

NORTHWEST MOSQUITO ABATEMENT DISTRICT

APRIL 30, 2021

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Independent Auditor's Report

Board of Trustees
Northwest Mosquito Abatement District
Wheeling, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of Northwest Mosquito Abatement District as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Northwest Mosquito Abatement District, as of April 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 5 and 23 through 30 be presented to supplement the basic financial statements. Such information, 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.

M. Close, Inserra & Co., P.C.

August 9, 2021

Management's Discussion and Analysis

As management of Northwest Mosquito Abatement District, this narrative overview and analysis is provided of the District's financial activities for the fiscal year ending April 30, 2021. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Overview of the Financial Highlights

Management's discussion and analysis serves as an introduction to the District's financial statements. The statements presented include a Governmental Fund Balance Sheet and Statement of Net Position, a Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities, and notes to the financial statements. The District qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done through the use of an adjustment column, on the face of the statements, which reconciles the fund based financial statements to the government-wide statements.

Financial Highlights

The District's total net position as of April 30, 2021 and 2020, was \$3,990,032 and \$3,435,601, respectively. For the years ended April 30, 2021 and 2020, net position increased by \$554,431 and \$422,236, respectively, as revenue exceeded expenses in both years. The term "net position" represents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources.

Financial Statements

The financial statements of the District are intended to provide the reader with an understanding of the financial position of the District as of the close of the fiscal year and the results of activities for the year then ended. The fund financial statements focus on current financial resources while government-wide financial statements are similar to a private-sector business.

The Governmental Fund Balance Sheet and Statement of Net Position provides information on the District's assets/deferred outflows of resources, and liabilities/deferred inflows of resources. The difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources represents the governmental fund balance for the current financial resources reporting and net position for the government-wide reporting.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities reflects the results of the District's revenues, expenditures/expenses and activities during the year and the corresponding effect on fund and net position balances. This statement shows the source of District revenues and how those revenues were used to provide services.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of a more detailed comparison of estimated revenues and appropriation to actual revenues and expenditures, more information on the pension (asset) liability and the OPEB liability and on employer contributions to the pension and OPEB liabilities.

Management's Discussion and Analysis

Condensed Statement of Net Position

	April 30,	
	2021	2020
Current Assets	\$ 5,843,764	\$ 5,359,715
Net Pension Asset	27,505	-
Capital Assets, net of accumulated depreciation	1,265,432	1,333,817
Total Assets	7,136,701	6,693,532
Deferred Outflows of Resources	717,549	806,203
Current Liabilities	32,115	103,433
Non-Current Liabilities	172,159	526,638
Total Liabilities	204,274	630,071
Deferred Inflows of Resources	3,659,944	3,434,063
Net Position		
Net Investment in Capital Assets	1,265,432	1,333,817
Unrestricted	2,724,600	2,101,784
Total Net Position	\$ 3,990,032	\$ 3,435,601

Condensed Statement of Changes in Net Position

	For Years Ended April 30,	
	2021	2020
Revenues		
Taxes	\$ 2,886,579	\$ 2,772,155
Interest	10,958	58,589
Total Revenues	2,897,537	2,830,744
Expenses		
Personal Services	1,145,725	1,341,704
Contractual Services	604,581	541,745
Travel	2,973	2,155
Commodities	364,159	300,475
Equipment	6,665	5,668
Contingencies	3,973	10,037
Education	(1,723)	25,136
Capital Improvements	2,716	-
Depreciation	192,687	181,588
Net Loss on Disposal of Capital Assets	21,350	-
Total Expenses	2,343,106	2,408,508
Change in Net Position	554,431	422,236
Net Position, Beginning of Year	3,435,601	3,013,365
End of Year	\$ 3,990,032	\$ 3,435,601

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The District's assets/deferred outflows exceeded liabilities/deferred inflows of resources by \$3,990,032 as of the close of the year. Of the net position balance, \$2,724,600 is unrestricted and \$1,265,432 is net investment in capital assets.

Management's Discussion and Analysis

The District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$2,335,441. The fund balance in the general fund and capital projects fund changed this year by \$303,172 and \$181,223, respectively. The net change in the general fund was better than appropriated primarily due to lower expenditures. There was also a \$349,879 transfer to the capital projects fund.

Significant Events

The ongoing presence of the mosquito transmitted West Nile Virus (WNV) continues to tax financial reserves of the District. Early season cooler temperatures assisted the District in completion of catch basin treatments earlier than that of a spring with more normal seasonal temperatures. Mosquito transmitted diseases remain unpredictable and highly dependent on weather conditions as well as vector mosquito populations.

Budgetary Highlights

The District amended the budget appropriation at the end of the fiscal year to account for unexpected changes in expenses. See pages 23 through 25 for the original and final budget appropriations. The District's general fund expended \$2,634,273, which was \$756,347 less than the appropriation of \$3,390,620. The budgetary savings was spread throughout the expenditure categories.

Future approved capital asset purchases include truck purchases and fuel tank replacement at the District facilities. They will be financed with accumulated fund balances and future tax revenues from the general and capital improvement funds.

Capital Assets

The District's investment in capital assets amounts to \$1,265,432, net of accumulated depreciation, as of April 30, 2021. Capital asset acquisitions during the current fiscal year included computer and office equipment, truck purchases and a roof replacement at one of the District facilities.

	April 30,	
	2021	2020
Land	\$ 175,743	\$ 175,743
Improvements	993,086	923,706
Buildings	586,810	743,525
Equipment	2,617,684	2,681,668
Cost of Capital Assets	4,373,323	4,524,642
Less Accumulated Depreciation	(3,107,891)	(3,190,825)
Net Investment in Capital Assets	\$ 1,265,432	\$ 1,333,817

See Note 4 on page 13 of the financial statements for more detailed information about District capital assets.

Economic Factors

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Northwest Mosquito Abatement District, 147 W. Hintz Road, Wheeling, Illinois 60090.

Basic Financial Statements

NORTHWEST MOSQUITO ABATEMENT DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

APRIL 30, 2021

	General Fund	Capital Projects Fund	Total	Adjustments (Note 12)	Statement of Net Position
ASSETS					
Cash and Cash Equivalents	\$ 365,271	\$ 96,465	\$ 461,736	\$ -	\$ 461,736
Investments	2,749,360	494,911	3,244,271	-	3,244,271
Property Tax Receivable	1,367,375	-	1,367,375	-	1,367,375
Accounts Receivable	-	-	-	-	-
Inventory	-	-	-	770,382	770,382
Net Pension Asset	-	-	-	27,505	27,505
Capital Assets, net of accumulated depreciation	-	-	-	1,265,432	1,265,432
Total Assets	4,482,006	591,376	5,073,382	2,063,319	7,136,701
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to Pension (IMRF)	-	-	-	717,549	717,549
Total Assets and Deferred Outflows of Resources	\$ 4,482,006	\$ 591,376	\$ 5,073,382	\$ 2,780,868	\$ 7,854,250
LIABILITIES					
Accounts Payable and Payroll Withholding	\$ 16,433	\$ -	\$ 16,433	\$ -	\$ 16,433
Accrued Payroll	15,682	-	15,682	-	15,682
Accrued Compensated Absences, Long-term	-	-	-	70,792	70,792
Net OPEB Liability, Long-term	-	-	-	101,367	101,367
Total Liabilities	32,115	-	32,115	172,159	204,274
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pension (IMRF)	-	-	-	954,118	954,118
Deferred Property Taxes	2,705,826	-	2,705,826	-	2,705,826
Total Deferred Inflows of Resources	2,705,826	-	2,705,826	954,118	3,659,944
Total Liabilities and Deferred Inflows of Resources	2,737,941	-	2,737,941	1,126,277	3,864,218
FUND BALANCES/NET POSITION					
Fund Balances					
Committed for Capital Improvement	-	591,376	591,376	(591,376)	-
Unassigned	1,744,065	-	1,744,065	(1,744,065)	-
Total Fund Balances	1,744,065	591,376	2,335,441	(2,335,441)	-
Total Liabilities and Fund Balances	\$ 4,482,006	\$ 591,376	\$ 5,073,382		
Net Position					
Net Investment in Capital Assets				1,265,432	1,265,432
Unrestricted				2,724,600	2,724,600
Total Net Position				\$ 3,990,032	\$ 3,990,032

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements

NORTHWEST MOSQUITO ABATEMENT DISTRICT

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2021

	General Fund	Capital Projects Fund	Total	Adjust- ments (Note 12)	Statement of Activities
REVENUES					
Property Taxes	\$ 2,758,687	\$ -	\$ 2,758,687	\$ -	\$ 2,758,687
Personal Property Replacement Taxes	127,892	-	127,892	-	127,892
Interest	10,866	92	10,958	-	10,958
Proceeds From Sale of Capital Assets	40,000	-	40,000	(40,000)	-
	<u>2,937,445</u>	<u>92</u>	<u>2,937,537</u>	<u>(40,000)</u>	<u>2,897,537</u>
EXPENDITURES/EXPENSES					
Personal Services	1,380,193	-	1,380,193	(234,468)	1,145,725
Contractual Services	607,281	-	607,281	(2,700)	604,581
Travel	2,973	-	2,973	-	2,973
Commodities	268,112	-	268,112	96,047	364,159
Equipment	23,585	-	23,585	(16,920)	6,665
Contingencies	3,973	-	3,973	-	3,973
Education	(1,723)	-	(1,723)	-	(1,723)
Capital Improvements	-	168,748	168,748	(166,032)	2,716
Depreciation	-	-	-	192,687	192,687
Net Loss on Disposal of Capital Assets	-	-	-	21,350	21,350
	<u>2,284,394</u>	<u>168,748</u>	<u>2,453,142</u>	<u>(110,036)</u>	<u>2,343,106</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	653,051	(168,656)	484,395	70,036	-
OTHER FINANCING SOURCES (USES)					
Operating Transfer	(349,879)	349,879	-	-	-
Net Change in Fund Balances	303,172	181,223	484,395	(484,395)	-
Change in Net Position				554,431	554,431
FUND BALANCES/NET POSITION					
Beginning of Year	<u>1,440,893</u>	<u>410,153</u>	<u>1,851,046</u>	<u>1,584,555</u>	<u>3,435,601</u>
End of Year	<u>\$ 1,744,065</u>	<u>\$ 591,376</u>	<u>\$ 2,335,441</u>	<u>\$ 1,654,591</u>	<u>\$ 3,990,032</u>

The accompanying notes are an integral part of these financial statements.

Note 1: Summary of Significant Accounting Policies

Northwest Mosquito Abatement District (District) was organized under the "Mosquito Abatement District Act" and is governed by a five-member Board of Trustees appointed by the Cook County Board of Commissioners. It is the purpose of the District to reduce the number of both nuisance type mosquitoes and those capable of transmitting disease through a program integrating larval control, source reduction and adult control. The District services the northwest portion of Cook County.

The financial statements of Northwest Mosquito Abatement District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District is a special-purpose district and the reporting entity includes all entities for which the District exercised oversight responsibility as defined by the GASB.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the District has not included in its financial statements the activities of any other entity.

B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them.

The Governmental Funds Balance Sheet and Statement of Net Position and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and Statement of Activities combines information about the reporting government as a whole and funds statements to report 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 District functions or activities.

The General Fund, which is the primary operating fund of the District, is used to account for all financial resources except those required to be accounted for in another fund. The Capital Projects Fund is used to account for financial resources to be used for specific capital improvements, repairs or replacements of District equipment or other real or personal property. The General Fund and the Capital Projects Fund are both major funds.

C. Basis of Accounting

The government-wide statements, the Statement of Net Position and the Statement of Activities, are prepared using the economic resources measurement focus and the accrual

Note 1: Summary of Significant Accounting Policies (Continued)

basis of accounting. Generally, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fund financial statements, the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, are prepared using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are generally recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

In applying the susceptible to accrual concept under the modified accrual basis, the District considers property taxes as available if they are collected within 60 days after year-end. A one year availability period is used for all other governmental fund revenues.

The District recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the District; however, property taxes are not recognized as revenue until the subsequent fiscal year when the property taxes are extended by Cook County and remitted to the District. Accordingly, the property tax levy for the 2020 tax year is recognized as deferred inflows of resources in the accompanying balance sheet.

D. Cash and Investments

Cash and cash equivalents represent amounts in demand deposit accounts and a NOW account. Investments are amounts invested in U.S. Treasury obligations. Investments are stated at cost, which approximates market value.

Illinois Revised Statutes authorize the District to invest in securities guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool, and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks which are insured by the Federal Deposit Insurance Corporation.

E. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the

Note 1: Summary of Significant Accounting Policies (Continued)

straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings	40 years
- Improvements	20 years
- Equipment	5 – 15 years

As of April 30, 2013 and prior years, the minimum capitalization threshold was generally any item with a total cost greater than \$500. Beginning fiscal year ending April 30, 2014 this threshold was raised to \$1,000. As of May 1, 2016, the minimum amount at which assets are capitalized was raised to \$2,000.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

F. Inventory

Inventory is valued at cost, which approximates market, using the first-in/first-out (FIFO) method, on the government-wide financial statements. Inventories are expensed at the time of purchase (purchase method) on the fund financial statements. Inventories consist of chemicals and fuel.

G. Compensated Absences

Vacation pay is vested as it is earned. A percentage of accumulated sick leave, depending on years of service, is vested up to a maximum of 48 days. In the governmental-wide financial statements, vacation leave and sick days are accrued as earned.

H. Deferred Outflows and Inflows of Resources

Deferred outflows of resources related to pension expense represent amounts related to the difference between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments. In addition, it represents post measurement date payments, i.e. IMRF payments made January through April 2021. See Note 6 for additional information on the deferred outflows.

Deferred inflows of resources consists of two items. Deferred inflows relating to property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources. Deferred inflows related to pensions, similar to deferred outflows related to pensions, represent amounts related to the difference between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments.

Note 1: Summary of Significant Accounting Policies (Continued)

I. Interfund Transactions

All interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. An operating transfer of \$349,879 was made for the year ending April 30, 2021 for the purpose of funding future capital improvements.

J. Fund Equity

The District has implemented GASB statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Trustees establish (and modify or rescind) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Trustees through adoption or amendment of the budget as intended for specific purpose.

When fund balance resources are available for a specific purpose in more than one classification, it is the District’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

K. Budgets

The budget is an estimate of actual expenditures and the appropriation represents the legal spending limit. The budget is adopted on a basis consistent with generally accepted accounting principles, through the passage of an appropriations ordinance. All appropriated amounts lapse at the end of the fiscal year. Spending control for funds is established by the amount of the total appropriation for the fund, but management control is exercised at budget line item levels.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

L. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Defined Benefit Pension Plan (IMRF)

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: Deposits and Investments

Deposits. At April 30, 2021, the carrying amount of the District's deposits, excluding petty cash of \$400, was \$461,336 and the bank balance was \$510,785. Of the bank balance, \$446,802 was covered by federal depository insurance and \$63,983 was collateralized with securities held by the pledging financial institutions agent in the District's name.

Investments. The District has only invested in U.S. Treasury Bills which are guaranteed by the full faith and credit of the United States Government. The District's investments are as follows:

	<u>Cost</u>	<u>Market Value</u>
U.S. Treasury Bills – maturities from May 20, 2021 to January 27, 2022 and interest rates approximating .0180% - .0609%	\$ <u>3,244,271</u>	\$ <u>3,244,674</u>

Note 3: Property Tax

The 2020 property taxes attached as an enforceable lien on January 1, 2020. Property tax revenue is recognized in the period of its intended use limited by its availability. The 2020 property taxes were levied on April 15, 2020 by passage of a tax levy ordinance and have been recorded as Property Taxes Receivable and Deferred Inflows of Resources to the extent not collected by year-end. On April 21, 2021, the 2021 tax levy ordinance was passed in the amount of \$2,705,556. This has not been reflected in the accompanying financial statements.

The tax levy is divided into two billings. The billings are mailed on or about February 1 and July 1. The due date is 30 days after the tax bill mailing. On these dates, usually March 1 and August 1, the bill becomes delinquent and penalties and interest may be assessed by the government. The County collects such taxes and remits them periodically. Most of the tax levy is collected in the calendar year following the levy year. Property tax revenue is the collection of the 2019 and prior levies.

Notes to Financial Statements

Note 4: Capital Assets

The following is a summary of changes in the capital assets during the fiscal year:

	Balance April 30, 2020	Increases	Decreases	Balance April 30, 2021
Capital assets, not being depreciated				
Land	\$ 175,743	\$ -	\$ -	\$ 175,743
Capital assets, being depreciated				
Improvements	923,706	75,375	(5,995)	993,086
Buildings	743,525	-	(156,715)	586,810
Equipment	2,681,668	110,277	(174,261)	2,617,684
Total capital assets being depreciated	4,348,899	185,652	(336,971)	4,197,580
Less accumulated depreciation for				
Improvements	(372,290)	(35,219)	5,995	(401,514)
Buildings	(595,980)	(11,246)	95,365	(511,861)
Equipment	(2,222,555)	(146,222)	174,261	(2,194,516)
Total accumulated depreciation	(3,190,825)	(192,687)	275,621	(3,107,891)
Capital assets being depreciated, net	1,158,074	(7,035)	(61,350)	1,089,689
Net Investment in Capital Assets	\$ 1,333,817	\$ (7,035)	\$ (61,350)	\$ 1,265,432

Note 5: Long-Term Liabilities

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

	Balance April 30, 2020	Additions	Reductions	Balance April 30, 2021	Amounts Due in One Year
Compensated Absences	\$ 80,072	\$ -	\$ 9,280	\$ 70,792	\$ -
Net Pension (Asset) Liability	416,184	-	443,689	(27,505)	-
Net OPEB Liability	110,454	-	9,087	101,367	-

Note 6: Defined Benefit Pension Plan

IMRF Plan Description. The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

Benefits Provided. IMRF has three benefit plans. The District participates in the Regular Plan (RP). All three IMRF benefit plans have two tiers. 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.

Employees Covered by Benefit Terms. As of December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	9
Inactive Plan Members entitled to but not yet receiving benefits	3
Active Plan Members	<u>12</u>
Total	<u><u>24</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 was 10.83%. For the fiscal year ended April 30, 2021 the District contributed \$103,760 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension (Asset) Liability. The District's net pension (asset) liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

Note 6: Defined Benefit Pension Plan (Continued)

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.25%.
- *Salary Increases* were expected to be 2.85% to 13.75%, including inflation.
- The *Investment Rate of Return* was assumed to be 7.25%.
- *Projected Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for *Mortality* (for non-disabled retirees) were developed from the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables with 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 were used with 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 were used with 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 as of December 31, 2020:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.00%
International Equity	18	6.00%
Fixed Income	28	1.30%
Real Estate	9	6.20%
Alternative Investments	7	2.85-6.95%
Cash Equivalents	1	.70%
Total	100%	

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

Single Discount Rate. A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension (Asset) Liability.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A)-(B)
Balances at December 31, 2019	\$ 7,258,654	\$ 6,842,470	\$ 416,184
Changes for the year:			
Service Cost	78,897	-	78,897
Interest on the Total Pension Liability	516,446	-	516,446
Differences Between Expected and Actual Experience	190,143	-	190,143
Changes of Assumptions	(35,927)	-	(35,927)
Contributions - Employer	-	98,781	(98,781)
Contributions - Employees	-	41,043	(41,043)
Net Investment Income	-	977,243	(977,243)
Benefit Payments, including Refunds of Employee Contributions	(349,409)	(349,409)	-
Other (Net Transfer)	-	76,181	(76,181)
Net Changes	400,150	843,839	(443,689)
Balances at December 31, 2020	\$ 7,658,804	\$ 7,686,309	\$ (27,505)

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the plan's net pension (asset) liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension (asset) liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
Net Pension (Asset) Liability	\$ 866,130	\$ (27,505)	\$ (751,809)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2021, the District recognized a reduction in pension

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

expense of \$112,341. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 299,251	\$ 1,388
Changes of assumptions	78,622	81,050
Net difference between projected and actual earnings on pension plan investments	<u>304,482</u>	<u>871,680</u>
Total Deferred Amounts to be recognized in pension expense in future periods	682,355	954,118
Pension Contributions made subsequent to the Measurement Date, through April 30, 2021	<u>35,194</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 717,549</u>	<u>\$ 954,118</u>

Deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of \$35,194 are recognized as a reduction of the net pension (asset) liability in the year ended April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Inflows of Resources</u>
2021	\$ 109,595
2022	(30,849)
2023	142,705
2024	59,968
2025	(9,656)
Thereafter	<u>-</u>
Total	<u>\$ 271,763</u>

Note 7: Other Post-Employment Benefits

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described above, the District provides post-employment health care benefits (OPEB) for retired employees of the District through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. The plan is not accounted for as a trust fund; as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

All health care benefits for retired employees of the District are provided through the District's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions.

All retirees contribute 100% of the paid premium to the plan. For the fiscal year ending April 30, 2021, retirees contributed \$0. Active employees do not contribute to the plan until retirement.

At April 30, 2021, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	0
Active Employees	<u>12</u>
	<u>12</u>

Contributions

There are no actuarially determined contributions or employer contributions as there is no Trust that exists for funding the OPEB liabilities. There are only contributions from other District resources which relate to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Net OPEB Liability

The District's net OPEB liability of \$101,367 was measured as of April 30, 2021, and was determined by an actuarial valuation performed as of May 1, 2021.

Actuarial Assumptions and Other Inputs. The net OPEB liability in the May 1, 2021 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- The *Actuarial Valuation Method* used was the Alternative Measurement Method.
- *Salary Increases* are expected to be 2.5%, average, including inflation.
- The *Discount Rate* used was 2.27%, based on the High Quality 20-Year Tax Exempt G.O. Bond Rate.
- The *Health Care Cost Trend Rates* beginning April 1, 2021 at a rate of 7.70% reduced annually in .30% increments to 5.0%.
- *Plan Participation Rate* assumes 15% of employees currently enrolled in medical plans will participate in the plan.
- *Retirement Rates* used were Age 60 for Tier I IMRF Employees and Age 62 for Tier II IMRF employees.
- *Retiree Lapse Rates* used was 100% at age 65 once Medicare eligible.
- *Mortality Rates* follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates
- *Spouse Mortality* follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates.

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Net OPEB Liability (A)-(B)
Balances at April 30, 2020	\$ 110,454	\$ -	\$ 110,454
Change for the Year:			
Service Cost	1,004	-	1,004
Interest on the Total Pension Liability	2,739	-	2,739
Changes in Benefit Terms	2,023	-	2,023
Differences Between Expected and Actual Experience of the Total Pension Liability	-	-	-
Changes in Assumptions	(15,792)	-	(15,792)
Benefit Payments	7,843	-	7,843
Contributions – Employer	(6,904)	(6,904)	-
Contributions - Employees	-	6,904	(6,904)
Administrative Expense	-	-	-
Net Changes	<u>(9,087)</u>	<u>-</u>	<u>(9,087)</u>
Balance at April 30, 2021	<u>\$ 101,367</u>	<u>\$ -</u>	<u>\$ 101,367</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability, calculated using a Single Discount Rate of 2.27%, as well as what the plan’s total OPEB liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Lower (1.27%)	Current (2.27%)	1% Higher (3.27%)
Net OPEB Liability	<u>\$ 113,347</u>	<u>\$ 101,367</u>	<u>\$ 91,471</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the sensitivity of the net OPEB liability to the Healthcare Cost Trend Rates assumption:

	1% Lower (Varies)	Current (Varies)	1% Higher (Varies)
Net OPEB Liability	<u>\$ 91,228</u>	<u>\$ 101,367</u>	<u>\$ 113,442</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended April 30, 2021, the District recognized income resulting from the decrease in the OPEB liability of \$9,087. At April 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	<u>-</u>	<u>-</u>
Total Deferred Amounts Related to OPEB	<u>\$ -</u>	<u>\$ -</u>

Note 8: Deferred Compensation Plan

The District offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The current plan is available to all full-time District employees. This plan permits them to defer a portion of their salary until future years.

The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan provides for various levels of deferral and is available to all full-time District employees. The maximum deferred compensation is \$19,500 for the 2021 calendar year. However, a “catch-up” deferral in the amount of \$6,500 is also available for participants older than age 50. There are also more generous catch-up provisions if the employee is within three years of the plan’s normal retirement age.

All amounts of compensation deferred are held in trust (until paid or made available to the employee or other beneficiary). The deferred compensation is not subject to the claims of the District’s creditors. Investments are managed by the plan’s administrator under one of three investment options. The choice of the investment option is made by the participants. Currently seven employees participate in the plan.

Note 9: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, injuries to employees and natural disasters. As such, the District carries commercial insurance to mitigate those risks of loss. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

Note 10: Litigation

The District is routinely engaged in litigation related to tax protests of various tax levies. Generally, every year protests for older levy years are settled and ones related to more recent levy years emerge. When these cases settle the proceeds are paid out of future tax distributions as refunds. Nothing unusual has transpired this year and management believes no material liabilities have been incurred.

Note 11: Committed Fund Balance

The Board of Trustees has resolved to set aside the capital projects fund balance for future building and equipment purchases.

Notes to Financial Statements

Note 12: Adjustments

Amounts reported in the statement of net position are different from the governmental fund balance sheet because:

Significant balances of inventory items need not be reported as assets in the fund statements if the purchases method is used.	\$ 770,382
Net pension asset	27,505
Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	1,265,432
Net deferred outflows and deferred inflows related to pensions	(236,569)
Liabilities for compensated absences, which will not mature in the current period, are not included in the governmental fund balances and therefore, are deducted from net position.	(70,792)
Net OPEB liability	<u>(101,367)</u>
	<u>\$ 1,654,591</u>

Amounts reported on the statement of activities are different from governmental funds statements of revenues, expenditures and changes in fund balances because:

Proceeds from sale of capital assets in the fund financial statements are reclassified against the loss on disposal of capital assets.	\$ 40,000
The government funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays (\$192,687 less \$185,652).	7,035
Recording the net loss on disposal of capital assets.	21,350
Recognizing the change in pension expense relating to change in deferred outflows, deferred inflows and net pension (asset) liability.	(216,101)
Other differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:	
Changes in rebates receivable, related to commodities, not collectible within 60 days of year-end	12,882
Changes in inventory	83,165
Changes in compensated absences	(9,280)
Changes in net OPEB liability	<u>(9,087)</u>
	<u>\$ (70,036)</u>

Note 13: Contingencies

In 2020, the COVID-19 pandemic struck the world with far reaching effects. Due to this virus, businesses and individuals have been significantly harmed financially. This may result in a decrease in future tax revenue collections, the amount of which cannot be currently quantified.

Required Supplementary Information**NORTHWEST MOSQUITO ABATEMENT DISTRICT****SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL
GENERAL FUND**

YEAR ENDED APRIL 30, 2021

	APPROPRIATION		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
Property Taxes	\$ 2,618,879	\$ 2,618,879	\$ 2,758,687
Personal Property Replacement Taxes	128,924	128,924	127,892
Interest	-	-	10,866
Miscellaneous	-	-	-
Proceeds From Sale of Fixed Assets	-	-	40,000
Total Revenues	<u>2,747,803</u>	<u>2,747,803</u>	<u>2,937,445</u>
EXPENDITURES			
PERSONAL SERVICES			
Salary of Technical Director	143,000	143,000	138,751
Salary of Assistant Technical Director	131,500	131,500	100,620
Salary of Chief of Field Operations	115,500	115,500	93,013
Salary of Chief of Internal Services	115,500	115,500	-
Salary of Field Employees	867,400	867,400	767,553
Salary of Entomologist	60,250	60,250	-
Salary of Office Manager	89,750	89,750	86,588
Employer's Share of F.I.C.A.	115,000	115,000	89,908
Employer's Share of I.M.R.F.	118,500	118,500	103,760
	<u>1,756,400</u>	<u>1,756,400</u>	<u>1,380,193</u>
CONTRACTUAL SERVICES			
Insurance: Business Auto	28,500	28,500	26,307
Insurance: General Liability	38,000	38,000	35,052
Insurance: Umbrella Liability	25,000	37,000	36,901
Insurance: Workers Compensation	36,000	36,000	21,458
Insurance: Property	14,000	14,000	11,234
Insurance: Directors' and Officers' Liability	-	-	-
Insurance: Hospitalization	252,500	240,500	198,799
Insurance: Unemployment	10,000	10,000	4,575
Material & Service - Motor Vehicles	39,750	34,750	16,900
Material & Service - Field Equipment	7,100	12,100	9,578
Material & Service - Buildings and Grounds	50,000	50,000	17,107
Materials & Service - Shop Equipment	-	-	-
Service - Radio	8,500	8,500	-
Maintenance	21,250	21,250	7,250

Required Supplementary Information

APPROPRIATIONS COMPARED TO ACTUAL (Continued)

	APPROPRIATION		ACTUAL
	ORIGINAL	FINAL	
Lights	\$ 12,500	\$ 12,500	\$ 8,535
Heat	12,050	12,050	8,969
Telephone	43,150	68,150	61,573
Water	1,950	1,950	1,368
Legal Fees and Expenses	61,500	61,500	35,817
Legal Administration	23,000	23,000	12,044
Auditing and Accounting	20,200	20,200	16,640
Dues and Subscriptions	7,000	7,000	4,458
Computer Software	83,500	83,500	68,163
Payroll Expense	7,950	7,950	4,553
	<u>803,400</u>	<u>828,400</u>	<u>607,281</u>
TRAVEL	<u>4,500</u>	<u>4,500</u>	<u>2,973</u>
COMMODITIES			
Insecticides	453,750	161,371	126,806
Motor Vehicle Fuel	59,970	59,970	46,536
Office Supplies	10,000	9,000	5,683
Postage and Freight	1,600	2,600	1,625
Shop Supplies	16,000	17,000	16,395
Laboratory Supplies	28,000	50,000	47,385
Drainage	-	-	-
Uniforms	7,000	7,000	2,760
Safety Equipment	8,500	23,500	20,922
	<u>584,820</u>	<u>330,441</u>	<u>268,112</u>
EQUIPMENT			
Motor Vehicle/Field Equipment Purchase	5,000	10,000	9,214
Shop Equipment Purchase	3,500	3,500	3,198
Lab Equipment Purchase	25,000	3,000	-
Office Equipment Purchase	7,500	7,500	6,937
Radio and Antenna Purchase	3,500	2,500	343
Computer Hardware	15,000	15,000	3,893
	<u>59,500</u>	<u>41,500</u>	<u>23,585</u>
CONTINGENCIES	<u>15,000</u>	<u>15,000</u>	<u>3,973</u>

(Continued)

Required Supplementary Information

APPROPRIATIONS COMPARED TO ACTUAL (Continued)

	APPROPRIATION		ACTUAL
	ORIGINAL	FINAL	
EDUCATION			
Educational Meeting	\$ 25,750	\$ 25,750	\$ (9,403)
Literature Purchase	750	750	-
Research and Development	-	-	-
Training and Development	13,000	13,000	7,680
	<u>39,500</u>	<u>39,500</u>	<u>(1,723)</u>
LOSS AND COST OF COLLECTION	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total Expenditures	<u>3,288,120</u>	<u>3,040,741</u>	<u>2,284,394</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(540,317)	(292,938)	653,051
OTHER FINANCING USES			
Operating Transfer	<u>(102,500)</u>	<u>(349,879)</u>	<u>(349,879)</u>
Net Change in Fund Balance	<u>\$ (642,817)</u>	<u>\$ (642,817)</u>	<u>\$ 303,172</u>

Required Supplementary Information

NORTHWEST MOSQUITO ABATEMENT DISTRICT

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 78,897	\$ 86,322	\$ 79,223	\$ 82,224	\$ 80,321	\$ 71,644
Interest on the Total Pension Liability	516,446	482,595	465,287	460,312	437,019	414,580
Benefit Changes	-	-	-	-	-	-
Difference between Expected and Actual Experience	190,143	233,090	(252)	(5,443)	40,273	52,421
Assumption Changes	(35,927)	-	188,581	(217,361)	(15,218)	7,341
Benefit Payments and Refunds	(349,409)	(313,357)	(254,093)	(249,705)	(247,006)	(238,875)
Net Change in Total Pension Liability	400.150	488.650	478.746	70.027	295.389	307.111
Total Pension Liability - Beginning	<u>7,258,654</u>	<u>6,770,004</u>	<u>6,291,258</u>	<u>6,221,231</u>	<u>5,925,842</u>	<u>5,618,731</u>
Total Pension Liability - Ending (a)	<u>\$ 7,658,804</u>	<u>\$ 7,258,654</u>	<u>\$ 6,770,004</u>	<u>\$ 6,291,258</u>	<u>\$ 6,221,231</u>	<u>\$ 5,925,842</u>
Plan Fiduciary Net Position						
Employer Contributions	\$ 98,781	\$ 78,750	\$ 108,080	\$ 104,490	\$ 108,320	\$ 92,997
Employee Contributions	41,043	38,643	40,192	39,677	37,066	35,405
Pension Plan Net Investment Income	977,243	1,046,958	(297,222)	944,174	359,381	25,588
Benefit Payments and Refunds	(349,409)	(313,357)	(254,093)	(249,705)	(247,006)	(238,875)
Other	76,181	102,530	105,350	(75,344)	27,316	50,319
Net Change in Plan Fiduciary Net Position	843.839	953.524	(297.693)	763.292	285.077	(34.566)
Plan Fiduciary Net Position - Beginning	<u>6,842,470</u>	<u>5,888,946</u>	<u>6,186,639</u>	<u>5,423,347</u>	<u>5,138,270</u>	<u>5,172,836</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,686,309</u>	<u>\$ 6,842,470</u>	<u>\$ 5,888,946</u>	<u>\$ 6,186,639</u>	<u>\$ 5,423,347</u>	<u>\$ 5,138,270</u>
Net Pension (Asset) Liability - Ending (a) - (b)	<u>\$ (27,505)</u>	<u>\$ 416,184</u>	<u>\$ 881,058</u>	<u>\$ 104,619</u>	<u>\$ 797,884</u>	<u>\$ 787,572</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.36%	94.27%	86.99%	98.34%	87.17%	86.71%
Covered Valuation Payroll	\$ 912,107	\$ 858,783	\$ 893,225	\$ 881,775	\$ 823,729	\$ 786,777
Net Pension Liability as a Percentage of Covered Valuation Payroll	-3.02%	48.46%	98.64%	11.86%	96.86%	100.10%

Note to Schedule: This is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Required Supplementary Information

NORTHWEST MOSQUITO ABATEMENT DISTRICT

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 92,997	\$ 92,997	\$ -	\$ 786,777	11.82%
2016	108,320	108,320	-	823,729	13.15%
2017	104,490	104,490	-	881,775	11.85%
2018	108,080	108,080	-	893,225	12.10%
2019	78,750	78,750	-	858,783	9.17%
2020	98,781	98,781	-	912,107	10.83%

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate**

Valuation Date: Actuarially determined contribution rates are calculated as of April 30 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2020 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	23-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully

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generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes:

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018, actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available

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NORTHWEST MOSQUITO ABATEMENT DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED APRIL 30,

	2021	2020	2019
Total OPEB Liability			
Service Cost	\$ 1,004	\$ 840	\$ 809
Interest	2,739	3,734	3,798
Changes on Benefit Terms	2,023	-	-
Difference between Expected and Actual Experience	(15,792)	-	-
Changes in Assumptions	7,843	10,566	-
Benefit Payments	(6,904)	(6,462)	(6,073)
Net Change in Total OPEB Liability	(9,087)	8,678	(1,466)
Total OPEB Liability - Beginning	110,454	101,776	103,242
Total OPEB Liability - Ending (a)	<u>\$ 101,367</u>	<u>\$ 110,454</u>	<u>\$ 101,776</u>
OPEB Plan Net Position			
Contributions - Employer	\$ 6,904	\$ 6,462	\$ 6,073
Contributions - Employee	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(6,904)	(6,462)	(6,073)
Administrative Expense	-	-	-
Employer Net Change in OPEB Plan Net Position	-	-	-
OPEB Plan Net Position - Beginning	-	-	-
OPEB Plan Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 101,367</u>	<u>\$ 110,454</u>	<u>\$ 101,776</u>
OPEB Plan Net Position as a Percentage of Net OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 917,198	\$ 838,733	\$ 917,511
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	11.05%	13.17%	11.09%

Note to Schedule: This is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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NORTHWEST MOSQUITO ABATEMENT DISTRICT

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

<u>Fiscal Year Ended April 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual as a Percentage of Covered Valuation Payroll</u>
2018	N/A	\$ -	N/A	\$ 917,511	0.0%
2019	N/A	-	N/A	838,733	0.0%
2020	N/A	-	N/A	917,198	0.0%

Notes to the Required Supplementary Information

There is no Actuarially Determined Contribution (ADC) or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities. However, the District did make contributions from other District resources in the current year in the amount of \$6,904 as a pass-thru.