

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	<u>1</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>5</u>
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	<u>17</u>
Statement of Revenues, Expenses, and Changes in Net Position	<u>19</u>
Statement of Cash Flows	<u>20</u>
Notes to Financial Statements	<u>21</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	<u>43</u>
Schedule of Changes in the Employer's Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	<u>44</u>
OTHER SUPPLEMENTARY INFORMATION	
Combining Statement of Net Position	<u>48</u>
Combining Statement of Revenues, Expenses, and Changes in Net Position	<u>50</u>
Combining Statement of Cash Flows	<u>51</u>
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	
Operating Sub-Fund	<u>52</u>
Equipment Sub-Fund	<u>54</u>
Schedule of Comparative Flows Used For Allocation of Costs (Unaudited)	<u>56</u>
Schedule of Allocation Costs (Unaudited)	<u>57</u>

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Authority's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

May 25, 2023

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

Opinions

We have audited the accompanying financial statements of the the business-type activities, each major fund, and the aggregate remaining fund information of the Glenbard Wastewater Authority (Authority), Illinois, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Glenbard Wastewater Authority, Illinois, as of December 31, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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.

Supplementary 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 other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

We have previously audited Glenbard Wastewater Authority's December 31, 2021 financial statements, and we expressed an unmodified audit opinions on the respective financial statements of the business-type activities, and the aggregate remaining fund information in our report dated May 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

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 2022 which began on January 1, 2022 and concluded on December 31, 2022. 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 can be found in the financial section of this report.

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.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

Background and Overview of the Financial Statements - Continued

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, 2022 increased by \$1,144,254 or by 18.4% compared to balances at the close of the prior fiscal year. The Operating Fund experienced an increase in cash balance of \$106,771, while the Equipment Replacement Fund's cash balance increased by \$1,037,483. The Equipment Replacement Fund received loan proceeds from the Illinois Environmental Protection Agency (IEPA) in the amount of \$1.4 million and has incurred capital costs of \$2.4 million. The main project undertaken is the Biosolids Dewatering Project, a major rehabilitation of the Authority's facilities. See the financial section of this report for detailed cash flow information.
2. Total Operating Fund expenses for fiscal year 2022 were \$4,346,546, an increase of \$290,946 or 7.2% compared to the previous fiscal year. For additional information concerning changes in operating costs compared to the prior fiscal year, the Operating Fund Expenses chart in this Management's Discussion and Analysis.
3. Total Operating Fund expenses were under the approved budget of \$4,663,218 by \$316,672 or 6.8%. Additional budget comparison information is located in the financial section of this report.
4. Beginning net position was restated due to the implementation of GASB Statement No. 87.
5. Amounts due from/(to) each of the Villages as of December 31, 2022, include following components:

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

Financial Highlights - Continued

	Village of Lombard	Village of Glen Ellyn	Totals
Billing Adjustment for the Fiscal Year Ended on December 31, 2022	\$ (218,168)	(157,785)	(375,953)
Billing Adjustment - July 2022 to December 2022	(22,991)	22,991	—
Cumulative Balance Due from (to) Villages	(241,159)	(134,794)	(375,953)

*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.

6. The percentage of wastewater flow contributed by each of the partners to the Glenbard Plant for 2022 compared to the previous two years is shown below:

	FY 2020	FY 2021	FY 2022
Village of Lombard	59.28%	59.94%	59.23%
Village of Glen Ellyn	40.72%	40.06%	40.77%

A history of annual flow data is presented on Schedule of Allocation Costs.

7. The Authority has a minimum working cash policy for its Operating Fund equal to 25% of operating expenses (see Note 3). The Authority's net working cash balance of \$1,492,111 as of December 31, 2022 is equivalent to a 34.8% reserve level, above the minimum 25% level by \$417,157.
8. The Authority invested significantly in capital projects during 2022. The Authority completed the Electric Service Distribution System rehabilitation and the Biosolids Dewatering Improvement Project in 2022. These projects included the replacement of the Authority-owned electric distribution network and the replacement of the Authority's two belt filter presses that are used to dewater biosolids. As of December 31, 2022, \$5 million and \$2.4 million had been expended on these projects, respectively.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

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 2020	FY 2021	FY 2022
Current and Other Assets	\$ 10,049,485	8,443,969	8,298,088
Capital Assets	52,497,950	55,142,459	54,195,048
Total Assets	62,547,435	63,586,428	62,493,136
Deferred Outflows	82,533	53,318	839,317
Total Assets & Deferred Outflows	62,629,968	63,639,746	63,332,453
Long Term Debt	18,450,374	17,279,315	17,730,437
Other Liabilities	2,576,779	2,637,053	2,273,036
Total Liabilities	21,027,153	19,916,368	20,003,473
Deferred Inflows	818,225	1,346,275	391,905
Total Liabilities & Deferred Inflows	21,845,378	21,262,643	20,395,378
Net Investment in Capital Assets	33,603,245	36,663,316	35,594,239
Restricted	7,181,345	5,713,787	7,342,836
Total Net Position	40,784,590	42,377,103	42,937,075

The total net position of the Authority increased \$326,158 to \$42,937,075, an increase of 0.8% 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 other revenue streams such as connection fees, FOG (fats, oils, and grease) revenue and leachate revenue. These were partially offset by an increase in the Illinois Municipal Retirement Fund (IMRF) pension expense/(revenue) in the Operating Fund of a negative \$360,627 in 2021 to \$142,713, an increase of \$503,340. This is due to poor investment returns for IMRF which impacted pension expense/(revenue).

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

Authority's Financial Analysis - Continued

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 2020	FY 2021	FY 2022
Operating Revenues	\$ 7,889,975	8,216,689	7,991,500
Non-Operating Revenues	748,882	889,839	810,657
Total Revenues	8,638,857	9,106,528	8,802,157
Depreciation Expense	2,453,593	2,424,262	3,364,022
Other Operating Expenses	4,457,538	4,699,312	4,765,584
Non-Operating Expenses	748,401	390,441	346,393
Total Expenses	7,659,532	7,514,015	8,475,999
Changes in Net Position	979,325	1,592,513	326,158
Net Position – Beginning as Restated	39,805,265	40,784,590	42,610,917
Net Position – Ending	40,784,590	42,377,103	42,937,075

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.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Management's Discussion and Analysis****December 31, 2022****Authority's Financial Analysis - Continued*****Revenues - Continued*****Operating Fund Revenues - Continued**

A comparison of Operating Fund operating revenues from charges to the Villages for the fiscal year ended December 31, 2022 compared to the previous two years is shown in the table below.

Partner	FY 2020	FY 2021	FY 2022	\$ Change from 2021 to 2022	% Change from 2021 to 2022
Village of Lombard	\$ 2,518,863	\$ 2,720,707	\$ 2,533,385	\$ (187,322)	(6.89%)
Village of Glen Ellyn	1,730,062	1,818,521	1,743,880	(74,641)	(4.10)%
Totals	4,248,925	4,539,228	4,277,265	(261,963)	

Operating revenues charged to the Villages are directly correlated to changes in operating costs. An analysis of operating costs can be found in the financial section of this report.

Equipment Replacement Fund Revenues

A comparison of Equipment Replacement Fund revenues for the fiscal year ended December 31, 2022 compared to the previous two years is shown in the table below:

Revenue	FY 2020	FY 2021	FY 2022	\$ Change from 2021 to 2022	% Change from 2021 to 2022
Lombard (1)	\$ 1,989,294	\$ 2,021,244	\$ 2,026,714	\$ 5,470	0.27%
Glen Ellyn (1)	1,651,756	1,656,217	1,687,521	31,304	1.89%
Excess Contributions (2)	181,469	353,423	155,452	(197,971)	(56.02%)
Connection Fees	142,566	84,682	83,089	(1,593)	(1.88%)
Leachate Revenue (3)	159,075	118,824	59,851	(58,973)	(49.63%)
Cell Tower Revenue (4)	57,157	59,443	—	(59,443)	(100.00%)
FOG Revenue (5)	105,174	151,735	185,065	33,330	21.97%
Investment Income (6)	37,937	6,543	88,551	82,008	1253.37%
Other Income (4)	5,050	110,616	178,831	68,215	61.67%
Total Revenues	4,329,478	4,562,727	4,465,074	(97,653)	

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

Authority's Financial Analysis - Continued

Revenues - Continued

Equipment Replacement Fund Revenues - Continued

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 2021 fiscal year, both Villages contributed their portion of the operating surplus in the Operating Fund to the Equipment Replacement Fund.
3. Leachate is the groundwater collected from around old/out of service garbage landfills. The revenue from leachate is dependent on how much leachate is received, which varies based on precipitation and other factors. The primary cause of the decrease in this revenue from 2021 to 2022 was the opening of additional wastewater treatment facilities in the area which accept leachate.
4. The Authority receives revenue 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. \$26,000 related to this program was received in 2022. Effective for the Authority's fiscal year ended December 31, 2022, revenues related to the lease of cell towers is recorded as lease revenue and included with other income, rather than as cell tower revenue. Additionally, in 2022 the Authority received \$14,000 in pretreatment fines.
5. 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 was 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 resumed receiving FOG in 2018, however at a much reduced rate. The Authority increased its FOG treatment in 2019 and 2020 at a measured pace and by 2021 had significantly increased its ability to take in additional FOG, resulting in increased revenues. This trend continued into 2022, which saw an additional 22% increase in these revenues.
6. Interest rates rebounded during 2022. For example, the Illinois Funds, a local government investment pool administered by the State Treasurer, paid an average interest rate for the month of December 2021 of 0.056%. By December 2022, the monthly average interest rate had increased to 3.933%.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

Authority's Financial Analysis - Continued

Expenses

Operating Fund Expenses

A comparison of Operating Fund expenses for FY 2022 compared to the previous two years is shown in the table below:

	FY 2020	FY 2021	FY 2022	2022 Percent of Total	\$ Change from 2021 to 2022	% Change from 2021 to 2022
Personnel Services (1)	\$ 1,738,147	\$ 1,680,985	\$ 1,648,880	37.94%	\$ (32,105)	(1.91%)
IMRF Pension Expense/ (Revenue) (2)	(228,113)	(360,627)	142,713	3.28%	503,340	(139.57%)
Contractual Services						
Maintenance (3)	446,436	696,102	496,329	11.42%	(199,773)	(28.70%)
Service Charge	134,228	137,316	139,238	3.20%	1,922	1.40%
Sludge Removal	217,405	225,574	222,029	5.11%	(3,545)	(1.57%)
Utilities (4)	618,717	610,330	482,279	11.10%	(128,051)	(20.98%)
Insurance	397,787	406,833	372,044	8.56%	(34,789)	(8.55%)
Other	184,036	180,803	214,588	4.94%	33,785	18.69%
Commodities	511,190	478,284	628,446	14.45%	150,162	31.40%
Totals	4,019,833	4,055,600	4,346,546	100.00%	290,946	

1. Personnel services include salaries for 17 full-time and 6 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.
2. The Authority recognized IMRF pension revenue of \$360,627 in 2021. In 2022, the Authority recognized pension expense of \$142,713, an increase of \$503,340. This is due to a negative change in the investment market when comparing 2021 to 2022, particularly in the equity markets. This negatively impacts the IMRF pension expense/(revenue).
3. In 2021, the Authority contracted with the manufacturer of its combined heat and power engines to perform a 20,000 usage hour scheduled overhaul of its engines, which did not need to be repeated in 2022. This overhaul resulted in significantly higher maintenance expenses in 2021 as compared to 2020 and 2022.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

Authority's Financial Analysis - Continued

Expenses - Continued

Operating Fund Expenses - Continued

4. 2022 saw a continued decrease in utility costs as compared to the prior years. In addition to the Authority's continuing policy to implement energy efficient measures, the Authority began receiving carbon mitigation credits as a result of the Climate and Equitable Jobs Act passed by the State of Illinois. These credits, along with reduced energy demand as a result of the Authority's combined heat and power engines, resulted in significantly lower utility expenses in 2022.

Equipment Replacement Fund Expenses

The Authority invested nearly \$2.4 million in the continued replacement and rehabilitation of various capital equipment and plant upgrades during the fiscal year ended December 31, 2022. The major projects completed during the year were the Electric Service Distribution System rehabilitation and the Biosolids Dewatering Improvement Project.

Capital Assets

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

	FY 2020	FY 2021 *	FY 2022
Nondepreciable Capital Assets	\$ 21,842,431	6,466,349	1,579,461
Depreciable/Amortizable Capital Assets	97,271,616	118,337,611	124,970,828
Less: Accumulated Depreciation/Amortization	(67,297,295)	(69,661,501)	(72,355,241)
Total Net Depreciable Capital Assets	29,974,321	48,676,110	52,615,587
Total Net Capital Assets	51,816,752	55,142,459	54,195,048

*Does not include restatement amounts

For more detailed information, see Note 3.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

Authority's Financial Analysis - Continued

Long-Term Debt

A schedule of the Authority's State of Illinois EPA loan and lease payable balances at December 31, 2022 is presented below.

	<u>Amount</u>
Digester Project	\$ 1,534,482
Facility Improvement Project	14,955,109
Biosolids Dewatering Project	2,052,835
Lease Payable - AirGas	<u>58,383</u>
	<u><u>18,600,809</u></u>

For more detailed information, see Note 3.

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.

BASIC FINANCIAL STATEMENTS

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Statement of Net Position

December 31, 2022

(with Comparative Information for December 31, 2021)

See Following Page

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Statement of Net Position****December 31, 2022****(with Comparative Information for December 31, 2021)**

	December 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Restricted Cash and Investments		
Working Cash Account	\$ 1,495,044	1,388,273
Equipment Replacement Account	5,881,105	4,843,622
Receivables - Net of Allowances		
Accounts	134,775	48,133
Member Contributions - Village of Glen Ellyn	6,558	—
Member Contributions - Village of Lombard	—	4,059
IEPA Loans	—	300,040
Leases Receivable	565,712	—
Prepays	116,504	113,172
Inventories	98,390	41,322
Total Current Assets	8,298,088	6,738,621
Noncurrent Assets		
Capital Assets		
Nondepreciable	1,579,461	6,466,349
Depreciable	124,970,828	118,337,611
Accumulated Depreciation	(72,355,241)	(69,661,501)
	54,195,048	55,142,459
Other Assets		
Net Pension Asset - IMRF	—	1,705,348
Total Noncurrent Assets	54,195,048	56,847,807
Total Assets	62,493,136	63,586,428
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Items - IMRF	839,317	53,318
Total Assets/Deferred Outflows of Resources	63,332,453	63,639,746

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

	December 31, 2022	December 31, 2021
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 191,872	946,199
Accrued Payroll	80,112	51,382
Accrued Interest Payable	81,165	82,888
Unearned Rental Revenue	26,942	25,906
Member Accounts Payable - Village of Glen Ellyn	141,352	77,244
Member Accounts Payable - Village of Lombard	241,159	82,267
Current Portion of Long-Term Debt	1,510,434	1,371,167
Total Current Liabilities	2,273,036	2,637,053
Noncurrent Liabilities		
Compensated Absences Payable	134,588	137,071
Net Pension Liability - IMRF	471,827	—
Lease Payable	41,910	—
Digester Loan Payable	932,101	1,534,482
Facility Improvement Loan Payable	14,192,639	14,955,109
Biosolids Dewatering Loan Payable	1,957,372	652,653
Total Noncurrent Liabilities	17,730,437	17,279,315
Total Liabilities	20,003,473	19,916,368
DEFERRED INFLOWS OF RESOURCES		
Deferred Items - IMRF	1,831	1,346,275
Deferred Lease Revenue	390,074	—
Total Deferred Inflows of Resources	391,905	1,346,275
Total Liabilities/Deferred Inflows of Resources	20,395,378	21,262,643
NET POSITION		
Net Investment in Capital Assets	35,594,239	36,663,316
Restricted	7,342,836	5,713,787
Total Net Position	42,937,075	42,377,103

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, 2022****(with Comparative Information for the Fiscal Year Ended December 31, 2021)**

	December 31, 2022	December 31, 2021
Operating Revenues		
Charges for Services	\$ 7,991,500	8,216,689
Operating Expenses		
Personnel Services	1,648,880	1,680,985
IMRF Pension Expense/(Revenue)	142,713	(360,627)
Contractual Services		
Maintenance	496,329	696,102
Service Charge	139,238	137,316
Sludge Removal	222,029	225,574
Utilities	482,279	610,330
Insurance	372,044	406,833
Other	214,588	180,803
Commodities	628,446	478,284
Maintenance of Capital Facilities and Equipment	2,844,944	6,393,681
Less: Capital Outlay	(2,425,906)	(5,749,969)
Depreciation	3,364,022	2,424,262
Total Operating Expenses	8,129,606	7,123,574
Operating Income (Loss)	(138,106)	1,093,115
Nonoperating Revenues (Expenses)		
Surplus Contributions	155,452	353,423
Connection Fees	83,089	84,682
Enernoc Demand Response	26,525	17,757
Leachate Revenues	59,851	118,824
Renewable Energy Credits	33,492	61,511
Fats, Oil & Grease Waste Fees	185,065	151,735
Cell Tower Revenues	—	59,443
Pretreatment Fines	14,000	—
Lease Revenue	42,305	—
Other Income	109,880	31,348
Sale of Capital Assets	(20,614)	—
Investment Income	100,998	11,116
Interest Expense	(325,779)	(390,441)
	464,264	499,398
Change in Net Position	326,158	1,592,513
Net Position - Beginning as Restated	42,610,917	40,784,590
Net Position - Ending	42,937,075	42,377,103

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, 2022****(with Comparative Information for the Fiscal Year Ended December 31, 2021)**

	December 31, 2022	December 31, 2021
Cash Flows from Operating Activities		
Receipts from Customers and Villages	\$ 8,526,317	8,796,571
Payments to Employees	(1,791,593)	(1,320,358)
Payments to Suppliers	(3,050,131)	(4,562,377)
	<u>3,684,593</u>	<u>2,913,836</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(2,425,906)	(5,749,969)
Interest Expense	(325,779)	(390,441)
Payment of Principal	(1,360,118)	(1,268,219)
Debt Proceeds	1,470,466	1,533,855
	<u>(2,641,337)</u>	<u>(5,874,774)</u>
Cash Flows from Investing Activities		
Investment Income	<u>100,998</u>	<u>11,116</u>
Net Change in Cash and Cash Equivalents	1,144,254	(2,949,822)
Cash and Cash Equivalents		
Beginning	<u>6,231,895</u>	<u>9,181,717</u>
Ending	<u><u>7,376,149</u></u>	<u><u>6,231,895</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	(138,106)	1,093,115
Adjustments to Reconcile Operating Income to Net Income to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation Expense	3,364,022	2,424,262
Other Income	709,659	878,723
Other (Expense) - IMRF	46,732	(488,201)
(Increase) Decrease in Current Assets	(174,842)	(298,841)
Increase (Decrease) in Current Liabilities	<u>(122,872)</u>	<u>(695,222)</u>
Net Cash Provided by Operating Activities	<u><u>3,684,593</u></u>	<u><u>2,913,836</u></u>

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

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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.

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.

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

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.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Restricted Cash and Investments

Please 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.

Prepays/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. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

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:

Buildings and Improvements	10 - 45 Years
Machinery and Equipment	10 - 15 Years
Vehicles	7 Years
Land Improvements	7 - 20 Years
Sewer Lines	40 - 50 Years
Leased Asset	5 Years

Notes to the Financial Statements

December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets 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.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three 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 legislation.

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.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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 - DETAIL NOTES ON ALL FUNDS

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. Illinois Funds is not registered with the SEC as an investment company. 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, Concentration of Credit Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Authority's deposits totaled \$2,551,239 and the bank balances totaled \$2,862,695. The Authority also has \$2,431,078 invested in the Illinois Funds and \$2,393,832 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.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Concentration of Credit Risk, and Custodial Credit 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 rated AAAF by Standard & Poor's.

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 the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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, 2022, the Authority's investment in the Illinois Funds and IMET funds are not subject to custodial credit risk.

CONSTRUCTION COMMITMENTS

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

Project	Expended to Date	Remaining Commitment
Fire Monitoring Systems Upgrade	\$ 85,000	105,500
Primary Clarifier Rehabilitation	221,879	21,221
Interceptor Rehabilitation	112,798	119,202
	<u>419,677</u>	<u>245,923</u>

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS**

The following is a summary of capital asset activity for the year:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 943,212	38,651	—	981,863
Property Easement	168,607	—	—	168,607
Construction in Progress	6,047,047	2,355,487	7,973,543	428,991
	<u>7,158,866</u>	<u>2,394,138</u>	<u>7,973,543</u>	<u>1,579,461</u>
Depreciable/Amortizable Capital Assets				
Building and Improvements	59,925,387	2,754,120	21,221	62,658,286
Machinery and Equipment	39,957,466	5,180,772	669,675	44,468,563
Vehicles	402,800	—	—	402,800
Land Improvements	17,370,760	—	—	17,370,760
Leased Asset - AirGas	—	70,419	—	70,419
	<u>117,656,413</u>	<u>8,005,311</u>	<u>690,896</u>	<u>124,970,828</u>
Less Accumulated Depreciation/Amortization				
Building and Improvements	24,307,599	1,986,438	11,021	26,283,016
Machinery and Equipment	29,469,981	873,296	659,261	29,684,016
Vehicles	276,960	24,029	—	300,989
Land Improvements	15,606,961	469,693	—	16,076,654
Leased Asset - AirGas	—	10,566	—	10,566
	<u>69,661,501</u>	<u>3,364,022</u>	<u>670,282</u>	<u>72,355,241</u>
Total Net Depreciable Capital Assets	<u>47,994,912</u>	<u>4,641,289</u>	<u>20,614</u>	<u>52,615,587</u>
Total Net Capital Assets	<u>55,153,778</u>	<u>7,035,427</u>	<u>7,994,157</u>	<u>54,195,048</u>

Depreciation was allocated to the members as follows:

Village of Lombard	\$ 1,837,244
Village of Glen Ellyn	<u>1,526,778</u>
	<u>3,364,022</u>

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LEASES RECEIVABLE

The Authority is a lessor on the following leases at year end:

Lease	Term	Start Date	Payments	Interest Range
AT&T	20 years	June 1, 2012	Varies per year	4.00%
Verizon	16 years	June 1, 2016	Varies per year	4.00%

During the fiscal year, the Authority recognized \$42,305 of lease revenue.

The future minimum lease assets and the net present value of these minimum lease receipts as of year-end, are as follows:

Fiscal Year Ending	Principal	Interest
2023	\$ 42,743	22,628
2024	47,067	20,919
2025	51,670	19,036
2026	56,564	16,969
2027	61,768	14,707
2028	67,298	12,236
2029	73,172	9,544
2030	79,407	6,617
2031	86,023	3,441
	<u>565,712</u>	<u>126,097</u>

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 3 - DETAIL NOTES ON ALL FUNDS - 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 as Restated	Issuances	Retirements	Ending Balances (a)
Anaerobic Digester Loan Payable dated October 10, 2007, due in annual installments of \$637,002, including interest at 2.500%, through July 31, 2024.	\$ 2,122,081	—	587,599	1,534,482
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.	15,704,409	—	749,300	14,955,109
Biosolids Dewatering Project Loan Payable dated March 19, 2021, due in semi-annual installments, including interest at 1.35%, through February 12, 2042.	663,971	1,400,047	11,183	2,052,835
	18,490,461	1,400,047	1,348,082	18,542,426

(a) Includes construction interest.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****Lease Payable**

The Authority has the following lease outstanding at year end:

Lease	Term Length	Start Date	Payments	Interest Rate
2022 AirGas	60 Months	April 15, 2022	\$1,500 Monthly	3.00%

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

Fiscal Year	Principal	Interest	Total Lease Payment
2023	\$ 16,473	1,527	18,000
2024	16,974	1,026	18,000
2025	17,493	509	18,002
2026	7,443	56	7,499
Totals	58,383	3,118	61,501

Long-Term Liability Activity

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 171,340	3,105	6,210	168,235	33,647
Net Pension Liability/(Asset) - IMRF	(1,705,348)	2,177,175	—	471,827	—
Loans Payable	18,490,461	1,400,047	1,348,082	18,542,426	1,460,314
Lease Payable	—	70,419	12,036	58,383	16,473
	16,956,453	3,650,746	1,366,328	19,240,871	1,510,434

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Loans Payable	
	Principal	Interest
2023	\$ 1,460,314	329,406
2024	1,490,161	290,559
2025	1,202,142	260,075
2026	902,780	240,938
2027	918,248	225,470
2028	933,981	209,737
2029	949,985	193,733
2030	966,267	177,452
2031	982,827	160,891
2032	999,672	144,044
2033	1,016,810	126,909
2034	1,034,241	109,477
2035	1,051,973	91,745
2036	1,070,011	73,707
2037	1,088,360	55,358
2038	1,107,026	36,694
2039	1,126,010	17,706
2040	119,996	2,858
2041	121,622	1,236
Totals	18,542,426	2,747,995

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION

Net Position Classification

Net position consists of the following as of December 31, 2022 and December 31, 2021:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net Position		
Net Investment in Capital Assets	\$ 35,594,239	36,663,316
Equipment Replacement Account (Restricted)	6,043,570	4,467,894
Working Cash Account (Restricted)	<u>1,299,266</u>	<u>1,245,893</u>
Total Net Position	<u>42,937,075</u>	<u>42,377,103</u>

Net investment in capital assets was comprised of the following as of December 31, 2022 and December 31, 2021:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation	\$ 54,195,048	55,142,459
Less Capital Related Debt:		
Loans Payable	<u>(18,600,809)</u>	<u>(18,479,143)</u>
Net Investment in Capital Assets	<u>35,594,239</u>	<u>36,663,316</u>

Net Position Restatement

Beginning balances for capital assets were restated by (\$11,319) and long-term debt were restated by \$11,319 to correct an error in the recording of construction interest for an IEPA loan payable. There is no net effect to net position. In addition, beginning net position was restated due to the implementation of GASB Statement No. 87 and a correction in MICA receivables. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase
Business-Type Activities	\$ 42,377,103	42,610,917	233,814
Operating Sub-Fund	1,245,893	1,308,729	62,836
Equipment Replacement	41,131,210	41,302,188	170,978

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - 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, 2022 and December 31, 2021 are as follows:

	December 31, 2022	December 31, 2021
Beginning Balance as Restated	\$ 41,302,188	40,026,898
Revenue and Expense Results within		
Equipment Replacement Sub-Fund	(258,595)	(508,853)
Surplus Contributions	155,452	353,423
Investment Income	88,551	6,543
Service Fees Charged to Villages	3,714,235	3,677,461
Depreciation	(3,364,022)	(2,424,262)
	41,637,809	41,131,210
Less: Net Investment in Capital Assets	(35,594,239)	(36,663,316)
Restricted for Future Plant and Equipment Replacement	6,043,570	4,467,894

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:

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Notes to the Financial Statements
December 31, 2022****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****NET POSITION - Continued****Working Cash Account - Continued**

	Village of Lombard	Village of Glen Ellyn	December 31, 2022	December 31, 2021
Operating Expenses (as Defined in Intergovernmental Agreement)	\$ 2,546,742	1,753,073	4,299,815	4,543,801
Minimum Working Capital Balance (25% of Operating Expenses)	636,685	438,268	1,074,954	1,135,950
Cash and Investments - Operating Sub-Fund			1,495,044	1,388,273
Less: Outstanding Encumbrances			(2,933)	—
Working Cash			1,492,111	1,388,273
Less: Required Working Cash			(1,074,954)	(1,135,950)
Working Cash over Minimum Requirement			417,157	252,323

Working cash balance computation:

	Village of Lombard	Village of Glen Ellyn	Totals
Amount Required	\$ (636,685)	(438,268)	(1,074,953)
Amount Available	884,826	607,285	1,492,111
Cash Reserve Excess	248,141	169,017	417,158

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.

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

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 \$5,000 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 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 does not have any pending or threatened litigation, claims or assessments as of the opinion date.

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.

Notes to the Financial Statements

December 31, 2022

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).

Benefits Provided - Continued. 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, 2022, the measurement date, the following employees were covered by the benefit terms:

Active Plan Members	<u>18</u>
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A detailed breakdown of IMRF membership for the Village, Library, and the Authority combined is available in the Village of Glen Ellyn's annual comprehensive financial report.

Contributions. As set by statute, the Authority's Regular Plan Members are required to contribute 4.50% 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, 2022, the Authority's contribution was 6.81% of covered payroll.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Net Pension Liability/(Asset). The Authority's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) 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, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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:

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, 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 Fund'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 net 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,496,173	471,827	(357,011)

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Notes to the Financial Statements****December 31, 2022****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/(Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2021	\$ 10,512,641	12,217,989	(1,705,348)
Changes for the Year:			
Service Cost	123,045	—	123,045
Interest on the Total Pension Liability	775,898	—	775,898
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	169,766	—	169,766
Changes of Assumptions	—	—	—
Contributions - Employer	—	96,606	(96,606)
Contributions - Employees	—	63,546	(63,546)
Net Investment Income	—	(1,327,637)	1,327,637
Benefit Payments, Including Refunds of Employee Contributions	(526,457)	(526,457)	—
Other (Net Transfer)	—	59,019	(59,019)
Net Changes	542,252	(1,634,923)	2,177,175
Balances at December 31, 2022	11,054,893	10,583,066	471,827

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Notes to the Financial Statements****December 31, 2022****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Pension Expense/(Revenue), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2022, the Authority recognized pension expense of \$142,713. At December 31, 2022, the Authority reported deferred outflows or 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 \$	125,779	—	125,779
Change in Assumptions	—	(1,831)	(1,831)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	713,538	—	713,538
Total Deferred Amounts Related to IMRF	839,317	(1,831)	837,486

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

Fiscal Year	Net Deferred Outflows of Resources
2023	\$ 21,122
2024	168,027
2025	234,512
2026	413,825
2027	—
Thereafter	—
Total	837,486

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Authority has not recorded a liability as of December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
December 31, 2022**

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%
2018	122,310	122,242	(68)	1,236,706	9.88%
2019	97,218	97,218	—	1,359,696	7.15%
2020	129,454	129,454	—	1,335,802	9.69%
2021	127,573	127,573	—	1,430,195	8.92%
2022	96,606	95,981	(625)	1,410,310	6.81%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

December 31, 2022

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 123,338
Interest	605,696
Differences Between Expected and Actual Experience	97,561
Change of Assumptions	9,922
Benefit Payments, Including Refunds of Member Contributions	(399,698)
Net Change in Total Pension Liability	436,819
Total Pension Liability - Beginning	8,214,126
Total Pension Liability - Ending	<u>8,650,945</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 128,318
Contributions - Members	54,005
Net Investment Income	39,822
Benefit Payments, Including Refunds of Member Contributions	(399,698)
Other (Net Transfer)	45,862
Net Change in Plan Fiduciary Net Position	(131,691)
Plan Net Position - Beginning	8,073,123
Plan Net Position - Ending	<u>7,941,432</u>
Employer's Net Pension Liability/(Asset)	<u>\$ 709,513</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.80%
Covered Payroll	\$ 1,186,197
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	59.81%

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014 and 2017.

2016	2017	2018	2019	2020	2021	2022
128,961	137,350	114,501	130,468	141,607	134,076	123,045
628,935	615,459	609,697	623,086	631,258	653,292	775,898
(67,729)	(73,414)	51,409	106,951	55,840	—	—
(9,982)	(257,267)	221,936	—	(60,076)	49,887	169,766
(434,992)	(431,868)	(428,162)	(459,666)	(458,906)	(490,955)	(526,457)
245,193	(9,740)	569,381	400,839	309,723	346,300	542,252
8,650,945	8,896,138	8,886,398	9,455,779	9,856,618	10,166,341	10,512,641
8,896,138	8,886,398	9,455,779	9,856,618	10,166,341	10,512,641	11,054,893
139,480	135,586	122,242	97,218	129,454	127,573	96,606
59,117	58,474	64,375	62,987	65,444	75,769	63,546
543,260	1,413,859	(469,664)	1,484,513	1,265,793	1,696,991	(1,327,637)
(434,992)	(431,868)	(428,162)	(459,666)	(458,906)	(490,955)	(526,457)
(20,365)	(220,476)	163,467	(13,052)	16,674	(17,613)	59,019
286,500	955,575	(547,742)	1,172,000	1,018,459	1,391,765	(1,634,923)
7,941,432	8,227,932	9,183,507	8,635,765	9,807,765	10,826,224	12,217,989
8,227,932	9,183,507	8,635,765	9,807,765	10,826,224	12,217,989	10,583,066
668,206	(297,109)	820,014	48,853	(659,883)	(1,705,348)	471,827
92.49%	103.34%	91.33%	99.50%	106.49%	116.22%	95.73%
1,294,237	1,298,110	1,236,706	1,359,696	1,335,802	1,430,193	1,410,310
51.63%	(22.89%)	66.31%	3.59%	(49.40%)	(119.24%)	33.46%

OTHER SUPPLEMENTARY INFORMATION

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Combining Statement of Net Position

December 31, 2022

See Following Page

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

**Combining Statement of Net Position
December 31, 2022**

	Operating Sub-Fund	Equipment Maintenance Sub-Fund	Totals
ASSETS			
Current Assets			
Restricted Cash and Investments			
Working Cash Account	\$ 1,495,044	—	1,495,044
Equipment Replacement Account	—	5,881,105	5,881,105
Receivables - Net of Allowances			
Accounts	100,108	34,667	134,775
Member Contributions			
Village of Glen Ellyn	—	6,558	6,558
Leases Receivable	—	565,712	565,712
Prepays	68,356	48,148	116,504
Inventories	—	98,390	98,390
Total Current Assets	1,663,508	6,634,580	8,298,088
Noncurrent Assets			
Capital Assets			
Nondepreciable	—	1,579,461	1,579,461
Depreciable	—	124,970,828	124,970,828
Accumulated Depreciation	—	(72,355,241)	(72,355,241)
Total Noncurrent Assets	—	54,195,048	54,195,048
Total Assets	1,663,508	60,829,628	62,493,136
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	839,317	—	839,317
Total Assets and Deferred Outflows of Resources	2,502,825	60,829,628	63,332,453

	Operating Sub-Fund	Equipment Maintenance Sub-Fund	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 105,601	86,271	191,872
Accrued Payroll	80,112	—	80,112
Accrued Interest Payable	—	81,165	81,165
Unearned Rental Revenue	—	26,942	26,942
Member Accounts Payable			
Village of Glen Ellyn	141,352	—	141,352
Village of Lombard	234,601	6,558	241,159
Current Portion of Long-Term Debt	33,647	1,476,787	1,510,434
Total Current Liabilities	595,313	1,677,723	2,273,036
Noncurrent Liabilities			
Compensated Absences Payable	134,588	—	134,588
Net Pension Liability - IMRF	471,827	—	471,827
Lease Payable	—	41,910	41,910
Digester Loan Payable	—	932,101	932,101
Facility Improvement Loan Payable	—	14,192,639	14,192,639
Biosolids Dewatering Loan Payable	—	1,957,372	1,957,372
Total Noncurrent Liabilities	606,415	17,124,022	17,730,437
Total Liabilities	1,201,728	18,801,745	20,003,473
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	1,831	—	1,831
Deferred Lease Revenue	—	390,074	390,074
Total Deferred Inflows of Resources	1,831	390,074	391,905
Total Liabilities and Deferred Inflows of Resources	1,203,559	19,191,819	20,395,378
NET POSITION			
Net Investment in Capital Assets	—	35,594,239	35,594,239
Restricted	1,299,266	6,043,570	7,342,836
Total Net Position	1,299,266	41,637,809	42,937,075

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

**Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended December 31, 2022**

	Operating Sub-Fund	Equipment Maintenance Sub-Fund	Totals
Operating Revenues			
Charges for Services	\$ 4,277,265	3,714,235	7,991,500
Operating Expenses			
Personnel Services	1,648,880	—	1,648,880
IMRF Pension Expense/(Revenue)	142,713	—	142,713
Contractual Services			
Maintenance	496,329	—	496,329
Service Charge	139,238	—	139,238
Sludge Removal	222,029	—	222,029
Utilities	482,279	—	482,279
Insurance	372,044	—	372,044
Other	214,588	—	214,588
Commodities	628,446	—	628,446
Maintenance of Capital Facilities and Equipment	—	2,844,944	2,844,944
Less: Capital Outlay	—	(2,425,906)	(2,425,906)
Depreciation	—	3,364,022	3,364,022
Total Operating Expenses	4,346,546	3,783,060	8,129,606
Operating (Loss)	(69,281)	(68,825)	(138,106)
Nonoperating Revenues (Expenses)			
Surplus Contributions	—	155,452	155,452
Connection Fees	—	83,089	83,089
Enernoc Demand Response	—	26,525	26,525
Leachate Revenues	—	59,851	59,851
Renewable Energy Credits	—	33,492	33,492
Fats, Oil and Grease Waste Fees	—	185,065	185,065
Cell Tower Revenues	—	—	—
Pretreatment Fines	—	14,000	14,000
Lease Revenue	—	42,305	42,305
Other Income	47,371	62,509	109,880
Sale of Capital Assets	—	(20,614)	(20,614)
Investment Income	12,447	88,551	100,998
Interest Expense	—	(325,779)	(325,779)
	59,818	404,446	464,264
Change in Net Position	(9,463)	335,621	326,158
Net Position - Beginning as Restated	1,308,729	41,302,188	42,610,917
Net Position - Ending	1,299,266	41,637,809	42,937,075

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

**Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2022**

	Operating Sub-Fund	Equipment Maintenance Sub-Fund	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Villages	\$ 4,272,834	4,253,483	8,526,317
Payments to Employees	(1,791,593)	—	(1,791,593)
Payments to Suppliers	(2,386,917)	(663,214)	(3,050,131)
	94,324	3,590,269	3,684,593
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	—	(2,425,906)	(2,425,906)
Interest Expense	—	(325,779)	(325,779)
Payment of Principal	—	(1,360,118)	(1,360,118)
Loan Proceeds	—	1,470,466	1,470,466
	—	(2,641,337)	(2,641,337)
Cash Flows from Investing Activities			
Investment Income	12,447	88,551	100,998
Net Change in Cash and Cash Equivalents	106,771	1,037,483	1,144,254
Cash and Cash Equivalents Beginning	1,388,273	4,843,622	6,231,895
Ending	1,495,044	5,881,105	7,376,149
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(69,281)	(68,825)	(138,106)
Adjustments to Reconcile Operating Income to Net Income to Net Cash			
Provided by (Used in) Operating Activities:			
Depreciation Expense	—	3,364,022	3,364,022
Other Income	47,371	662,288	709,659
Other Expense (Revenue) - IMRF	46,732	—	46,732
(Increase) Decrease in Current Assets	(51,802)	(123,040)	(174,842)
Increase (Decrease) in Current Liabilities	121,304	(244,176)	(122,872)
Net Cash Provided by Operating Activities	94,324	3,590,269	3,684,593

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Operating Sub-Fund

Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

(with Comparative Information for the Fiscal Year Ended December 31, 2021)

	For the Fiscal Year Ended December 31, 2022		
	Budget	Actual	Variance Over (Under)
Operating Revenues			
Charges to Villages	\$ 4,653,218	4,277,265	(375,953)
Operating Expenses			
Personnel Services	1,912,464	1,648,880	(263,584)
IMRF Pension Expense/(Revenue)	—	142,713	142,713
Contractual Services			
Maintenance	584,531	496,329	(88,202)
Service Charge	139,238	139,238	—
Sludge Removal	220,000	222,029	2,029
Utilities	548,600	482,279	(66,321)
Insurance	413,900	372,044	(41,856)
Other	236,685	214,588	(22,097)
Commodities	607,800	628,446	20,646
Total Operating Expenses	4,663,218	4,346,546	(316,672)
Operating Income (Loss)	(10,000)	(69,281)	(59,281)
Nonoperating Revenues			
Other Income	—	47,371	47,371
Investment Income	10,000	12,447	2,447
	10,000	59,818	49,818
Change in Net Position	—	(9,463)	(9,463)
Net Position - Beginning as Restated		1,308,729	
Net Position - Ending		1,299,266	

For the Fiscal Year Ended December 31, 2021			
			Variance Over (Under)
Budget	Actual		
\$ 4,694,680	4,539,228		(155,452)
1,827,670	1,680,985		(146,685)
—	(360,627)		(360,627)
807,104	696,102		(111,002)
137,316	137,316		—
195,000	225,574		30,574
570,500	610,330		39,830
418,000	406,833		(11,167)
229,090	180,803		(48,287)
520,000	478,284		(41,716)
4,704,680	4,055,600		(649,080)
(10,000)	483,628		493,628
—	—		—
10,000	4,573		(5,427)
10,000	4,573		(5,427)
—	488,201		488,201
	757,692		
	1,245,893		

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Equipment Replacement Sub-Fund

Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2022

(with Comparative Information for the Fiscal Year Ended December 31, 2021)

	For the Fiscal Year Ended December 31, 2022		
	Budget	Actual	Variance Over (Under)
Operating Revenues			
Charges to Villages	\$ 3,714,235	3,714,235	—
Operating Expenses			
Maintenance of Capital Facilities and Equipment	5,518,388	2,844,944	(2,673,444)
Less: Capital Outlay	550,000	(2,425,906)	(2,975,906)
Depreciation	—	3,364,022	3,364,022
Total Operating Expenses	6,068,388	3,783,060	(2,285,328)
Operating Income (Loss)	(2,354,153)	(68,825)	2,285,328
Nonoperating Revenues (Expenses)			
Surplus Contributions	50,000	155,452	105,452
Connection Fees	50,000	83,089	33,089
Enernoc Demand Response	26,000	26,525	525
Leachate Revenues	117,000	59,851	(57,149)
Renewable Energy Credits	30,000	33,492	3,492
Fats, Oil & Grease Waste Fees	75,000	185,065	110,065
Cell Tower Revenues	—	—	—
Pretreatment Fines	—	14,000	14,000
Lease Revenue	63,600	42,305	(21,295)
Other Income	1,000	62,509	61,509
Sale of Capital Assets	—	(20,614)	(20,614)
Investment Income	20,000	88,551	68,551
Interest Expense	(462,090)	(325,779)	136,311
Loan Proceeds	2,100,000	1,400,047	(699,953)
Biosolids Loan Principal	—	(11,183)	(11,183)
Digester Loan Principal	(587,599)	(587,599)	—
FIP Loan Principal	(702,042)	(749,300)	(47,258)
Less Items to Statement of Net Position	—	(51,965)	(51,965)
Total Nonoperating Revenues (Expenses)	780,869	404,446	(376,423)
Change in Net Position	<u>(1,573,284)</u>	335,621	<u>1,908,905</u>
Net Position - Beginning as Restated		<u>41,302,188</u>	
Net Position - Ending		<u>41,637,809</u>	

For the Fiscal Year Ended December 31, 2021		
Budget	Actual	Variance Over (Under)
\$ 3,677,460	3,677,461	1
5,473,510	6,393,681	920,171
—	(5,749,969)	(5,749,969)
—	2,424,262	2,424,262
5,473,510	3,067,974	(2,405,536)
(1,796,050)	609,487	2,405,537
—	353,423	353,423
50,000	84,682	34,682
26,000	17,757	(8,243)
117,000	118,824	1,824
75,000	61,511	(13,489)
57,000	151,735	94,735
—	59,443	59,443
—	—	—
1,000	31,348	30,348
—	—	—
—	—	—
20,000	6,543	(13,457)
(747,065)	(390,441)	356,624
1,870,000	1,533,855	(336,145)
—	—	—
(559,115)	(573,180)	(14,065)
(325,552)	(695,039)	(369,487)
—	(265,636)	(265,636)
584,268	494,825	(89,443)
(1,211,782)	1,104,312	2,316,094
	40,026,898	
	41,131,210	

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

**Schedule of Comparative Flows Used For Allocation of Costs - Last Ten Fiscal Years
December 31, 2022 (Unaudited)**

Fiscal Year	Glenbard				North Regional Interceptor			
	Glen Ellyn		Lombard		Glen Ellyn		Lombard	
	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent
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
2018	1,873,111	41.21%	2,672,566	58.79%	N/A	N/A	N/A	N/A
2019	1,835,852	40.59%	2,686,639	59.41%	N/A	N/A	N/A	N/A
2020	1,770,908	40.72%	2,578,333	59.28%	N/A	N/A	N/A	N/A
2021	1,670,839	40.06%	2,499,757	59.94%	N/A	N/A	N/A	N/A
2022	1,673,524	40.77%	2,431,178	59.23%	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.

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Schedule of Allocation Costs

December 31, 2022 (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, 2022, not included elsewhere in the accompanying financial statements follows:

1. Total Water Flow

Participant	Glenbard Plant	
	Gallons (in 000's)	Percent
Village of Lombard	2,431,178	59.23%
Village of Glen Ellyn	1,673,524	40.77%
	<u>4,104,702</u>	<u>100.00%</u>

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, 2022, as follows:

	Operating Fund
Operating Revenue	
Amounts Billed Prior to Billing Adjustments	\$ 4,653,218
Other Revenues	22,550
Adjustment	<u>(375,953)</u>
Operating Revenue Applicable to Operating Expenses	<u>4,299,815</u>
Operating Expenses	
Personnel Services	1,648,880
IMRF Employer Contribution	95,982
Contractual Services	
Maintenance	496,329
Service Charge	139,238
Sludge Removal	222,029
Utilities	482,279
Insurance	372,044
Other	214,588
Commodities	<u>628,446</u>
Total Operating Expenses	<u>4,299,815</u>

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**Schedule of Allocation Costs - Continued**
December 31, 2022 (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	\$ 2,546,742	59.23%
Village of Glen Ellyn	1,753,073	40.77%
	<u>4,299,815</u>	<u>100.00%</u>

C. The computation of the billing adjustment for the fiscal year ended December 31, 2022 follows:

	Village of Lombard	Village of Glen Ellyn	Totals
Charges			
Total Operating Expenses (Depreciation Excluded)	\$ 2,546,742	1,753,073	4,299,815
Equipment Replacement Reserve	2,026,714	1,687,521	3,714,235
Total Operating Charges	<u>4,573,456</u>	<u>3,440,594</u>	<u>8,014,050</u>
Amount Billed	4,778,268	3,589,185	8,367,453
Plus: Credit for Other Revenues Received	13,356	9,194	22,550
Revenues Available to Offset			
Operating Changes	<u>4,791,624</u>	<u>3,598,379</u>	<u>8,390,003</u>
Amount Due from (to) Villages	<u>(218,168)</u>	<u>(157,785)</u>	<u>(375,953)</u>

GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS

Schedule of Allocation Costs - Continued
December 31, 2022 (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, 2022 are as follow:

	Village of Lombard	Village of Glen Ellyn	Totals
Amounts Due from (to) Villages			
Billing Adjustment for the Fiscal Year Ended December 31, 2022 (as shown the prior page)	\$ (218,168)	(157,785)	(375,953)
Billing Adjustments:			
July 2022 to December 2022	(22,991)	22,991	—
Cumulative Balance Due from (to) Villages*	(241,159)	(134,794)	(375,953)

*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, 2022	Receivable (Payable) December 31, 2021	Amount Received
Village of Lombard	\$ 4,778,268	(241,159)	78,209	4,615,318
Village of Glen Ellyn	3,589,185	(134,794)	77,243	3,531,634
	8,367,453	(375,953)	155,452	8,146,952