

WOOD RIVER DRAINAGE AND LEVEE DISTRICT

REPORT AND FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Wood River and Drainage and Levee District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Wood River Drainage and Levee District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wood River Drainage and Levee District, as of September 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter – 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 cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Prior Period Adjustment

We draw attention to Note 9 of the financial statements, which describes the prior period adjustment to the financial statements. The District had not historically recorded all capital assets and their related depreciation. In the current fiscal year, the District has added the historical cost of its capital assets and the depreciation that should have been recorded since the asset was acquired.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash 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 fraud or error.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

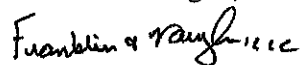
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wood River Drainage and Levee District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wood River Drainage and Levee District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles under the modified cash basis of accounting require that the budgetary comparison information and pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Franklin & Vaughn, LLC



Edwardsville, Illinois

August 16, 2023

WOOD RIVER DRAINAGE AND LEVEE DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2022

PRIMARY GOVERNMENT
GOVERNMENTAL
ACTIVITIES

ASSETS:

CURRENT ASSETS:

Cash	\$ 1,881,793
Certificates of Deposit	999,885
Receivables (net of allowance where applicable)	
Interest Receivable	518
Total Current Assets	\$ 2,882,196

NON-CURRENT ASSETS:

Net Pension Asset	\$ 300,990
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CAPITAL ASSETS:

Buildings & Improvements	\$ 10,224,818
Furniture & Equipment	544,146
Land	216,131
Total Cost of Capital Assets	\$ 10,985,095
Less: Accumulated Depreciation	(9,155,632)
Net Capital Assets	\$ 1,829,463

DEFERRED OUTFLOWS OF RESOURCES:

Deferred Outflow Related to Pension Liability	\$ 127,084
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,139,733
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LIABILITIES AND NET ASSETS:

CURRENT LIABILITIES:

Accrued Payroll Liabilities	\$ 2,885
Total Current Liabilities	\$ 2,885

DEFERRED INFLOWS OF RESOURCES:

Deferred Inflow Related to Pension Liability	\$ 260,336
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TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	\$ 263,221
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NET POSITION:

Investment in Capital Assets, Net of Related Debt	\$ 1,829,463
Restricted (Note 1)	923,020
Unrestricted	2,124,029
TOTAL NET POSITION	\$ 4,876,512

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

EXHIBIT "B"

WOOD RIVER DRAINAGE AND LEVEE DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>PROGRAM REVENUES AND CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE</u>
PRIMARY GOVERNMENT:					
Governmental Activities:					
General Government	\$ 320,974				\$ (320,974)
Drainage	1,156,837	\$ 219,466			(937,371)
Total Governmental Activities	<u>\$ 1,477,811</u>	<u>\$ 219,466</u>	<u>-</u>	<u>-</u>	<u>\$ (1,258,345)</u>
Total Primary Government	<u>\$ 1,477,811</u>	<u>\$ 219,466</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (1,258,345)</u>
			<u>GOVERNMENTAL ACTIVITIES</u>		<u>TOTAL</u>
NET (EXPENSE) REVENUE			<u>\$ (1,258,345)</u>		<u>\$ (1,258,345)</u>
GENERAL REVENUES:					
Easements and Inspections Assessment		\$ 62,150			\$ 62,150
Interest Income		909,388			909,388
Other Income		11,185			11,185
Unrealized Gain on Pension Assets		51,902			51,902
Gain on Sales of Assets		152,388			152,388
Total General Revenue		<u>13,500</u>			<u>13,500</u>
		<u>\$ 1,200,513</u>			<u>\$ 1,200,513</u>
Change in Net Position		\$ (57,832)			\$ (57,832)
NET POSITION, OCTOBER 1			5,241,519		5,241,519
Prior Period Adjustment			(307,175)		(307,175)
NET POSITION, SEPTEMBER 30			<u>\$ 4,876,512</u>		<u>\$ 4,876,512</u>

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

WOOD RIVER DRAINAGE AND LEVEE DISTRICT
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>GENERAL CORPORATE FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS:			
Current Assets:			
Cash	\$ 1,208,275	\$ 673,518	\$ 1,881,793
Certificates of Deposit	750,383	249,502	999,885
Other Receivables	518		518
Total Assets	<u>\$ 1,959,176</u>	<u>\$ 923,020</u>	<u>\$ 2,882,196</u>
LIABILITIES AND FUND BALANCES:			
Current Liabilities:			
Accrued Payroll Liabilities	\$ 2,885		\$ 2,885
Total Current Liabilities	<u>\$ 2,885</u>	<u>\$ -</u>	<u>\$ 2,885</u>
FUND BALANCES:			
Restricted for Special Revenue Projects		\$ 923,020	\$ 923,020
Unassigned	\$ 1,956,291		1,956,291
Total Fund Balances	<u>\$ 1,956,291</u>	<u>\$ 923,020</u>	<u>\$ 2,879,311</u>
Total Liabilities and Fund Balances	<u>\$ 1,959,176</u>	<u>\$ 923,020</u>	<u>\$ 2,882,196</u>

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

WOOD RIVER DRAINAGE AND LEVEE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS -
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 2,879,311
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	167,738
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds	1,829,463
Net Position of Governmental Activities	<u>\$ 4,876,512</u>

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 CASH BASIS - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>GENERAL CORPORATE FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:			
Easements and Inspections	\$ 62,150		\$ 62,150
Assessment	909,388		909,388
Interest	7,649	\$ 3,536	11,185
Phillips 66		219,466	219,466
FEMA	18,592		18,592
Miscellaneous	33,310		33,310
Total Revenues	<u>\$ 1,031,089</u>	<u>\$ 223,002</u>	<u>\$ 1,254,091</u>
EXPENDITURES:			
Administration	\$ 274,257		\$ 274,257
Maintenance	397,954		397,954
Pump Operations	10,530	\$ 169,317	179,847
Capital Projects	300,434		300,434
Total Expenditures	<u>\$ 983,175</u>	<u>\$ 169,317</u>	<u>\$ 1,152,492</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)			
	<u>\$ 47,914</u>	<u>\$ 53,685</u>	<u>\$ 101,599</u>
OTHER FINANCING SOURCES (USES):			
Sales of Fixed Assets	\$ 13,500		\$ 13,500
Transfers	(6,767)	\$ 6,767	-
Total Other Financing Sources (Uses)	<u>\$ 6,733</u>	<u>\$ 6,767</u>	<u>\$ 13,500</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			
	\$ 54,647	\$ 60,452	\$ 115,099
FUND BALANCE - OCTOBER 1	<u>1,901,644</u>	<u>862,568</u>	<u>2,764,212</u>
FUND BALANCE - SEPTEMBER 30	<u>\$ 1,956,291</u>	<u>\$ 923,020</u>	<u>\$ 2,879,311</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 CASH BASIS - TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 115,099
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	55,528
The Statement of Activities reports depreciation on the capital assets deducted on the fund financial statements. This depreciation is not recorded on the fund financial statements.	\$ (266,028)
Changes in net pension obligations are reported only in the Statement of Activities	37,569
Change in Net Position of Governmental Activities	<u>\$ (57,832)</u>

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

WOOD RIVER DRAINAGE AND LEVEE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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 cash 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 cash 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.

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. Depreciation is accounted for on the straight line basis with expected useful lives ranging from 5 years to 40 years. Capital assets consisting of certain improvements other than buildings including drainage have not been capitalized. Depreciation expense for the current year of \$266,028 was all charged to Drainage.

Compensated absences

Due to the District preparing its financial statements on the modified cash 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 cash basis transactions, are reported as liabilities in the government-wide statements.

Long-term debt arising from modified cash 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, 2022.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with the modified cash 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	\$ 231,385
Rand Avenue Pump Station	<u>691,635</u>
Total	<u>\$ 923,020</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 October 1, 2022.

NOTE 2: CASH AND INVESTMENTS

As of September 30, 2022, the carrying amount of the District's cash and cash equivalents was \$1,881,737 and the respective bank balances totaled \$2,046,526. 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, 2022, the carrying amount of the District's investments was \$999,885 and bank balances of the District's investments was \$1,000,379.

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, 2022, the District's cash and investments were all either covered by FDIC Insurance, securities held by the financial institution and pledged to the District, or an irrevocable letter of credit from the Federal Home Loan Bank pledged by the financial institution.

Interest Rate Risk. As of September 30, 2022, the District did not have interest rate risk.

Concentration of Credit Risk. As of September 30, 2022, the District did not have a concentration of credit risk.

Foreign Currency Risk. As of September 30, 2022, the District did not have foreign currency risk.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 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	10,182,513	\$ 42,305		10,224,818
Equipment	530,923	13,223		544,146
Total Capital Assets	\$ 10,929,567	\$ 55,528	\$ -	\$ 10,985,095
Accumulated Depreciation	8,889,604	266,028		9,155,632
Net Capital Assets	<u>\$ 2,039,963</u>	<u>\$ (210,500)</u>	<u>\$ -</u>	<u>\$ 1,829,463</u>

NOTE 4: ASSESSMENT

The District's assessment is authorized each year on land located in the District in December. The board passed the 2022 assessment on November 10, 2021 and it was approved by a judge on December 2021. 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.

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 4.39 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	12/31/2021
Measurement Date of the Net Pension Liability	12/31/2021
Fiscal Year End	9/30/2022

Development of the Single Discount Rate as of December 31, 2021

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	1.84%
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2021 Measurement Date 7.25%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2021.

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	22 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.

Total Pension Liability	
Service Cost	\$ 29,021
Interest on the Total Pension Liability	92,384
Changes of Benefit Terms	
Difference between expected and actual experience of the Total Pension	40,666
Changes of assumptions	
Benefit payments, including refunds of employee contributions	(107,825)
Net change in total pension liability	\$ 54,246
Total pension liability - beginning	1,313,668
Total pension liability - ending	<u>\$ 1,367,914</u>
Plan Fiduciary Net Postion	
Contributions - employer	\$ 22,631
Contributions - employee	14,845
Net investment income	269,608
Benefit payments, includeing refunds of employee contributions	(107,825)
Other	7,375
Net change in plan fiduciary net position	\$ 206,634
Plan fiduciary net position - beginning	1,462,270
Plan fiduciary net position - ending	<u>\$ 1,668,904</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.

	<u>Current Single Discount</u>		
		Rate	
	1% Decrease 6.25%	Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 1,499,363	\$ 1,367,914	\$ 1,258,907
Plan Fiduciary Net Position	1,668,904	1,668,904	1,668,904
Net Pension Liability / (Asset)	<u>\$ (169,541)</u>	<u>\$ (300,990)</u>	<u>\$ (409,997)</u>

NOTE 6: INTERFUND ACTIVITY

Interfund activity for the year ended September 30, 2022, consisted of the following:

Transfer from the general fund to the special revenue funds of \$6,767. Interfund receivable are below:

<u>Due To</u>	<u>Due From</u>	
	<u>Special Revenue</u>	
	<u>Fund</u>	
General Fund	\$	<u>6,767</u>
Total	\$	<u>6,767</u>

NOTE 7: SUBSEQUENT EVENTS

The District has evaluated events occurring after the financial statement date through August 16, 2023, 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, 2022 include:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit		<u>\$ 999,885</u>		<u>\$ 999,885</u>

NOTE 9: PRIOR PERIOD ADJUSTMENT

The District had not traditionally recorded fixed assets and the related depreciation. In the current year, these assets were added along with their respective depreciation amounts. Total assets added were \$8,582,429 and depreciation added was \$8,889,604. A net adjustment to net assets in the amount of (\$307,315) was made to record this change.

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, 2022

	<u>Budget</u>	<u>Actual</u>
	<u>Original / Final</u>	
REVENUES:		
Easements and Inspections	\$ 137,400	\$ 62,150
Assessment	919,000	909,388
Interest	3,000	7,649
FEMA	278,881	18,592
Refunds	25,000	
Sales of Fixed Assets	51,000	13,500
Miscellaneous	600	33,310
Total Revenues	\$ 1,414,881	\$ 1,044,589
EXPENDITURES:		
Administration		
Salaries	\$ 190,000	\$ 183,025
Travel	4,000	2,824
Utilities	8,500	4,989
Professional Fees - Accounting	5,000	4,900
Professional Fees - Attorney	40,000	7,951
Office	12,000	11,452
Employee Insurance Benefit	15,000	13,433
Employment & Other Medical	1,000	174
Retirement & Payroll Taxes	33,000	28,870
Re-Assessment Costs	5,000	
Bonds	2,300	2,400
Clothing Allowance	2,500	1,418
Finance Charges	120	608
Building Maintenance	9,000	7,907
Publication	1,500	363
Engineering	38,000	3,943
Total Administration	\$ 366,920	\$ 274,257
Maintenance		
Salaries	\$ 201,000	\$ 166,664
Utilities	7,500	6,386
Training	1,000	609
Fuel	19,000	25,981
Repairs and Maintenance	60,000	62,994
Clothing Allowance	1,500	1,230
Insurance	52,000	62,768
Employee Insurance Benefit	32,500	30,306
Retirement & Payroll Taxes	34,910	26,289
Safety	1,000	762
Vegetation Removal	10,000	13,965
Total Maintenance	\$ 420,410	\$ 397,954

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, 2022

	<u>Budget</u> <u>Original / Final</u>	<u>Actual</u>
Pump Operations		
Rand Ave Labor	\$ 12,000	
Rand Ave Management Labor	3,000	
Retirement & Payroll Taxes		
East Alton No. 1 Utilities	3,000	
Wood River Utilities	13,000	\$ 3,666
Hawthorne No. 1 Utilities	2,500	1,560
Hawthorne No. 2 Utilities	1,000	395
East Alton No. 2 Utilities	5,000	2,314
Virginia St Utilities	1,000	522
Lakeside Utilities	1,000	563
Grassy Lake Utilities	5,000	876
Rand Ave Utilities	5,000	
Rand Ave Maintenance and Repairs	5,000	
Hawthorne No. 2 Maintenance and Repairs	1,000	
East Alton No. 1 Maintenance and Repairs	5,000	
Grassy Lake Maintenance and Repairs	2,500	58
Virginia St Maintenance and Repairs	2,500	576
Lakeside Maintenance and Repairs	1,000	
Total Pump Operations	\$ 68,500	\$ 10,530
Capital Projects		
Pumping Equipment	\$ 323,142	\$ 69,158
Repairs and Maintenance	137,258	231,276
Total Capital Projects	\$ 460,400	\$ 300,434
Total Expenditures Before Operating Transfers Out	\$ 1,316,230	\$ 983,175
Operating Transfers Out		\$ 6,767
Total Expenditures and Operating Transfers Out	\$ 1,316,230	\$ 989,942
EXCESS OF RECEIPTS OVER DISBURSEMENTS		\$ 54,647
FUND BALANCE OCTOBER 1		1,901,644
FUND BALANCE SEPTEMBER 30		\$ 1,956,291

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, 2022

	<u>BUDGET</u>	<u>ACTUAL</u>
	<u>ORIGINAL / FINAL</u>	
REVENUES:		
Interest Income	\$ 2,000	\$ 1,189
Total Revenues	\$ 2,000	\$ 1,189
EXPENDITURES:		
Labor	\$ 3,000	\$ -
Repairs	5,000	121
Utilities	45,000	12,611
Total Expenditures	\$ 53,000	\$ 12,732
EXCESS OF REVENUE OVER (UNDER)		
EXPENDITURES	\$ (51,000)	\$ (11,543)
FUND BALANCE - OCTOBER 1		242,928
FUND BALANCE - SEPTEMBER 30		\$ 231,385

WOOD RIVER DRAINAGE AND LEVEE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND - BUDGET VS. ACTUAL
RAND AVENUE STATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>BUDGET</u>	<u>ACTUAL</u>
	<u>ORIGINAL / FINAL</u>	
REVENUES:		
Interest Income	\$ 1,500	\$ 2,347
Phillips 66	211,800	219,466
Total Revenues	\$ 213,300	\$ 221,813
EXPENDITURES:		
Labor	\$ 84,000	\$ 100,138
Payroll Taxes	18,237	15,796
Repairs & Maintenance	12,500	1,855
Utilities	51,000	38,796
Total Expenditures	\$ 165,737	\$ 156,585
EXCESS OF REVENUE OVER (UNDER)		
EXPENDITURES BEFORE OTHER		
FINANCING SOURCES (USES)	\$ 47,563	\$ 65,228
OTHER FINANCING SOURCES (USES):		
Operating Transfers In		\$ 6,767
Total Other Financing Sources (Uses)	\$ -	\$ 6,767
EXCESS OF REVENUES AND OTHER FINANCING		
SOURCES OVER (UNDER) EXPENDITURES		
AND OTHER FINANCING USES	\$ 47,563	\$ 71,995
FUND BALANCE - OCTOBER 1		619,640
FUND BALANCE - SEPTEMBER 30		\$ 691,635

WOOD RIVER DRAINAGE & LEVEE DISTRICT
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
SEPTEMBER 30, 2022

Calendar Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability	\$ 29,021	\$ 19,515	\$ 20,134	\$ 22,142	\$ 19,699	\$ 18,948	\$ 15,691	\$ 14,230		
Service Cost	92,384	88,246	74,440	76,697	77,967	75,318	71,214	66,090		
Interest on the Total Pension Liability										
Benefit Changes										
Difference between Expected and Actual										
Experience	40,666	60,881	184,672	(60,780)	(55,740)	(28,611)	(5,134)	(21,330)		
Assumption Changes	-	(10,616)	-	21,853	(25,848)	-	-	36,007		
Benefit Payments and Refunds	(107,825)	(103,564)	(73,475)	(36,054)	(32,416)	(29,014)	(28,356)	(26,439)		
Net Change in Total Pension Liability	\$ 54,246	\$ 54,462	\$ 205,771	\$ 23,858	\$ (16,338)	\$ 36,641	\$ 53,415	\$ 68,558		
Total Pension Liability - Beginning	1,313,668	1,259,206	1,053,435	1,029,577	1,045,915	1,009,274	955,859	887,301		
Total Pension Liability - Ending (A)	\$ 1,367,914	\$ 1,313,668	\$ 1,259,206	\$ 1,053,435	\$ 1,029,577	\$ 1,045,915	\$ 1,009,274	\$ 955,859		
Plan Fiduciary Net Position										
Employer Contributions	\$ 22,631	\$ 3,083	\$ 2,232	\$ 13,311	\$ 17,404	\$ 16,542	\$ 16,475	\$ 14,224		
Employee Contributions	14,845	13,604	11,109	10,222	9,851	8,925	7,565	6,816		
Pension Plan Net Investment Income	269,608	208,189	186,388	(54,738)	173,474	69,254	5,049	57,870		
Benefit Payments and Refunds	(107,825)	(103,564)	(73,475)	(36,054)	(32,416)	(29,014)	(28,356)	(26,439)		
Other	7,375	11,456	39,834	14,878	(8,755)	5,971	(28,137)	8,089		
Net Change in Plan Fiduciary Net Position	\$ 206,634	\$ 132,768	\$ 166,088	\$ (52,381)	\$ 159,558	\$ 71,678	\$ (27,404)	\$ 60,560		
Plan Fiduciary Net Position - Beginning	1,462,270	1,329,502	1,163,414	1,215,795	1,056,226	984,548	1,011,952	951,392		
Plan Fiduciary Net Position - Ending (B)	\$ 1,668,904	\$ 1,462,270	\$ 1,329,502	\$ 1,163,414	\$ 1,215,784	\$ 1,056,226	\$ 984,548	\$ 1,011,952		
Net Pension Liability/(Asset) - Ending (A) - (B)	\$ (300,990)	\$ (148,602)	\$ (70,296)	\$ (109,979)	\$ (186,207)	\$ (10,311)	\$ 24,726	\$ (56,093)		
Plan Fiduciary Net Position as a Percentage of										
Total Pension Liability	122%	111.31%	105.58%	110.44%	118.09%	100.99%	97.55%	105.87%		
Covered Valuation Payroll	\$ 329,898	\$ 302,306	\$ 246,126	\$ 227,165	\$ 218,917	\$ 198,330	\$ 168,119	\$ 153,332		
Net Pension Liability as a Percentage of	-91%	-49.16%	-28.56%	-48.41%	-85.06%	-5.20%	14.71%	-36.58%		
Covered Valuation Payroll										

WOOD RIVER DRAINAGE AND LEVEE DISTRICT
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
SEPTEMBER 30, 2022

<u>CALENDAR</u> <u>YEAR ENDING</u> <u>DECEMBER 31,</u>	<u>ACTUARIALLY</u> <u>DETERMINED</u> <u>CONTRIBUTION</u>	<u>ACTUAL</u> <u>CONTRIBUTION</u>	<u>CONTRIBUTION</u> <u>DEFICIENCY</u> <u>(EXCESS)</u>	<u>COVERED</u> <u>PAYROLL</u>	<u>ACTUAL</u> <u>CONTRIBUTION</u> <u>AS A % OF</u> <u>COVERED</u> <u>PAYROLL</u>
2021	\$ 22,631	\$ 22,631	\$ -	\$ 329,898	0%
2020	3,084	3,083	1	302,306	1.02%
2019	2,191	2,232	(41)	246,126	0.91%
2018	13,312	13,311	1	227,165	5.86%
2017	17,404	17,404	-	218,917	7.95%
2016	16,541	16,542	(1)	198,330	8.34%
2015	16,476	16,475	1	168,119	9.80%
2014	14,398	14,224	174	153,332	9.28%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior

Methods and Assumptions Used to Determine 2020 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP, and ECO groups): 23-year closed period. Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
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% - 14.25% including inflation
Investment Rate of Return	7.25%
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 - 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 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.
Mortality	

Other Information:

Notes: There were no benefit changes during the year.

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