,110
Minimum Working Capital Balance (25% of Operating Expenses)	$ 573,362	457,696	1,031,059	1,002,528
Cash and Investments - Operating Sub-Fund			$ 1,086,324	1,178,745
Less: Outstanding Encumbrances			(520)	(10,612)
Working Cash			1,085,804	1,168,133
Less: Required Working Cash			(1,031,059)	(1,002,528)
Working Cash over Minimum Requirement			54,746	165,605

Working cash balance computation:

	Village of Lombard	Village of Glen Ellyn	Totals
Amount Required	$ (573,362)	(457,696)	(1,031,059)
Amount Available	603,816	481,988	1,085,804
Cash Reserve Excess	30,454	24,292	54,746

Operating Account

Any remaining balance of net position of the Operating Sub-Fund is reflected in the operating account. There was no balance as of December 31, 2016 and December 31, 2015.

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Authority's employees. These risks are covered by commercial insurance. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the past three years.

Municipal Insurance Cooperative Association

Effective January 1, 2003, the Authority joined together with other local governments in Illinois in the Municipal Insurance Cooperative Association (MICA). MICA is a public entity risk pool operating a common risk management and insurance program for its member governments. The Authority pays an annual premium to MICA based upon the Authority's prior experience within the pool. Amounts paid into the pool in excess of claims for any coverage year may be rebated back to members in subsequent periods. The Authority is not aware of any additional premiums owed to MICA for the current or prior year claims. The Authority pays the first $1,000 for property, liability and crime claims. MICA maintains selective reinsurance contracts to cover potential claims to the total loss aggregate for all members of $11,750,000. MICA also purchases excess coverage of $400,000,000 for property liability and $9,000,000 for other liability.

Intergovernmental Risk Management Agency (IRMA)

Prior to joining MICA, the Authority participated in the Intergovernmental Risk Management Agency (IRMA) through December 31, 2002. IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

IRMA has actuarially calculated loss reserves for claims incurred while the Authority was an active member. The Authority has continuing responsibilities to IRMA for any open claims that exceed the reserved amounts. These claims are offset by the Authority's $33,682 member reserve balance with IRMA.

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the Authority's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC) (through the Village of Glen Ellyn). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of $50,000 per individual employee participant. The Authority pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums.

CONTINGENT LIABILITIES

Litigation

The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Authority's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Authority contributes to the Illinois Municipal Retirement Fund (IMRF), through the Village of Glen Ellyn's, a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Active Plan Members	18

A detailed breakdown of IMRF membership for the Village, Library, and the Authority combined is available in the Village of Glen Ellyn's comprehensive annual financial report.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Contributions. As set by statute, the Authority's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Authority's annual contribution rate for calendar year 2016 was 10.78% of covered payroll.

Net Pension Liability. The Authority's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% - 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	$ 1,743,947	668,206	(218,891)

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	$ 8,650,945	7,941,432	709,513
Changes for the Year:			
Service Cost	128,961	-	128,961
Interest on the Total Pension Liability	628,935	-	628,935
Difference Between Expected and Actual Experience of the Total Pension Liability	(67,729)	-	(67,729)
Changes of Assumptions	(9,982)	-	(9,982)
Contributions - Employer	-	139,480	(139,480)
Contributions - Employees	-	59,117	(59,117)
Net Investment Income	-	543,260	(543,260)
Benefit Payments, Including Refunds of Employee Contributions	(434,992)	(434,992)	-
Other (Net Transfer)	-	(20,365)	20,365
Net Changes	245,193	286,500	(41,307)
Balances at December 31, 2016	8,896,138	8,227,932	668,206

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the Authority recognized pension expense of $269,592. At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 31,817	(45,031)	(13,214)
Change in Assumptions	3,236	(6,637)	(3,401)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	365,191	-	365,191
Total Deferred Amounts Related to IMRF	400,244	(51,668)	348,576

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

Fiscal Year	Net Deferred Outflows of Resources
2017	$ 128,114
2018	93,478
2019	119,103
2020	7,881
2021	-
Thereafter	-
Total	348,576

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Authority has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Authority are required to pay 100% of the current premium. However, there is minimal participation. As the Authority provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the Authority has not recorded a liability as of December 31, 2016.

SUBSEQUENT EVENT

On July 28, 2016, the Authority was approved for a water pollution control loan by the Illinois Environmental Protection Agency (IEPA) in the amount of $16,725,000 at a 1.75% simple annual interest rate. On October 4, 2016, Change Order Number 1 was approved by the IEPA in the amount of $391,700 which reduced the approved loan amount to $16,333,300. As of the date of this report, no draws have been taken on this loan.

REQUIRED SUPPLEMENTARY INFORMATION

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
December 31, 2016

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	$ 128,318	$ 128,318	$ -	$ 1,186,197	10.82%
2016	140,036	139,480	(556)	1,294,237	10.78%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2016

	2015	2016
Total Pension Liability		
Service Cost	$ 123,338	128,961
Interest	605,696	628,935
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	97,561	(67,729)
Change of Assumptions	9,922	(9,982)
Benefit Payments, Including Refunds of Member Contributions	(399,698)	(434,992)
Net Change in Total Pension Liability	436,819	245,193
Total Pension Liability - Beginning	8,214,126	8,650,945
Total Pension Liability - Ending	8,650,945	8,896,138
Plan Fiduciary Net Position		
Contributions - Employer	$ 128,318	139,480
Contributions - Members	54,005	59,117
Net Investment Income	39,822	543,260
Benefit Payments, Including Refunds of Member Contributions	(399,698)	(434,992)
Administrative Expense	45,862	(20,365)
Net Change in Plan Fiduciary Net Position	(131,691)	286,500
Plan Net Position - Beginning	8,073,123	7,941,432
Plan Net Position - Ending	7,941,432	8,227,932
Employer's Net Pension Liability	$ 709,513	668,206
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.80%	92.49%
Covered-Employee Payroll	$ 1,186,197	1,294,237
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	59.81%	51.63%

Note:
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

SUPPLEMENTAL SCHEDULES

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Combining Statement of Net Position
December 31, 2016

See Following Page

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Combining Statement of Net Position
December 31, 2016

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
ASSETS			
Current Assets			
Restricted Cash and Investments			
Working Cash Account	$ 1,086,324	-	1,086,324
Equipment Replacement Account	-	1,532,712	1,532,712
Accounts Receivable - Net of Allowances			
Accounts Receivable	-	47,323	47,323
Member Contributions			
Village of Lombard	21,388	21,007	42,395
Deposits	33,682	-	33,682
Prepaids	64,549	-	64,549
Inventory	-	41,322	41,322
Total Current Assets	1,205,943	1,642,364	2,848,307
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	-	1,757,788	1,757,788
Depreciable Capital Assets	-	94,636,354	94,636,354
Accumulated Depreciation	-	(57,480,371)	(57,480,371)
Total Noncurrent Assets	-	38,913,771	38,913,771
Total Assets	1,205,943	40,556,135	41,762,078
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	380,988	19,256	400,244
Total Assets and Deferred Outflows of Resources	1,586,931	40,575,391	42,162,322

	Operating Sub-Fund	Equipment Replacement Sub-fund	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 91,058	207,026	298,084
Unearned Rental Revenue	-	21,297	21,297
Accrued Payroll	72,143	3,981	76,124
Interest Payable	-	51,078	51,078
Members Accounts Payable			
Village of Glen Ellyn	69,745	9,607	79,352
Current Portion of Long-Term Debt	27,899	519,350	547,249
Total Current Liabilities	260,845	812,339	1,073,184
Noncurrent Liabilities			
Compensated Absences	111,596	1,576	113,172
Net Pension Liability - IMRF	636,058	32,148	668,206
Digester Loan Payable	-	4,331,782	4,331,782
Total Noncurrent Liabilities	747,654	4,365,506	5,113,160
Total Liabilities	1,008,499	5,177,845	6,186,344
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	49,182	2,486	51,668
Total Liabilities and Deferred Inflows of Resources	1,057,681	5,180,331	6,238,012
NET POSITION			
Net Investment in Capital Assets	-	34,063,033	34,063,033
Restricted	529,250	1,332,027	1,861,277
Total Net Position	529,250	35,395,060	35,924,310

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Combining Statement of Revenues, Expenses, and Changes in Net Positon - Budget and Actual
For the Fiscal Year Ended December 31, 2016

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
Operating Revenues			
Charges to Villages	$ 4,125,808	3,330,000	7,455,808
Operating Expenses			
Personnel Services	1,592,611	77,199	1,669,810
IMRF Pension Expense	113,490	15,378	128,868
Contractual Services			
Maintenance	451,733	-	451,733
Service Charge	128,372	-	128,372
Sludge Removal	155,380	-	155,380
Utilities	1,015,080	-	1,015,080
Insurance	408,304	3,605	411,909
Other	225,496	-	225,496
Commodities	147,258	-	147,258
Maintenance of Capital Facilities and Equipment	-	315,710	315,710
Depreciation	-	2,624,572	2,624,572
Total Operating Expenses	4,237,724	3,036,464	7,274,188
Operating Income (Loss)	(111,916)	293,536	181,620
Nonoperating Revenues (Expenses)			
Surplus Contribution	-	142,157	142,157
Connection Fees	-	67,124	67,124
Leachate Revenues	-	166,863	166,863
Fats, Oil & Grease Waste Fees	-	35,818	35,818
Enernoc Demand Response	-	25,112	25,112
Cell Tower Revenues	-	27,179	27,179
Other Income (Loss)	(3,480)	3,995	515
Sale of Capital Assets	-	12,365	12,365
Grant Revenue	-	383,000	383,000
Investment Income	1,906	6,260	8,166
Interest Expense	-	(125,449)	(125,449)
Total Nonoperating Revenues (Expenses)	(1,574)	744,424	742,850
Change in Net Position	(113,490)	1,037,960	924,470
Net Position - Beginning	642,740	34,357,100	34,999,840
Net Position - Ending	529,250	35,395,060	35,924,310

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Combining Statement of Cash Flows
December 31, 2016

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
Cash Flows from Operating Activities			
Receipts from Charges to Villages	$ 4,107,547	4,166,882	8,274,429
Payments to Employees	(1,592,611)	(77,199)	(1,669,810)
Payments to Suppliers	(2,609,263)	(1,439,540)	(4,048,803)
	(94,327)	2,650,143	2,555,816
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	-	(3,863,528)	(3,863,528)
Disposal of Capital Assets	-	246	246
Interest and Fiscal Charges	-	(125,449)	(125,449)
Payment of Bond Principal	-	(506,222)	(506,222)
	-	(4,494,953)	(4,494,953)
Cash Flows from Investing Activities			
Investment Income	1,906	6,260	8,166
Net Change in Cash and Cash Equivalents	(92,421)	(1,838,550)	(1,930,971)
Cash and Cash Equivalents			
Beginning	1,178,745	3,371,262	4,550,007
Ending	1,086,324	1,532,712	2,619,036
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	(111,916)	293,536	181,620
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:			
Depreciation Expense	-	2,624,572	2,624,572
Other Income	(3,480)	863,613	860,133
Other Expense	113,490	15,378	128,868
(Increase) Decrease in Current Assets	(14,781)	(26,731)	(41,512)
Increase (Decrease) in Current Liabilities	(77,640)	(1,120,225)	(1,197,865)
Net Cash Provided by Operating Activities	(94,327)	2,650,143	2,555,816

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Operating Sub-Fund

Statement of Revenues, Expenses, and Changes in Net Positon - Budget and Actual
For the Fiscal Year Ended December 31, 2016
(with Comparative Information for the Fiscal Year Ended December 31, 2015)

	For the Fiscal Year Ended December 31, 2016		
	Budget	Actual	Variance Over (Under)
Operating Revenues			
Charges to Villages	$ 4,174,500	4,125,808	(48,692)
Operating Expenses			
Personnel Services	1,619,400	1,592,611	26,789
IMRF Pension Expense	-	113,490	(113,490)
Contractual Services			
Maintenance	542,250	451,733	90,517
Service Charge	128,400	128,372	28
Sludge Removal	170,000	155,380	14,620
Utilities	905,750	1,015,080	(109,330)
Insurance	422,800	408,304	14,496
Other	219,300	225,496	(6,196)
Commodities	170,100	147,258	22,842
Total Operating Expenses	4,178,000	4,237,724	(59,724)
Operating Income (Loss)	(3,500)	(111,916)	(108,416)
Nonoperating Revenues			
Other Income (Loss)	-	(3,480)	12,423
Interest Income	3,500	1,906	23
Total Nonoperating Revenues	3,500	(1,574)	12,446
Change in Net Position	-	(113,490)	(95,970)
Net Position - Beginning		642,740	
Net Position - Ending		529,250	

For the Fiscal Year Ended December 31, 2015

Budget	Actual	Variance Over (Under)
$ 4,143,050	4,000,893	(142,157)
1,555,700	1,545,124	10,576
-	178,077	(178,077)
605,600	444,683	160,917
126,500	126,500	-
180,000	150,591	29,409
849,250	1,001,479	(152,229)
453,000	399,545	53,455
214,000	191,498	22,502
162,600	150,690	11,910
4,146,650	4,188,187	(41,537)
(3,600)	(187,294)	(183,694)
-	6,415	12,423
3,600	2,802	23
3,600	9,217	12,446
-	(178,077)	(171,248)
	820,817	
	642,740	

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Equipment Replacement Sub-Fund

Statement of Revenues, Expenses, and Changes in Net Positon - Budget and Actual
For the Fiscal Year Ended December 31, 2016
(with Comparative Information for the Fiscal Year Ended December 31, 2015)

	For the Fiscal Year Ended December 31, 2016		
	Budget	Actual	Variance Over (Under)
Operating Revenues			
Charges to Villages	$ 3,330,000	3,330,000	-
Operating Expenses			
Personnel Services	98,000	77,199	20,801
IMRF Pension Expense	-	15,378	(15,378)
Contractual			
Insurance	15,000	3,605	11,395
Maintenance of Capital Facilities and Equipment	10,385,000	315,710	10,069,290
Depreciation	-	2,624,572	(2,624,572)
Total Operating Expenses	10,498,000	3,036,464	7,461,536
Operating Income (Loss)	(7,168,000)	293,536	7,461,536
Nonoperating Revenues (Expenses)			
Surplus Contributions	-	142,157	142,157
Connection Fees	50,000	67,124	17,124
Leachate Revenues	117,000	166,863	49,863
Fats, Oil & Grease Waste Fees	-	35,818	35,818
Enernoc Demand Response	20,000	25,112	5,112
Cell Tower Revenues	26,000	27,179	1,179
Other Income	11,000	3,995	(7,005)
Sale of Capital Assets	-	12,365	12,365
Grant Revenue	900,000	383,000	(517,000)
Investment Income (Loss)	17,000	6,260	(10,740)
Interest Expense	(130,780)	(125,449)	5,331
Debt Issuance	8,000,000	-	(8,000,000)
Digester Loan Principal	(506,222)	(506,222)	-
Biosolids Loan Principal	-	-	-
Less Items to Statement of Net Position	-	506,222	506,222
Total Nonoperating Revenues (Expenses)	8,503,998	744,424	(7,759,574)
Change in Net Position	1,335,998	1,037,960	(298,038)
Net Position - Beginning		34,357,100	
Net Position - Ending		35,395,060	

For the Fiscal Year Ended December 31, 2015		
Budget	Actual	Variance Over (Under)
$ 3,267,000	3,267,000	-
-	-	-
-	-	-
-	-	-
10,732,000	228,045	10,503,955
-	2,525,016	(2,525,016)
10,732,000	2,753,061	7,978,939
(7,465,000)	513,939	7,978,939
-	244,704	244,704
50,000	145,130	95,130
117,000	133,389	16,389
-	-	-
36,000	23,960	(12,040)
40,000	26,651	(13,349)
10,000	29,911	19,911
-	(11,735)	(11,735)
-	57,000	57,000
14,000	10,918	(3,082)
(126,000)	(139,939)	(13,939)
6,648,000	-	(6,648,000)
(473,000)	(507,960)	(34,960)
(187,000)	(187,010)	(10)
-	694,970	694,970
6,129,000	519,989	(5,609,011)
(1,336,000)	1,033,928	2,369,928
	33,323,172	
	34,357,100	

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Schedule of Comparitive Flows - Last Ten Fiscal Years
December 31, 2016 (Unaudited)

	Glenbard				North Regional Interceptor			
	Glen Ellyn		Lombard		Glen Ellyn		Lombard	
Fiscal Year	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent
2008	$ 1,997,196	49.64%	$ 2,026,438	50.36%	$ 968,399	38.99%	$ 1,515,318	61.01%
2009	2,371,469	48.39%	2,529,403	51.61%	1,102,789	36.32%	1,933,862	63.68%
2010	2,150,813	47.29%	2,397,365	52.71%	923,648	33.42%	1,840,040	66.58%
2011	2,269,677	47.17%	2,542,361	52.83%	1,022,527	34.17%	1,970,275	65.83%
2012	1,958,098	47.65%	2,151,514	52.35%	861,399	34.81%	1,612,956	65.19%
2013	1,755,400	46.70%	2,003,538	53.30%	792,733	34.97%	1,474,329	65.03%
2014	1,773,595	44.61%	2,201,911	55.39%	759,050	32.07%	1,607,612	67.93%
2014*	1,163,852	45.43%	1,398,187	54.57%	N/A	N/A	N/A	N/A
2015	1,939,993	45.25%	2,347,125	54.75%	N/A	N/A	N/A	N/A
2016	1,890,348	44.39%	2,368,065	55.61%	N/A	N/A	N/A	N/A

*For the eight months ended December 31, 2014.

N/A - The North Regional Interceptor flows are no longer used in the billing computations in the Schedule of Allocation of Costs.

Schedule of Allocation Costs
December 31, 2016 (Unaudited)

The agreement between the Villages of Lombard and Glen Ellyn for the purpose of jointly treating and processing wastewater requires certain information to accompany the annual financial statements. This information is from the Operating Sub-Fund. The combined data, including the Equipment Replacement and Working Cash Accounts, is part of the general purpose financial statements. Such required information for the year ended December 31, 2016, not included elsewhere in the accompanying financial statements follows:

1. Total Water Flow

	Glenbard Plant	
Participant	Gallons (in 000's)	Percent
Village of Lombard	2,368,065	55.61%
Village of Glen Ellyn	1,890,348	44.39%
	4,258,413	100.00%

2. Factors and Amounts Used in Computing Final Billing

A. Operating revenue and expenses, based on wastewater flow, were allocated among the operating facilities for the fiscal year ended December 31, 2016, as follows:

	Operating Fund
Operating Revenue	
Amounts Billed Prior to Billing Adjustments	$ 4,174,500
Other Revenues	(1,574)
Adjustment	(48,692)
Operating Revenue Applicable to Operating Expenses	4,124,234
Operating Expenses	
Personnel Services	$ 1,592,611
Contractual Services	
Maintenance	451,733
Service Charge	128,372
Sludge Removal	155,380
Utilities	1,015,080
Insurance	408,304
Other	225,496
Commodities	147,258
Total Operating Expenses	4,124,234

2. Factors and Amounts Used in Computing Final Billing – Continued

B. The allocation of operating expenses based on the wastewater flow of Glenbard Plant follows:

Participant	Amount	Percent
Village of Lombard	$ 2,293,449	55.61%
Village of Glen Ellyn	1,830,785	44.39%
	4,124,234	100.00%

C. The computation of the billing adjustment for the fiscal year ended December 31, 2016 follows:

	Village of Lombard	Village of Glen Ellyn	Totals
Charges			
Total Operating Expenses	$ 2,293,449	1,830,785	4,124,234
Equipment Replacement Fund	1,760,068	1,569,932	3,330,000
Total Operating Charges	4,053,517	3,400,717	7,454,234
Amount Billed	4,085,673	3,418,827	7,504,500
Plus: Credit for Other Revenues Received	(875)	(699)	(1,574)
Revenues Available to Offset Operating Changes	4,084,798	3,418,128	7,502,926
Amount Due from (to) Villages	(31,281)	(17,411)	(48,692)

2. Factors and Amounts Used in Computing Final Billing – Continued

D. Amounts due from (to) the Village of Lombard and the Village of Glen Ellyn at December 31, 2016 are as follows:

	Village of Lombard	Village of Glen Ellyn	Totals
Amounts Due from (to) Villages			
Billing Adjustment for the Fiscal Year Ended			
December 31, 2016 (as shown the prior page)	$ (31,281)	(17,411)	(48,692)
Billing Adjustments:			
July 2016 to December 2016	73,676	(73,676)	-
Miscellaneous Receivables	-	11,400	11,400
Cumulative Balance Due from (to) Villages*	42,395	(79,687)	(37,292)

*This balance is the end result of actual expenses compared to actual fiscal flow splits on an accrual basis after any necessary audit adjustments are made.

3. Total Revenue Billed and Received per Authority:

Participant	Amount Billed	Receivable (Payable) December 31, 2016	Receivable (Payable) December 31, 2015	Amount Received
Village of Lombard	$ 4,085,673	42,395	(12,061)	4,031,217
Village of Glen Ellyn	3,418,827	(91,087)	(130,096)	3,379,818
	7,504,500	(48,692)	(142,157)	7,411,035