GLENBARD WASTEWATER AUTHORITY
GLEN ELLYN, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

April 18, 2018

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

We have audited the accompanying financial statements of the Glenbard Wastewater Authority, Illinois, as of and for the year ended December 31, 2017, 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, 2017, 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.

Prior-Year Comparative Information

We have previously audited Glenbard Wastewatre Authority's 2016 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated May 12, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 2017 which began on January 1, 2017 and concluded on December 31, 2017. 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, 2017 increased by $2.73 million or by 104% compared to balances at the close of the prior fiscal year. The Operating Fund experienced an increase in cash balance of $133,736, while the Equipment Replacement Fund's cash balance increased by $2.60 million. The Equipment Replacement Fund received loan proceeds from an Illinois Environmental Protection Agency (IEPA) loan in the amount of $7.5 million and has incurred capital costs of $9.9 million. The main project undertaken is the Facility Improvement Project (FIP), which entails a series of updates to the facility. See page 33 for detailed cash flow information.

2. Total Operating Fund expenses for fiscal year 2017 were $4,107,986, a decrease of $129,738 or 3.1% 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 under the approved budget of $4,184,550 by $76,564 or 1.8%. Savings were seen on maintenance costs (under budget by $177,293) and commodities (under budget by $103,229). Additional budget comparison information is located on pages 34 - 35.

4. Amounts due from/(to) each of the Villages as of December 31, 2017, 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, 2017	$ (96,441)	(62,953)	(159,394)
Billing Adjustment - July 2017 to December 2017	109,906	(109,906)	-
Miscellaneous Receivable (Payable)	-	1,210	1,210
Cumulative Balance Due from (to) Villages	13,465	(171,649)	(158,184)

5. The percentage of wastewater flow contributed by each of the partners to the Glenbard Plant for 2017 compared to the previous three years is shown below:

	FY 2015	FY 2016	FY 2017
Lombard	54.75%	55.61%	57.35%
Glen Ellyn	45.25%	44.39%	42.65%

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 $1,198,358 as of December 31, 2017 is equivalent to a 29.7% reserve level, above the minimum 25% level by $188,563.

7. The Authority invested significantly in capital projects during 2017. The Authority embarked on the Facility Improvement Project (FIP) in 2017. This project includes improvements to the raw sewage pump building, improvements and modifications to the filter building, modification of the non-potable water system, installation of a reclaimed water system, improvements to the natural gas system serving the treatment facility and improvements to the final clarifiers. As of December 31, $8.1 million had been expended on this project.

8. In 2017, an imbalance in the digesters caused a foul odor in the surrounding neighborhoods. To address the imbalance, the Authority temporarily halted processing of fats, oils, and grease (FOG). The Authority also incurred additional costs for chemicals and sludge removal to address the upset digester.

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.

	FY 2015	FY 2016	FY 2017
Current and Other Assets	$ 4,737,766	$ 2,848,307	$ 6,258,960
Deferred Outflows	518,751	400,244	239,180
Capital Assets	37,675,061	38,913,771	46,255,289
Total Assets & Deferred Outflows	42,931,578	42,162,322	52,753,429
Long Term Debt	4,850,739	4,331,782	11,348,756
Other Liabilities	3,080,999	1,854,562	3,167,456
Deferred Inflows	-	51,668	925,256
Total Liabilities & Deferred Inflows	7,931,738	6,238,012	15,441,468
Net Investment in Capital Assets	32,318,101	34,063,033	34,374,524
Restricted	2,681,739	1,861,277	2,937,437
Total Net Position	$34,999,840	$35,924,310	$37,311,961

The total net position of the Authority increased $1,387,651 to $37,311,961, an increase of 3.9% 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 connection fees, 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.

	FY 2015	FY 2016	FY 2017
Operating Revenues	$ 7,267,893	$ 7,455,808	$ 7,421,656
Non-Operating Revenues	680,880	868,299	1,286,271
Total Revenues	7,948,773	8,324,107	8,707,927
Depreciation Expense	2,525,016	2,624,572	2,549,513
Other Operating Expenses	4,416,232	4,649,616	4,658,182
Non-Operating Expenses	151,674	125,449	112,581
Total Expenses	7,092,922	7,399,637	7,320,276
Changes in Net Position	855,851	924,470	1,387,651
Net Position – Beginning of Year	34,143,989	34,999,840	35,924,310
Net Position – End of Year	$34,999,840	$35,924,310	$37,311,961

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, excluding depreciation expense and IMRF GASB 68 pension adjustment. 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, 2017 compared to the previous two years is shown in the table below.

Partner	FY 2015	FY 2016	FY 2017	$ Change from 2016 to 2017	% Change from 2016 to 2017
Village of Lombard	$2,190,422	$2,294,324	$2,306,219	$ 11,895	0.52%
Village of Glen Ellyn	1,810,471	1,831,484	1,715,437	(116,047)	-6.34%
Total	$4,000,893	$4,125,808	$4,021,656	$ (104,152)	-2.52%

In 2017, the Combined Heat and Power system was operational and reduced utility costs from $1.0 million in 2016 to $646,000 in 2017. That was offset by increased costs in sludge removal and maintenance, and commodities.

Equipment Replacement Fund Revenues

A comparison of Equipment Replacement Fund revenues for the fiscal year ended December 31, 2017 compared to the previous two years is shown in the table below:

Revenue	FY 2015	FY 2016	FY 2017	$ Change from 2016 to 2017	% Change from 2016 to 2017
Lombard[1]	$ 1,713,122	$ 1,760,068	$ 1,826,913	$ 66,845	3.8%
Glen Ellyn[1]	1,553,878	1,569,932	1,573,087	3,155	0.2%
Excess Contributions[2]	244,704	142,157	48,692	(93,465)	-65.7%
Connection Fees[3]	145,130	67,124	290,110	222,986	332.2%
Leachate Revenue[4]	133,389	166,863	156,100	(10,763)	-6.5%
Cell Tower Revenue[5]	26,651	27,179	52,616	25,437	93.6%
FOG Revenue[6]	-	35,818	167,806	131,988	NA
Investment Income[7]	10,918	6,260	11,936	5,676	90.7%
Grant Revenue[8]	57,000	383,000	517,390	134,390	NA
Other Income[9]	53,871	41,472	24,097	(17,375)	-41.9%
Total Revenues	$ 3,938,663	$ 4,199,873	$ 4,668,747	$ 468,874	11.2%

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 2016 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 2017 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. This process was halted at the end of FY17 as it caused an imbalance in the digester, resulting in a foul odor which disturbed neighboring subdivisions. The Authority plans to restart receiving FOG in 2018 once best practices are honed.

[7] During 2017, interest rates rose as well as the cash balance in the Equipment Replacement Fund.

[8] The Authority received state grants for its Combined Heat and Power capital project in 2016 and 2017.

[9] The Authority received revenue in 2015 and 2016 for 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. No revenue was received in FY2017.

Expenses

Operating Fund Expenses

A comparison of Operating Fund expenses for FY 2017 compared to the previous two years is shown in the table below:

	FY 2015	FY 2016	FY 2017	2017 Percent of Total	$ Change from 2016 to 2017	% Change from 2016 to 2017
Personnel Services[1]	$1,545,124	$1,592,611	$1,583,225	38.54%	$ (9,386)	-0.6%
IMRF Pension Expense	178,077	113,490	68,806	1.67%	(44,684)	-39.4%
Contractual Services						
Maintenance[2]	444,683	451,733	478,057	11.64%	26,324	5.8%
Service Charge	126,500	128,372	128,372	3.12%	0	0.0%
Sludge Removal[3]	150,591	155,380	179,218	4.36%	23,838	15.3%
Utilities[4]	1,001,479	1,015,080	645,708	15.72%	(369,372)	-36.4%
Insurance	399,545	408,304	400,937	9.76%	(7,367)	-1.8%
Other[5]	191,498	225,496	198,992	4.84%	(26,504)	-11.8%
Commodities[6]	150,690	147,258	424,671	10.35%	277,413	188.4%
Total	$4,188,187	$4,237,724	$4,107,986	100.00%	($129,738)	-3.1%

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. In 2016, an Assistant Director/Engineer position was added.

2. The Combined Heat and Power system was operational in FY17, increasing maintenance costs as the system requires annual maintenance of the systems.

3. In 2017, an imbalance of the digester caused a foul odor at the facility. Additional sludge hauling was done to remove any solids which may be contributing to the odor.

4. The implementation of the Combined Heat and Power system reduced costs for utilities, mainly for electric power. However, costs for natural gas were also decreased for FY17.

5. There was an approximate $21,500 reduction in design engineering expenses.

6. The Authority began purchasing liquid oxygen rather than producing it, raising commodity costs by $236,854. Also, chemical costs increased by $20,000 trying to neutralize the odor that occurred in FY17.

Equipment Replacement Fund Expenses

The Authority invested over $9.9 million in the continued replacement and rehabilitation of various capital equipment and plant upgrades during the fiscal year ended December 31, 2017. The major projects undertaken during the year were the UV System Upgrade and the Facility Improvement Plan.

Capital Assets

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

	FY 2015	FY 2016	FY 2017
Capital Assets, Not Being Depreciated	$ 3,689,853	$ 1,757,788	$10,599,278
Capital Assets Being Depreciated	88,870,523	94,636,354	95,685,895
Less: Accumulated Depreciation	(54,885,315)	(57,480,371)	(60,029,884)
Total Capital Assets Being Depreciated, Net	33,985,208	37,155,983	35,656,011
Net Capital Assets	$37,675,061	$38,913,771	$46,255,289

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, 2017 is presented below.

	Amount
Digester Project	$ 4,331,782
Facility Improvement Project	7,548,983
	$ 11,880,765

The Authority is in process of drawing down funds for the Facility Improvement Project and the total approved loan amount is $16,725,000. A final repayment schedule will not be available until construction is complete and final disbursements are reimbursed.

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 945 Bemis Road, Glen Ellyn, IL 60137.

FINANCIAL STATEMENTS

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Statement of Net Position
December 31, 2017
(with Comparative Information for December 31, 2016)

See Following Page

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Statement of Net Position
December 31, 2017
(with Comparative Information for December 31, 2016)

	December 31, 2017	December 31, 2016
ASSETS		
Current Assets		
Restricted Cash and Investments		
Working Cash Account	$ 1,220,060	1,086,324
Equipment Replacement Account	4,130,035	1,532,712
Accounts Receivable - Net of Allowances		
Accounts Receivable	42,987	47,323
Member Contributions	31,770	42,395
Loans	385,126	-
Deposits	-	33,682
Inventory and Prepaids	151,873	105,871
Total Current Assets	5,961,851	2,848,307
Noncurrent Assets		
Capital Assets		
Nondepreciable Capital Assets	10,599,278	1,757,788
Depreciable Capital Assets	95,685,895	94,636,354
Accumulated Depreciation	(60,029,884)	(57,480,371)
Total Capital Assets	46,255,289	38,913,771
Other Assets		
Net Pension Asset - IMRF	297,109	-
Total Noncurrent Assets	46,552,398	38,913,771
Total Assets	52,514,249	41,762,078
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Items - IMRF	239,180	400,244
Total Assets and Deferred Outflows of Resources	52,753,429	42,162,322

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

	December 31, 2017	December 31, 2016
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 2,177,347	298,084
Unearned Rental Revenue	22,144	21,297
Members Payable	189,954	79,352
Accrued Payroll	70,623	76,124
Interest Payable	45,613	51,078
Current Portion of Long-Term Debt	557,962	547,249
Total Current Liabilities	3,063,643	1,073,184
Noncurrent Liabilities		
Compensated Absences	103,813	113,172
Net Pension Liability - IMRF	-	668,206
FIP Loan Payable	7,548,983	-
Digester Loan Payable	3,799,773	4,331,782
Total Noncurrent Liabilities	11,452,569	5,113,160
Total Liabilities	14,516,212	6,186,344
DEFERRED INFLOWS OF RESOURCES		
Deferred Items - IMRF	925,256	51,668
Total Liabilities and Deferred Inflows of Resources	15,441,468	6,238,012
NET POSITION		
Net Investment in Capital Assets	34,374,524	34,063,033
Restricted	2,937,437	1,861,277
Total Net Position	37,311,961	35,924,310

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, 2017
(with Comparative Information for the Fiscal Year Ended December 31, 2016)

	December 31, 2017	December 31, 2016
Operating Revenues		
Charges to Villages	$ 7,421,656	7,455,808
Operating Expenses		
Personnel Services	1,648,081	1,669,810
IMRF Pension Expense	69,337	128,868
Contractual Services		
Maintenance	478,057	451,733
Service Charge	128,372	128,372
Sludge Removal	179,218	155,380
Utilities	645,708	1,015,080
Insurance	404,506	411,909
Other	198,992	225,496
Commodities	424,671	147,258
Maintenance of Capital Facilities and Equipment	481,240	315,710
Depreciation	2,549,513	2,624,572
Total Operating Expenses	7,207,695	7,274,188
Operating Income	213,961	181,620
Nonoperating Revenues (Expenses)		
Surplus Contributions	48,692	142,157
Connection Fees	290,110	67,124
Leachate Revenues	156,100	166,863
Fats, Oil & Grease Waste Fees	167,806	35,818
Enernoc Demand Response	-	25,112
Cell Tower Revenues	52,616	27,179
Other Income	15,638	515
Sale of Capital Assets	13,374	12,365
Grant Revenue	517,390	383,000
Investment Income	24,545	8,166
Interest Expense	(112,581)	(125,449)
Total Nonoperating Revenues (Expenses)	1,173,690	742,850
Change in Net Position	1,387,651	924,470
Net Position - Beginning	35,924,310	34,999,840
Net Position - Ending	37,311,961	35,924,310

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, 2017
(with Comparative Information for the Fiscal Year Ended December 31, 2016)

	December 31, 2017	December 31, 2016
Cash Flows from Operating Activities		
Receipts from Charges to Villages	$ 8,164,852	8,274,429
Payments to Employees	(1,717,418)	(1,669,810)
Payments to Suppliers	(767,335)	(4,048,803)
	5,680,099	2,555,816
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(9,891,031)	(3,863,528)
Disposal of Capital Assets	-	246
Issuance of Capital Related Debt	7,548,983	
Interest and Fiscal Charges	(112,581)	(125,449)
Payment of Loans Principal	(518,956)	(506,222)
	(2,973,585)	(4,494,953)
Cash Flows from Investing Activities		
Investment Income	24,545	8,166
Net Change in Cash and Cash Equivalents	2,731,059	(1,930,971)
Cash and Cash Equivalents		
Beginning	2,619,036	4,550,007
Ending	5,350,095	2,619,036
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	213,961	181,620
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:		
Depreciation Expense	2,549,513	2,624,572
Other Income	1,261,726	860,133
Other Expense	-	128,868
(Increase) Decrease in Current Assets	(518,530)	(41,512)
Increase (Decrease) in Current Liabilities	2,173,429	(1,197,865)
Net Cash Provided by Operating Activities	5,680,099	2,555,816

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

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.

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 is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

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.

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 (depending on asset class) 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 acquisition 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 bi-weekly 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. Loan premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Loans payable are reported net of the applicable loan premium or discount. Loan 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 $2,726,624 and the bank balances totaled $2,764,641. The Authority also has $1,055,990 invested in the Illinois Funds and $1,567,481 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 Authority's investment policy states they will attempt to match its investments with anticipated cash flows requirements. Unless matched to a specific cash flow, the Authority 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 Authority 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 Authority 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 Authority's policy requires that funds on deposit in excess of FDIC limits be secured by some form of collateral. The Authority 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, 2017, 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 of cash and investments (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
Facility Improvement Plan	$ 8,109,891	10,379,409

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	$ 466,788	-	-	466,788
Construction in Progress	1,291,000	9,699,162	857,672	10,132,490
	1,757,788	9,699,162	857,672	10,599,278
Depreciable Capital Assets				
Glenbard Plant	66,448,925	1,049,541	-	67,498,466
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
	94,636,354	1,049,541	-	95,685,895
Less Accumulated Depreciation				
Glenbard Plant	39,036,324	1,751,747	-	40,788,071
Stormwater Plant	8,416,284	259,307	-	8,675,591
North Regional Interceptor	7,063,812	301,352	-	7,365,164
South Regional Interceptor	2,963,951	237,107	-	3,201,058
	57,480,371	2,549,513	-	60,029,884
Total Net Depreciable Capital Assets	37,155,983	(1,499,972)	-	35,656,011
Total Net Capital Assets	38,913,771	8,199,190	857,672	46,255,289

Depreciation was allocated to the members as follows:

Village of Lombard	$ 1,368,451
Village of Glen Ellyn	1,181,062
	2,549,513

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.	$ 4,850,738	-	518,956	4,331,782	(b)
Facility Improvement Project Loan Payable dated September 23, 2016, due in annual installments of $425,208, including interest at 1.750%, through October 10, 2039.	-	7,548,983	-	7,548,983	(c)
	4,850,738	7,548,983	518,956	11,880,765	

(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, 2017, there were no additional loan requests outstanding. The original amount exceeds the $7,700,000 due to estimated construction interest.

(c) Amounts disbursed as of the date of the audit report is $7,548,983. Total approved loan amount is $16,725,000. The final repayment schedule for this loan will not be available until construction is complete and final disbursements are reimbursed.

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	$ 141,465	11,699	23,398	129,766	25,953
Net Pension Liability/(Asset) - IMRF	668,206	-	965,315	(297,109)	-
Loans Payable	4,850,738	7,548,983	518,956	11,880,765	532,009
	5,660,409	7,560,682	1,507,669	11,713,422	557,962

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
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
	4,331,782	445,728

The Facility Improvement Project Loan Payable does not have final repayment schedule; therefore, is not included in the debt service requirements to maturity above.

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, 2017 and December 31, 2016:

	December 31, 2017	December 31, 2016
Net Position		
Net Investment in Capital Assets	$ 34,374,524	34,063,033
Equipment Replacement Account (Restricted)	2,476,993	1,332,027
Working Cash Account (Restricted)	460,444	529,250
Total Net Position	37,311,961	35,924,310

Net investment in capital assets was comprised of the following as of December 31, 2017 and December 31, 2016:

	December 31, 2017	December 31, 2016
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation	$ 46,255,289	38,913,771
Less Capital Related Debt:		
Loans Payable	(11,880,765)	(4,850,738)
Net Investment in Capital Assets	34,374,524	34,063,033

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, 2017 and December 31, 2016 are as follows:

	December 31, 2017	December 31, 2016
Beginning Balance	$ 35,395,060	34,357,100
Revenue and Expense Results within Equipment Replacement Sub-Fund	545,342	184,115
Surplus Contributions	48,692	142,157
Investment Income (Loss)	11,936	6,260
Service Fees Charged to Villages	3,400,000	3,330,000
Depreciation	(2,549,513)	(2,624,572)
	36,851,517	35,395,060
Less: Net Investment in Capital Assets	(34,374,524)	(34,063,033)
Restricted for Future Plant and Equipment Replacement	2,476,993	1,332,027

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, 2017	December 31, 2016
Operating Expenses (as Defined in Intergovernmental Agreement)	$ 2,316,268	1,722,912	4,039,180	4,124,234
Minimum Working Capital Balance (25% of Operating Expenses)	$ 579,067	430,728	1,009,795	1,031,059
Cash and Investments - Operating Sub-Fund			$ 1,220,060	1,086,324
Less: Outstanding Encumbrances			(21,702)	(520)
Working Cash			1,198,358	1,085,804
Less: Required Working Cash			(1,009,795)	(1,031,059)
Working Cash over Minimum Requirement			188,563	54,746

Working cash balance computation:

	Village of Lombard	Village of Glen Ellyn	Totals
Amount Required	$ (579,067)	(430,728)	(1,009,795)
Amount Available	666,407	531,951	1,198,358
Cash Reserve Excess	87,340	101,223	188,563

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 $28,533 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, 2017, the measurement date, the following employees were covered by the benefit terms:

Active Plan Members	16

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. For the year-ended December 31, 2017, the Authority's contribution was 10.44% of covered payroll.

Net Pension Liability. The Authority's net pension liability was measured as of December 31, 2017. 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, 2017, 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	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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

Plan Descriptions – Continued

Actuarial Assumptions – Continued. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	27%	3.0%
Domestic Equities	38%	6.9%
International Equities	17%	6.8%
Real Estate	8%	5.8%
Blended	9%	2.65% - 7.35%
Cash and Cash Equivalents	1%	2.3%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. 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 is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the Authority calculated using the discount rate as well as what the Authority's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity – Continued

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	$ 688,864	(297,109)	(1,114,050)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	$ 8,896,138	8,227,932	668,206
Changes for the Year:			
Service Cost	137,350	-	137,350
Interest on the Total Pension Liability	615,459	-	615,459
Difference Between Expected and Actual Experience of the Total Pension Liability	(73,414)	-	(73,414)
Changes of Assumptions	(257,267)	-	(257,267)
Contributions - Employer	-	135,586	(135,586)
Contributions - Employees	-	58,474	(58,474)
Net Investment Income	-	1,413,859	(1,413,859)
Benefit Payments, Including Refunds of Employee Contributions	(431,868)	(431,868)	-
Other (Net Transfer)	-	(220,476)	220,476
Net Changes	(9,740)	955,575	(965,315)
Balances at December 31, 2017	8,886,398	9,183,507	(297,109)

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, 2017, the Authority recognized pension expense of $204,571 At December 31, 2017, 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	$ -	(73,381)	(73,381)
Change in Assumptions	-	(184,280)	(184,280)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	239,180	(667,595)	(428,415)
Total Deferred Amounts Related to IMRF	239,180	(925,256)	(686,076)

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 (Inflows) of Resources
2018	$ (173,972)
2019	(149,066)
2020	(196,139)
2021	(166,899)
2022	-
Thereafter	-
Total	(686,076)

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, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 128,318	$ 128,318	$ -	$ 1,186,197	10.82%
2016	140,036	139,480	(556)	1,294,237	10.78%
2017	134,225	135,586	1,361	1,298,110	10.44%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 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. Information for additional years 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, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	$ 123,338	128,961	137,350
Interest	605,696	628,935	615,459
Differences Between Expected and Actual Experience	97,561	(67,729)	(73,414)
Change of Assumptions	9,922	(9,982)	(257,267)
Benefit Payments, Including Refunds of Member Contributions	(399,698)	(434,992)	(431,868)
Net Change in Total Pension Liability	436,819	245,193	(9,740)
Total Pension Liability - Beginning	8,214,126	8,650,945	8,896,138
Total Pension Liability - Ending	8,650,945	8,896,138	8,886,398
Plan Fiduciary Net Position			
Contributions - Employer	$ 128,318	139,480	135,586
Contributions - Members	54,005	59,117	58,474
Net Investment Income	39,822	543,260	1,413,859
Benefit Payments, Including Refunds of Member Contributions	(399,698)	(434,992)	(431,868)
Other (Net Transfer)	45,862	(20,365)	(220,476)
Net Change in Plan Fiduciary Net Position	(131,691)	286,500	955,575
Plan Net Position - Beginning	8,073,123	7,941,432	8,227,932
Plan Net Position - Ending	7,941,432	8,227,932	9,183,507
Employer's Net Pension Liability	$ 709,513	668,206	(297,109)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.80%	92.49%	103.34%
Covered Payroll	$ 1,186,197	1,294,237	1,298,110
Employer's Net Pension Liability as a Percentage of Covered Payroll	59.81%	51.63%	(22.89)%

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

SUPPLEMENTAL SCHEDULES

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Combining Statement of Net Position
December 31, 2017

See Following Page

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Combining Statement of Net Position
December 31, 2017

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
ASSETS			
Current Assets			
Restricted Cash and Investments			
Working Cash Account	$ 1,220,060	-	1,220,060
Equipment Replacement Account	-	4,130,035	4,130,035
Accounts Receivable - Net of Allowances			
Accounts Receivable	-	42,987	42,987
Member Contributions			
Village of Lombard	-	31,770	31,770
Loans	-	385,126	385,126
Prepaids	84,745	25,806	110,551
Inventory	-	41,322	41,322
Total Current Assets	1,304,805	4,657,046	5,961,851
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	-	10,599,278	10,599,278
Depreciable Capital Assets	-	95,685,895	95,685,895
Accumulated Depreciation	-	(60,029,884)	(60,029,884)
Total Capital Assets	-	46,255,289	46,255,289
Other Assets			
Net Pension Asset - IMRF	284,957	12,152	297,109
Total Noncurrent Assets	284,957	46,267,441	46,552,398
Total Assets	1,589,762	50,924,487	52,514,249
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	229,398	9,782	239,180
Total Assets and Deferred Outflows of Resources	1,819,160	50,934,269	52,753,429

	Operating Sub-Fund	Equipment Replacement Sub-fund	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 112,452	2,064,895	2,177,347
Unearned Rental Revenue	-	22,144	22,144
Accrued Payroll	70,623	-	70,623
Interest Payable	-	45,613	45,613
Members Accounts Payable			
Village of Glen Ellyn	140,157	31,492	171,649
Village of Lombard	18,305	-	18,305
Current Portion of Long-Term Debt	25,953	532,009	557,962
Total Current Liabilities	367,490	2,696,153	3,063,643
Noncurrent Liabilities			
Compensated Absences	103,813	-	103,813
FIP Loan Payable	-	7,548,983	7,548,983
Digester Loan Payable	-	3,799,773	3,799,773
Total Noncurrent Liabilities	103,813	11,348,756	11,452,569
Total Liabilities	471,303	14,044,909	14,516,212
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	887,413	37,843	925,256
Total Liabilities and Deferred Inflows of Resources	1,358,716	14,082,752	15,441,468
NET POSITION			
Net Investment in Capital Assets	-	34,374,524	34,374,524
Restricted	460,444	2,476,993	2,937,437
Total Net Position	460,444	36,851,517	37,311,961

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, 2017

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
Operating Revenues			
Charges to Villages	$ 4,021,656	3,400,000	7,421,656
Operating Expenses			
Personnel Services	1,583,225	64,856	1,648,081
IMRF Pension Expense	68,806	531	69,337
Contractual Services			
Maintenance	478,057	-	478,057
Service Charge	128,372	-	128,372
Sludge Removal	179,218	-	179,218
Utilities	645,708	-	645,708
Insurance	400,937	3,569	404,506
Other	198,992	-	198,992
Commodities	424,671	-	424,671
Maintenance of Capital Facilities and Equipment	-	481,240	481,240
Depreciation	-	2,549,513	2,549,513
Total Operating Expenses	4,107,986	3,099,709	7,207,695
Operating Income (Loss)	(86,330)	300,291	213,961
Nonoperating Revenues (Expenses)			
Surplus Contribution	-	48,692	48,692
Connection Fees	-	290,110	290,110
Leachate Revenues	-	156,100	156,100
Fats, Oil & Grease Waste Fees	-	167,806	167,806
Cell Tower Revenues	-	52,616	52,616
Other Income	4,915	10,723	15,638
Sale of Capital Assets	-	13,374	13,374
Grant Revenue	-	517,390	517,390
Investment Income	12,609	11,936	24,545
Interest Expense	-	(112,581)	(112,581)
Total Nonoperating Revenues (Expenses)	17,524	1,156,166	1,173,690
Change in Net Position	(68,806)	1,456,457	1,387,651
Net Position - Beginning	529,250	35,395,060	35,924,310
Net Position - Ending	460,444	36,851,517	37,311,961

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Combining Statement of Cash Flows
December 31, 2017

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
Cash Flows from Operating Activities			
Receipts from Charges to Villages	$ 3,928,078	4,236,774	8,164,852
Payments to Employees	(1,652,031)	(65,387)	(1,717,418)
Payments to Suppliers	(2,154,920)	1,387,585	(767,335)
	121,127	5,558,972	5,680,099
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	-	(9,891,031)	(9,891,031)
Issuance of Capital Related Debt	-	7,548,983	7,548,983
Interest and Fiscal Charges	-	(112,581)	(112,581)
Payment of Bond Principal	-	(518,956)	(518,956)
	-	(2,973,585)	(2,973,585)
Cash Flows from Investing Activities			
Investment Income	12,609	11,936	24,545
Net Change in Cash and Cash Equivalents	133,736	2,597,323	2,731,059
Cash and Cash Equivalents			
Beginning	1,086,324	1,532,712	2,619,036
Ending	1,220,060	4,130,035	5,350,095
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	(86,330)	300,291	213,961
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:			
Depreciation Expense	-	2,549,513	2,549,513
Other Income	4,915	1,256,811	1,261,726
(Increase) Decrease in Current Assets	(98,493)	(420,037)	(518,530)
Increase (Decrease) in Current Liabilities	301,035	1,872,394	2,173,429
Net Cash Provided by Operating Activities	121,127	5,558,972	5,680,099

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, 2017
(with Comparative Information for the Fiscal Year Ended December 31, 2016)

	For the Fiscal Year Ended December 31, 2017		
	Budget	Actual	Variance Over (Under)
Operating Revenues			
Charges to Villages	$ 4,181,050	4,021,656	(159,394)
Operating Expenses			
Personnel Services	1,648,000	1,583,225	(64,775)
IMRF Pension Expense	-	68,806	68,806
Contractual Services			
Maintenance	655,350	478,057	(177,293)
Service Charge	128,400	128,372	(28)
Sludge Removal	170,000	179,218	9,218
Utilities	422,100	645,708	223,608
Insurance	411,000	400,937	(10,063)
Other	221,800	198,992	(22,808)
Commodities	527,900	424,671	(103,229)
Total Operating Expenses	4,184,550	4,107,986	(76,564)
Operating Income (Loss)	(3,500)	(86,330)	(235,958)
Nonoperating Revenues			
Other Income (Loss)	-	4,915	12,423
Interest Income	3,500	12,609	23
Total Nonoperating Revenues	3,500	17,524	12,446
Change in Net Position	-	(68,806)	(223,512)
Net Position - Beginning		529,250	
Net Position - Ending		460,444	

For the Fiscal Year Ended December 31, 2016

Budget	Actual	Variance Over (Under)
$ 4,174,500	4,125,808	(48,692)
1,619,400	1,592,611	(26,789)
-	113,490	113,490
542,250	451,733	(90,517)
128,400	128,372	(28)
170,000	155,380	(14,620)
905,750	1,015,080	109,330
422,800	408,304	(14,496)
219,300	225,496	6,196
170,100	147,258	(22,842)
4,178,000	4,237,724	59,724
(3,500)	(111,916)	11,032
-	(3,480)	12,423
3,500	1,906	23
3,500	(1,574)	12,446
-	(113,490)	23,478
	642,740	
	529,250	

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, 2017
(with Comparative Information for the Fiscal Year Ended December 31, 2016)

	For the Fiscal Year Ended December 31, 2017		
	Budget	Actual	Variance Over (Under)
Operating Revenues			
Charges to Villages	$ 3,400,000	3,400,000	-
Operating Expenses			
Personnel Services	97,000	64,856	32,144
IMRF Pension Expense	-	531	(531)
Contractual			
Insurance	5,000	3,569	1,431
Maintenance of Capital Facilities and Equipment	13,978,000	481,240	13,496,760
Depreciation	-	2,549,513	(2,549,513)
Total Operating Expenses	14,080,000	3,099,709	10,980,291
Operating Income (Loss)	(10,680,000)	300,291	10,980,291
Nonoperating Revenues (Expenses)			
Surplus Contributions	-	48,692	48,692
Connection Fees	125,000	290,110	165,110
Leachate Revenues	140,000	156,100	16,100
Fats, Oil & Grease Waste Fees	100,000	167,806	67,806
Enernoc Demand Response	-	-	-
Cell Tower Revenues	49,000	52,616	3,616
Other Income	10,000	10,723	723
Sale of Capital Assets	-	13,374	13,374
Grant Revenue	500,000	517,390	17,390
Investment Income (Loss)	20,000	11,936	(8,064)
Interest Expense	(131,000)	(112,581)	18,419
Debt Issuance	10,334,000	7,548,983	(2,785,017)
Digester Loan Principal	(506,000)	(518,956)	(12,956)
Less Items to Statement of Net Position	-	(7,030,027)	(7,030,027)
Total Nonoperating Revenues (Expenses)	10,641,000	1,156,166	(9,484,834)
Change in Net Position	(39,000)	1,456,457	1,495,457
Net Position - Beginning		35,395,060	
Net Position - Ending		36,851,517	

For the Fiscal Year Ended December 31, 2016		
Budget	Actual	Variance Over (Under)
$ 3,330,000	3,330,000	-
98,000	77,199	20,801
-	15,378	(15,378)
15,000	3,605	11,395
10,385,000	315,710	10,069,290
-	2,624,572	(2,624,572)
10,498,000	3,036,464	7,461,536
(7,168,000)	293,536	7,461,536
-	142,157	142,157
50,000	67,124	17,124
117,000	166,863	49,863
-	35,818	35,818
20,000	25,112	5,112
26,000	27,179	1,179
11,000	3,995	(7,005)
-	12,365	12,365
900,000	383,000	(517,000)
17,000	6,260	(10,740)
(130,780)	(125,449)	5,331
8,000,000	-	(8,000,000)
(506,222)	(506,222)	-
-	506,222	506,222
8,503,998	744,424	(7,759,574)
1,335,998	1,037,960	(298,038)
	34,357,100	
	35,395,060	

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Schedule of Comparitive Flows - Last Ten Fiscal Years
December 31, 2017 (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
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
2017	1,916,548	42.65%	2,576,590	57.35%	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, 2017 (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, 2017, not included elsewhere in the accompanying financial statements follows:

1. Total Water Flow

	Glenbard Plant	
Participant	Gallons (in 000's)	Percent
Village of Lombard	2,576,590	57.35%
Village of Glen Ellyn	1,916,548	42.65%
	4,493,138	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, 2017, as follows:

	Operating Fund
Operating Revenue	
Amounts Billed Prior to Billing Adjustments	$ 4,181,050
Other Revenues	17,524
Adjustment	(159,394)
Operating Revenue Applicable to Operating Expenses	4,039,180
Operating Expenses	
Personnel Services	$ 1,583,225
Contractual Services	
Maintenance	478,057
Service Charge	128,372
Sludge Removal	179,218
Utilities	645,708
Insurance	400,937
Other	198,992
Commodities	424,671
Total Operating Expenses	4,039,180

Schedule of Allocation Costs – Continued
December 31, 2017 (Unaudited)

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	$ 2,316,268	57.35%
Village of Glen Ellyn	1,722,912	42.65%
	4,039,180	100.00%

C. The computation of the billing adjustment for the fiscal year ended December 31, 2017 follows:

	Village of Lombard	Village of Glen Ellyn	Totals
Charges			
Total Operating Expenses (Depreciation Excluded)	$ 2,316,268	1,722,912	4,039,180
Equipment Replacement Reserve	1,826,913	1,573,087	3,400,000
Total Operating Charges	4,143,181	3,295,999	7,439,180
Amount Billed	4,229,573	3,351,477	7,581,050
Plus: Credit for Other Revenues Received	10,049	7,475	17,524
Revenues Available to Offset Operating Changes	4,239,622	3,358,952	7,598,574
Amount Due from (to) Villages	(96,441)	(62,953)	(159,394)

Schedule of Allocation Costs – Continued
December 31, 2017 (Unaudited)

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, 2017 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, 2017 (as shown the prior page)	$ (96,441)	(62,953)	(159,394)
Billing Adjustments:			
July 2017 to December 2017	109,906	(109,906)	-
Miscellaneous Receivables	-	1,210	1,210
Cumulative Balance Due from (to) Villages*	13,465	(171,649)	(158,184)

*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, 2017	Receivable (Payable) December 31, 2016	Amount Received
Village of Lombard	$ 4,229,573	96,441	31,281	4,164,413
Village of Glen Ellyn	3,351,477	62,953	17,411	3,305,935
	7,581,050	159,394	48,692	7,470,348