

WOOD RIVER DRAINAGE AND LEVEE DISTRICT

REPORT AND FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
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## INDEPENDENT AUDITOR'S REPORT

To the Commissioners  
Wood River Drainage and Levee District  
Wood River, Illinois

We have audited the accompanying modified accrual basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wood River Drainage and Levee District, Illinois, as of and for the year ended September 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 the modified accrual basis of accounting described in Note 1; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express an opinion 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 opinion.

### **Basis for Qualified Opinion**

As described in Note 1, the capital assets of the District have not been depreciated. Accounting principles consistent with the modified accrual basis of accounting require that capital assets be depreciated over their estimated useful lives. The amount by which this departure would affect the assets, fund balance, and revenues has not been determined.

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## **Qualified Opinion**

In our opinion, except for the matter described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified accrual basis of the governmental activities, each major fund, and the aggregate remaining fund information of Wood River Drainage and Levee District, Illinois, as of September 30, 2021, and the respective changes in financial position-modified accrual basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

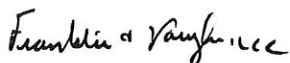
## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles consistent with the modified accrual basis of accounting require that the budgetary comparison information (pages 18 to 21), and the schedule of changes in net pension liability and related ratios and schedule of contributions (pages 22 to 23) 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.



Franklin & Vaughn, LLC

Edwardsville, IL 62025

February 25, 2022

WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
STATEMENT OF NET POSITION - MODIFIED ACCRUAL BASIS  
SEPTEMBER 30, 2021

PRIMARY GOVERNMENT  
GOVERNMENTAL  
ACTIVITIES

ASSETS:	
CURRENT ASSETS:	
Cash	\$ 2,077,380
Certificates of Deposit	691,400
Receivables (net of allowance where applicable)	
Other Receivables	5,100
Total Current Assets	<u>\$ 2,773,880</u>
NON-CURRENT ASSETS	
Net Pension Asset	<u>\$ 148,602</u>
CAPITAL ASSETS:	
Buildings & Improvements	\$ 845,411
Furniture & Equipment	1,285,596
Land	216,131
Total Cost of Capital Assets	<u>\$ 2,347,138</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflow Related to Pension Liability	<u>\$ 195,369</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,464,989</u>
LIABILITIES AND NET ASSETS:	
CURRENT LIABILITIES:	
Accounts Payable	\$ 5,254
Accrued Payroll Liabilities	4,414
Total Current Liabilities	<u>\$ 9,668</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflow Related to Pension Liability	<u>\$ 213,802</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 223,470</u>
NET POSITION:	
Investment in Capital Assets, Net of Related Debt	\$ 2,347,138
Restricted (Note 1)	862,568
Unrestricted	2,031,813
TOTAL NET POSITION	<u>\$ 5,241,519</u>

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

WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
STATEMENT OF ACTIVITIES - MODIFIED ACCRUAL BASIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSES) REVENUE</u>
<b>PRIMARY GOVERNMENT:</b>					
Governmental Activities:					
General Government	\$ 317,791				\$ (317,791)
Drainage	739,079	\$ 209,219			(529,860)
Total Governmental Activities	<u>\$ 1,056,870</u>	<u>\$ 209,219</u>		<u>\$ -</u>	<u>\$ (847,651)</u>
Total Primary Government	<u>\$ 1,056,870</u>	<u>\$ 209,219</u>		<u>\$ -</u>	<u>\$ (847,651)</u>
<b>NET (EXPENSE) REVENUE</b>					
			<u>\$ (847,651)</u>		<u>\$ (847,651)</u>
<b>GENERAL REVENUES:</b>					
Easements and Inspections Assessment		\$ 148,500			\$ 148,500
Interest Income		858,129			858,129
Other Income		7,618			7,618
Unrealized Gain on Pension Assets		37,364			37,364
Gain on Sales of Assets		143,028			143,028
Total General Revenue		<u>\$ 1,208,639</u>			<u>\$ 1,208,639</u>
Change in Net Position		\$ 360,988			\$ 360,988
<b>NET POSITION, OCTOBER 1</b>			4,880,531		4,880,531
<b>NET POSITION, SEPTEMBER 30</b>			<u>\$ 5,241,519</u>		<u>\$ 5,241,519</u>

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

WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
BALANCE SHEET - MODIFIED ACCRUAL BASIS - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021

	<u>GENERAL CORPORATE FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS:</b>			
Current Assets:			
Cash	\$ 1,436,749	\$ 640,631	\$ 2,077,380
Certificates of Deposit	444,944	246,456	691,400
Other Receivables	5,100		5,100
Due from Other Funds	24,519		24,519
Total Assets	<u>\$ 1,911,312</u>	<u>\$ 887,087</u>	<u>\$ 2,798,399</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Current Liabilities:			
Accounts Payable	\$ 5,254		\$ 5,254
Due To Other Funds		\$ 24,519	24,519
Accrued Payroll Liabilities	4,414		4,414
Total Current Liabilities	<u>\$ 9,668</u>	<u>\$ 24,519</u>	<u>\$ 34,187</u>
<b>FUND BALANCES:</b>			
Restricted for Special Revenue Projects		\$ 862,568	\$ 862,568
Unassigned	\$ 1,901,644		1,901,644
Total Fund Balances	<u>\$ 1,901,644</u>	<u>\$ 862,568</u>	<u>\$ 2,764,212</u>
Total Liabilities and Fund Balances	<u>\$ 1,911,312</u>	<u>\$ 887,087</u>	<u>\$ 2,798,399</u>

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



WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - MODIFIED ACCRUAL BASIS -  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021

Total Fund Balances - Total Governmental Funds	\$ 2,764,212
Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because:	
Net pension benefit (obligation) and related deferred outflows and inflows are not due and payable in the current period and, therefore, are not reported in the governmental funds	130,169
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds	2,347,138
Net Position of Governmental Activities	\$ 5,241,519

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



WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
MODIFIED ACCRUAL BASIS - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>GENERAL</u> <u>CORPORATE</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUNDS</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
REVENUES:			
Easements and Inspections	\$ 148,500		\$ 148,500
Assessment	858,129		858,129
Interest	4,318	\$ 3,300	7,618
Phillips 66		209,219	209,219
Refunds	31,155		31,155
Miscellaneous	6,209		6,209
Total Revenues	<u>\$ 1,048,311</u>	<u>\$ 212,519</u>	<u>\$ 1,260,830</u>
EXPENDITURES:			
Administration	\$ 317,791		\$ 317,791
Maintenance	383,191		383,191
Pump Operations	18,523	\$ 158,085	176,608
Capital Projects	388,814		388,814
Total Expenditures	<u>\$ 1,108,319</u>	<u>\$ 158,085</u>	<u>\$ 1,266,404</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>\$ (60,008)</u>	<u>\$ 54,434</u>	<u>\$ (5,574)</u>
OTHER FINANCING SOURCES (USES):			
Sales of Fixed Assets	\$ 77,000		\$ 77,000
Transfers	(94,343)	\$ 94,343	-
Total Other Financing Sources (Uses)	<u>\$ (17,343)</u>	<u>\$ 94,343</u>	<u>\$ 77,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (77,351)</u>	<u>\$ 148,777</u>	<u>\$ 71,426</u>
FUND BALANCE - OCTOBER 1	<u>1,978,995</u>	<u>713,791</u>	<u>2,692,786</u>
FUND BALANCE - SEPTEMBER 30	<u>\$ 1,901,644</u>	<u>\$ 862,568</u>	<u>\$ 2,764,212</u>

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

WOOD RIVER DRAINAGE & LEVEE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - MODIFIED ACCRUAL BASIS - TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 71,426
Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because:	
Governmental funds report purchases of long-term fixed assets as capital outlay. These assets are capitalized on the Statement of Net Position	146,534
Changes in net pension obligations are reported only in the Statement of Activities	143,028
Change in Net Position of Governmental Activities	<u>\$ 360,988</u>

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

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT POLICIES**

The Wood River Drainage and Levee District ("District") was organized and placed into operation in 1910 by the United States Army Corps of Engineers in an attempt to control the waters of the Mississippi. The District operates under an appointed commissioner form of government and is authorized to perform the services of controlling flood waters and maintaining the levee system.

The financial statements of the District have been prepared in conformity with the modified accrual basis of accounting for the Governmental Fund Types 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) The financial reporting entity

The District's reporting entity includes the district's governing board and all related organizations for which the district exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District should be included within its financial reporting entity. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District is not aware of any entity which would exercise such oversight as to resulting the District's being considered a component unit of the entity.

Included in the reporting entity:

There are seven pump stations located in a geographic area that spans approximately twenty-five square miles (from Wood River Creek to Cahokia Canal and from Route 3 to Route 111, are broad local parameters). Essential to inclusion in the District as an entity is any employee, property and/or equipment used (employed) and owned by the District for the purpose of controlling floodwaters and maintaining the levee.

(b) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. The District has only governmental activities which normally are supported by assessments and charges for services.

**NOTE 1: SUMMARY OF SIGNIFICANT POLICIES (Cont'd)**

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program receipts are reported instead as general receipts.

Major individual governmental funds are reported in separate columns in the fund financial statements.

(c) Measurement focus, basis of accounting and financial statement presentation

The District maintains its government-wide financial statements and its fund financial statements on the modified accrual basis of accounting. Accordingly, receipts are recorded when earned and expenses are recorded when incurred.

The government reports the following major governmental funds:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The Alton Pump Station Electric Usage Fund is one of the District's Special Revenue Funds. This fund was established to provide for power costs over the next 50 years, starting in 1990. The fund's primary source of revenue was a \$340,000 prepayment from the Corps of Engineers and annual interest earnings. The Rand Avenue Pump Station is also considered a special revenue fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

(d) Assets, liabilities and net assets or equity

Deposits and investments

The District's cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity date of three months or less as of the date issued. Investments are stated at fair value.

The District is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America, the Illinois Funds and repurchase agreements of government securities. Investment income is recognized when received.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

**NOTE 1: SUMMARY OF SIGNIFICANT POLICIES (Cont'd)**

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment, \$10,000 for buildings and \$50,000 for infrastructure; with an estimated useful life in excess of two years. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Not in accordance with the modified accrual basis of accounting, no provision is made for depreciation of such assets and depreciation is not reflected in the basic financial statements. Capital assets consisting of certain improvements other than building including drainage have not been capitalized.

Compensated absences

Due to the District preparing its financial statements on the modified accrual basis of accounting, no liability for these amounts have been reported in these financial statements. Vested or accumulated vacation and sick leave are not reported. Employees of the District are not allowed to accumulate unlimited unused sick leave. Employees take their vacations annually after vacation time is earned and is reported as expense when actually paid to the employee.

Long-term obligations

All long-term debt, arising from modified accrual basis transactions, are reported as liabilities in the government-wide statements.

Long-term debt arising from modified accrual basis transactions of governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and the payment of principal and interest is reported as disbursements. The District has no long-term debt as of September 30, 2021.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with the modified accrual basis of accounting. These estimates and assumptions affect the reported amounts of assets, liabilities, receipts, and disbursements. Actual results could vary from estimates that were used.

Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have not been any significant reductions in coverage from the prior year and claims have not exceeded coverages in the past three years.

Equity classification

Government-wide statements

Equity is classified as net position and displayed in three components:

**NOTE 1: SUMMARY OF SIGNIFICANT POLICIES (Cont'd)**

- a. 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 debt that is attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund financial statements

Governmental fund equity is classified upon the following criteria:

Non-spendable - balances that are not in "spendable" form and are not expected to be converted to cash. This category also includes funds required to be retained in perpetuity.

Restricted - balances with restrictions that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed - balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the District Board, the government's highest level of decision-making authority.

Assigned - balances that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned - the residual classification of the District's fund balance.

When expenditures are incurred for which the District has both restricted and unrestricted funds available, the District spends any restricted funds before using unrestricted sources. Likewise, the District uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available. The following details the description and amount of all constraints recorded by the District in the fund financial statements:

Governmental Funds

Restricted

East Alton #1 Pump Station	\$ 242,928
Rand Avenue Pump Station	<u>619,640</u>
Total	<u><u>\$ 862,568</u></u>

**NOTE 1: SUMMARY OF SIGNIFICANT POLICIES (Cont'd)**

(e) Appropriation accounting

The appropriation for all funds is prepared on the budgetary basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between appropriated and actual amounts. The appropriation was passed on November 1, 2020.

**NOTE 2: CASH AND INVESTMENTS**

As of September 30, 2021, the carrying amount of the District's cash and cash equivalents was \$2,077,380 and the respective bank balances totaled \$2,202,164. The deposits were comprised of money market checking accounts and all balances are reported at fair value. Investments consisted of certificates of deposit. As of September 30, 2021, the carrying amount and bank balances of the District's investments was \$691,400.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the District's Name.

As of September 30, 2021, the District's cash and investments were all either covered by FDIC Insurance or collateral pledged by the financial institution.

Interest Rate Risk. As of September 30, 2021, the District did not have interest rate risk.

Concentration of Credit Risk. As of September 30, 2021, the District did not have a concentration of credit risk.

Foreign Currency Risk. As of September 30, 2021, the District did not have foreign currency risk.

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2021 are as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets				
Land and Improvements	\$ 216,131			\$ 216,131
Buildings and Improvements	617,548			617,548
Equipment	1,144,259	\$ 190,234	\$ 63,000	1,271,493
Furniture	14,103			14,103
Infrastructure	208,563	19,300		227,863
Total Capital Assets	<u>\$ 2,200,604</u>	<u>\$ 209,534</u>	<u>\$ 63,000</u>	<u>\$ 2,347,138</u>



**NOTE 4: ASSESSMENT**

The District's assessment is authorized each year on land located in the District in December. The board passed the 2021 assessment on November 22, 2020 and it was approved by a judge on December 9, 2020. The assessment is included with Property tax bills and attached as an enforceable lien on property as of January 1 and are payable in four installments. The District receives significant distributions of assessment receipts beginning in June and July of each year.

**NOTE 5: RETIREMENT FUND COMMITMENTS**

**Illinois Municipal Retirement Fund**

*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 Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, members are required to contribute 4.50 percent 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 employer annual required contribution rate for calendar year 2020 was 5.5 percent. The employer 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Covered Employees.* The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	5
Inactive, non-Retired Members	1
Active Members	<u>5</u>
Total	<u>11</u>

*Discount Rate.* GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

**NOTE 5: RETIREMENT FUND COMMITMENTS (CONT'D)**

Illinois Municipal Retirement Fund (cont'd)

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR 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) 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and the resulting single discount rate is 7.25%.

Actuarial Valuation Date	12/31/2020
Measurement Date of the Net Pension Liability	12/31/2020
Fiscal Year End	9/30/2021

Development of the Single Discount Rate as of December 31, 2020

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	2.00%
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2017 Measurement Date	7.25%
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The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2020.

Actuarial Assumptions. The following are the actuarial assumptions used in the calculation of the net pension liability.

Actuarial Cost Method	Aggregate Entry Age Normal Amortization
Method	Level Percentage of Payroll, Closed Remaining
Amortization Period	24 year closed period
Period	Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
Retirement Age	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 2014-2016.
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table, adjustments to match current IMRF experience.

**NOTE 5: RETIREMENT FUND COMMITMENTS (CONT'D)**

Illinois Municipal Retirement Fund (cont'd)

*Net Pension Liability.* The following is a summary of the Net Pension Liability as disclosed in the financial statements.

<b>Total Pension Liability</b>	
Service Cost	\$ 19,515
Interest on the Total Pension Liability	88,246
Changes of Benefit Terms	-
Difference between expected and actual experience of the Total Pension	60,881
Changes of assumptions	(10,616)
Benefit payments, including refunds of employee contributions	(103,564)
Net change in total pension liability	\$ 54,462
Total pension liability - beginning	1,259,206
Total pension liability - ending	<u>\$ 1,313,668</u>

<b>Plan Fiduciary Net Postion</b>	
Contributions - employer	\$ 3,083
Contributions - employee	13,604
Net investment income	208,189
Benefit payments, includeing refunds of employee contributions	(103,564)
Other	11,456
Net change in plan fiduciary net position	\$ 132,768
Plan fiduciary net position - beginning	1,329,502
Plan fiduciary net position - ending	<u>\$ 1,462,270</u>

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 1,439,376	\$ 1,313,668	\$ 1,207,976
Plan Fiduciary Net Position	1,462,270	1,462,270	1,462,270
Net Pension Liability / (Asset)	<u>\$ (22,894)</u>	<u>\$ (148,602)</u>	<u>\$ (254,294)</u>

**NOTE 6: INTERFUND ACTIVITY**

Interfund activity for the year ended September 30, 2021, consisted of the following:

Transfer from the general fund to the special revenue funds of \$291,133. Interfund receivable are below:

Due To	Due From Special Revenue Fund
General Fund	\$ 24,519
Total	<u>\$ 24,519</u>

**NOTE 7: SUBSEQUENT EVENTS**

The District has evaluated events occurring after the financial statement date through February 25, 2022, the date the financial statements were available for publication, in order to determine their potential for recognition or disclosure in the financial statements.

**NOTE 8: FAIR VALUES OF FINANCIAL INSTRUMENTS**

The District has established a three-level valuation of hierarchy for disclosures of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as:

Level 1 - Quoted market prices in active markets for identical assets or liabilities

Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3 - Unobservable inputs

Financial Instruments at fair values as of September 20, 2021 include:

	Level 1	Level 2	Level 3	Total
Certificates of Deposit		\$ 691,400		\$ 691,400

WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL CORPORATE FUND  
BUDGET VS. ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u> <u>Original / Final</u>	<u>Actual</u>
<b>REVENUES:</b>		
Easements and Inspections	\$ 137,400	\$ 148,500
Assessment	919,000	858,129
Interest	3,000	4,318
FEMA	278,881	
Refunds	25,000	31,155
Sales of Fixed Assets	51,000	77,000
Miscellaneous	600	6,209
Total Revenues	<u>\$ 1,414,881</u>	<u>\$ 1,125,311</u>
<b>EXPENDITURES:</b>		
Administration		
Salaries	\$ 190,000	\$ 188,654
Travel	4,000	2,530
Utilities	8,500	5,128
Professional Fees - Accounting	5,000	4,775
Professional Fees - Attorney	40,000	12,514
Office	12,000	13,505
Employee Insurance Benefit	15,000	13,977
Employment & Other Medical	1,000	471
Payroll Taxes	33,000	28,668
Re-Assessment Costs	5,000	
Bonds	2,300	1,300
Clothing Allowance	2,500	1,689
Finance Charges	120	71
Building Maintenance	9,000	8,498
Publication	1,500	1,335
Engineering	38,000	34,676
Total Administration	<u>\$ 366,920</u>	<u>\$ 317,791</u>
Maintenance		
Salaries	\$ 201,000	\$ 180,900
Utilities	7,500	6,450
Training	1,000	394
Fuel	19,000	18,869
Repairs and Maintenance	60,000	48,650
Clothing Allowance	1,500	2,296
Insurance	52,000	58,191
Employee Insurance Benefit	32,500	30,797
Payroll Taxes	34,910	27,490
Safety	1,000	1,054
Vegetation Removal	10,000	8,100
Total Maintenance	<u>\$ 420,410</u>	<u>\$ 383,191</u>

WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL CORPORATE FUND  
BUDGET VS. ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Actual</u>
	<u>Original / Final</u>	
Pump Operations		
Wood River Labor	\$ 12,000	\$ 1,356
East Alton No. 2 Labor	3,000	
Hawthorne No. 1 Labor	3,000	
Wood River Utilities	13,000	5,313
Hawthorne No. 1 Utilities	2,500	1,627
Hawthorne No. 2 Utilities	1,000	409
East Alton No. 2 Utilities	5,000	3,135
Virginia St Utilities	1,000	541
Lakeside Utilities	1,000	582
Grassy Lake Utilities	5,000	756
Wood River Maintenance and Repairs	5,000	109
Hawthorne No. 1 Maintenance and Repairs	5,000	
Hawthorne No. 2 Maintenance and Repairs	1,000	86
East Alton No. 2 Maintenance and Repairs	5,000	
Grassy Lake Maintenance and Repairs	2,500	4,609
Virginia St Maintenance and Repairs	2,500	
Lakeside Maintenance and Repairs	1,000	
Total Pump Operations	\$ 68,500	\$ 18,523
Capital Projects		
Pumping Equipment	\$ 323,142	\$ 251,556
Repairs and Maintenance	137,258	137,258
Total Capital Projects	\$ 460,400	\$ 388,814
 Total Expenditures Before Operating Transfers Out	 \$ 1,316,230	 \$ 1,108,319
 Operating Transfers Out		 \$ 94,343
 Total Expenditures and Operating Transfers Out	 \$ 1,316,230	 \$ 1,202,662
 EXCESS OF RECEIPTS OVER DISBURSEMENTS		 \$ (77,351)
FUND BALANCE OCTOBER 1		1,978,995
FUND BALANCE SEPTEMBER 30		\$ 1,901,644

WOOD RIVER DRAINAGE AND LEVEE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUND - BUDGET VS. ACTUAL  
EAST ALTON NO. 1  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>
	<u>ORIGINAL / FINAL</u>	
REVENUES:		
Interest Income	\$ 2,000	\$ 1,993
Total Revenues	\$ 2,000	\$ 1,993
EXPENDITURES:		
Labor	\$ 3,000	\$ 264
Repairs	5,000	109
Utilities	45,000	14,055
Total Expenditures	\$ 53,000	\$ 14,428
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)		
	\$ (51,000)	\$ (12,435)
OTHER FINANCING SOURCES (USES):		
Operating Transfers In		\$ 91,323
Total Other Financing Sources (Uses)	\$ -	\$ 91,323
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		
	\$ (51,000)	\$ 78,888
FUND BALANCE - OCTOBER 1		
		164,040
FUND BALANCE - SEPTEMBER 30		
		\$ 242,928