

**NORTHWEST MOSQUITO  
ABATEMENT DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED APRIL 30, 2025**



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## **Independent Auditor's Report**

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Board of Trustees  
Northwest Mosquito Abatement District  
Wheeling, Illinois

### **Opinions**

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, 2025, and the related notes to the financial statements, which collectively comprise the 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 financial position of the governmental activities and each major fund of the Northwest Mosquito Abatement District, as of April 30, 2025, 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.

### **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 Northwest Mosquito Abatement 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.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

## **Independent Auditor's Report**

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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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Northwest Mosquito Abatement 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Mosquito Abatement 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 generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 7 and 27 through 34 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.

## Independent Auditor's Report

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### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

ATA Group, LLP

August 18, 2025

## **Management's Discussion and Analysis**

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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, 2025. 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, 2025 and 2024, was \$6,154,026 and \$6,506,975, respectively. For the years ended April 30, 2025 and 2024, net position decreased by \$352,949 and increased by \$734,469, respectively, as expenses exceeded revenue in the current fiscal year and revenue exceeded expenses the prior year. 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,           |                     |
|---|---------------------|---------------------|
|   | 2025                | 2024                |
| Current Assets                                  | \$ 8,147,771        | \$ 7,945,484        |
| Capital Assets, net of accumulated depreciation | 1,869,053           | 2,051,516           |
| <b>Total Assets</b>                             | <b>10,016,824</b>   | <b>9,997,000</b>    |
| Deferred Outflows of Resources                  | 532,146             | 542,331             |
| Current Liabilities                             | 256,545             | 142,898             |
| Non-Current Liabilities                         | 730,372             | 690,106             |
| <b>Total Liabilities</b>                        | <b>986,917</b>      | <b>833,004</b>      |
| Deferred Inflows of Resources                   | 3,408,027           | 3,199,352           |
| Net Position                                    |                     |                     |
| Net Investment in Capital Assets                | 1,751,160           | 1,816,384           |
| Restricted                                      | 50,001              | 50,001              |
| Unrestricted                                    | 4,352,865           | 4,640,590           |
| <b>Total Net Position</b>                       | <b>\$ 6,154,026</b> | <b>\$ 6,506,975</b> |

## Condensed Statement of Changes in Net Position

|  | For Years Ended April 30, |                  |
|--|---------------------------|------------------|
|  | 2025                      | 2024             |
| Revenues                                     |                           |                  |
| Taxes  | \$ 3,208,277              | \$ 3,074,268     |
| Interest                                     | 239,922                   | 212,551          |
| <b>Total Revenues</b>                        | <b>3,448,199</b>          | <b>3,286,819</b> |
| Expenses                                     |                           |                  |
| Personal Services                            | 2,010,296                 | 1,199,914        |
| Contractual Services                         | 729,056                   | 792,779          |
| Travel                                       | 2,204                     | -                |
| Commodities                                  | 355,272                   | 338,740          |
| Equipment                                    | 6,290                     | 21,562           |
| Right-to-use Interest Payments               | 9,341                     | 9,610            |
| Contingencies                                | 7,229                     | 6,769            |
| Education                                    | 28,525                    | 14,793           |
| Debt Service - Interest                      | 2,700                     | 1,343            |
| Loss on Abandonment of Construction Contract | -                         | 13,664           |
| Capital Improvements                         | -                         | 307,630          |
| Depreciation and Amortization                | 304,775                   | 248,757          |
| Loss on Disposal of Capital Assets           | 112,822                   | -                |
| <b>Total Expenses</b>                        | <b>3,568,510</b>          | <b>2,955,561</b> |
| Extraordinary Items                          | (232,638)                 | 403,211          |
| <b>Change in Net Position</b>                | <b>(352,949)</b>          | <b>734,469</b>   |
| Net Position,                                |                           |                  |
| Beginning of Year                            | 6,506,975                 | 5,772,506        |
| End of Year                                  | \$ 6,154,026              | \$ 6,506,975     |

## 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 \$6,154,026 as of the close of the year. Of the net position balance, \$50,001 is restricted, \$4,352,865 is unrestricted and \$1,751,160 is net investment in capital assets.

## **Management's Discussion and Analysis**

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For the years ended June 30, 2025 and 2024, net position decreased by \$352,949 and increased by \$734,469, respectively. The decrease was primarily due to the following:

- \$449,777 overall change in pension expenses related to deferred outflows/inflows and net pension liability.
- \$246,501 of demolition costs incurred in connection with the lab, office and fleet maintenance building modernization project.
- \$393,012 decrease in insurance proceeds received related to the fire at the Bartlett location (see Note 10 on page 24 of the financial statements for additional information).

### **The District's Funds**

As the District completed the year, its governmental funds reported a combined fund balance of \$3,961,339. The fund balance in the general fund decreased this year by \$371,781 while the capital projects fund increased by \$370,035. The net change in the general fund was better than appropriated primarily due to the receipt of interest income and lower expenditures for personal services. There were also transfers totaling \$750,600 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 27 through 29 for the original and final budget appropriations. The District's general fund expended \$3,770,723, which was \$311,146 less than the appropriation of \$4,081,869. The budgetary savings was spread throughout the expenditure categories.

Future approved capital asset purchases include truck purchases, fuel tank replacement and the lab, office and fleet maintenance building modernization project at the District's Wheeling location. They will be financed with accumulated fund balances, future tax revenues from the general and capital improvement funds and new bond or debt proceeds.

### **Capital Assets**

The District's investment in capital assets amounts to \$1,869,053, net of accumulated depreciation, as of April 30, 2025. Capital asset acquisitions during the current fiscal year included building improvements, new alarms, a new furnace, and new furniture and shop equipment.

## Management's Discussion and Analysis

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|   | April 30,           |                     |
|---|---------------------|---------------------|
|   | 2025                | 2024                |
| Land  | \$ 175,743          | \$ 175,743          |
| Construction in Progress                          | 200,284             | \$ 553,566          |
| Buildings   | 934,115             | 552,527             |
| Improvements                                      | 806,672             | 952,418             |
| Equipment   | 2,574,807           | 2,633,193           |
| Right-to-use Lease Asset                          | 308,774             | 308,774             |
| Cost of Capital Assets                            | 5,000,395           | 5,176,221           |
| Less Accumulated Depreciation<br>and Amortization | (3,131,342)         | (3,124,705)         |
| Net Investment in Capital Assets                  | <u>\$ 1,869,053</u> | <u>\$ 2,051,516</u> |

See Note 4 on page 16 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, 2025

|  | General<br>Fund     | Capital<br>Projects<br>Fund | Total               | Adjustments<br>(Note 15) | Statement<br>of Net Position |
|--|---------------------|-----------------------------|---------------------|--------------------------|------------------------------|
| <b>ASSETS</b>  |                     |                             |                     |                          |                              |
| Cash and Cash Equivalents                                  | \$ 358,746          | \$ 409,090                  | \$ 767,836          | \$ -                     | \$ 767,836                   |
| Restricted Cash  | 50,001              | -                           | 50,001              | -                        | 50,001                       |
| Investments  | 3,305,696           | 1,553,389                   | 4,859,085           | -                        | 4,859,085                    |
| Property Tax Receivable                                    | 1,688,528           | -                           | 1,688,528           | -                        | 1,688,528                    |
| Other Receivables  | 51,725              | 28,896                      | 80,621              | -                        | 80,621                       |
| Inventory  | -                   | -                           | -                   | 701,700                  | 701,700                      |
| Capital Assets, net of<br>accumulated depreciation         | -                   | -                           | -                   | 1,869,053                | 1,869,053                    |
| <b>Total Assets</b>  | <b>5,454,696</b>    | <b>1,991,375</b>            | <b>7,446,071</b>    | <b>2,570,753</b>         | <b>10,016,824</b>            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                     |                             |                     |                          |                              |
| Deferred Outflows Related to Pension (IMRF)                | -                   | -                           | -                   | 532,146                  | 532,146                      |
| <b>Total Assets and Deferred Outflows of Resources</b>     | <b>\$ 5,454,696</b> | <b>\$ 1,991,375</b>         | <b>\$ 7,446,071</b> | <b>\$ 3,102,899</b>      | <b>\$ 10,548,970</b>         |
| <b>LIABILITIES</b>   |                     |                             |                     |                          |                              |
| Accounts Payable and Payroll Withholding                   | \$ 15,179           | \$ 13,694                   | \$ 28,873           | \$ -                     | \$ 28,873                    |
| Accrued Payroll  | 14,661              | -                           | 14,661              | -                        | 14,661                       |
| Accrued Interest   | 1,881               | -                           | 1,881               | -                        | 1,881                        |
| Accrued Compensated Absences, Short-term                   | -                   | -                           | -                   | 43,236                   | 43,236                       |
| Debt Certificate, Series 2023, Short-term                  | 50,001              | -                           | 50,001              | -                        | 50,001                       |
| Right-to-use Payable, Short-term                           | -                   | -                           | -                   | 117,893                  | 117,893                      |
| Accrued Compensated Absences, Long-term                    | -                   | -                           | -                   | 33,476                   | 33,476                       |
| Net OPEB Liability, Long-term                              | -                   | -                           | -                   | 72,042                   | 72,042                       |
| Net Pension Obligation, Long-term                          | -                   | -                           | -                   | 624,854                  | 624,854                      |
| <b>Total Liabilities</b>                                   | <b>81,722</b>       | <b>13,694</b>               | <b>95,416</b>       | <b>891,501</b>           | <b>986,917</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                     |                             |                     |                          |                              |
| Deferred Inflows Related to Pension (IMRF)                 | -                   | -                           | -                   | 18,711                   | 18,711                       |
| Deferred Property Taxes                                    | 3,389,316           | -                           | 3,389,316           | -                        | 3,389,316                    |
| <b>Total Deferred Inflows of Resources</b>                 | <b>3,389,316</b>    | <b>-</b>                    | <b>3,389,316</b>    | <b>18,711</b>            | <b>3,408,027</b>             |
| <b>Total Liabilities and Deferred Inflows of Resources</b> | <b>3,471,038</b>    | <b>13,694</b>               | <b>3,484,732</b>    | <b>910,212</b>           | <b>4,394,944</b>             |
| <b>FUND BALANCES/NET POSITION</b>                          |                     |                             |                     |                          |                              |
| <b>Fund Balances</b>                                       |                     |                             |                     |                          |                              |
| Committed for Capital Improvement                          | -                   | 1,977,681                   | 1,977,681           | (1,977,681)              | -                            |
| Restricted   | 50,001              | -                           | 50,001              | (50,001)                 | -                            |
| Unassigned   | 1,933,657           | -                           | 1,933,657           | (1,933,657)              | -                            |
| <b>Total Fund Balances</b>                                 | <b>1,983,658</b>    | <b>1,977,681</b>            | <b>3,961,339</b>    | <b>(3,961,339)</b>       | <b>-</b>                     |
| <b>Total Liabilities and Fund Balances</b>                 | <b>\$ 5,454,696</b> | <b>\$ 1,991,375</b>         | <b>\$ 7,446,071</b> |                          |                              |
| <b>Net Position</b>  |                     |                             |                     |                          |                              |
| Net Investment in Capital Assets                           |                     |                             |                     | 1,751,160                | 1,751,160                    |
| Restricted   |                     |                             |                     | 50,001                   | 50,001                       |
| Unrestricted   |                     |                             |                     | 4,352,865                | 4,352,865                    |
| <b>Total Net Position</b>                                  |                     |                             |                     | <b>\$ 6,154,026</b>      | <b>\$ 6,154,026</b>          |

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, 2025

|  | General<br>Fund     | Capital<br>Projects<br>Fund | Total               | Adjust-<br>ments<br>(Note 15) | Statement<br>of<br>Activities |
|--|---------------------|-----------------------------|---------------------|-------------------------------|-------------------------------|
| <b>REVENUES</b>  |                     |                             |                     |                               |                               |
| Property Taxes   | \$ 3,035,265        | \$ -                        | \$ 3,035,265        | \$ -                          | \$ 3,035,265                  |
| Personal Property Replacement Taxes                          | 173,012             | -                           | 173,012             | -                             | 173,012                       |
| Interest   | 166,052             | 73,870                      | 239,922             | -                             | 239,922                       |
| Proceeds from Sale of Capital Assets                         | 10,750              | -                           | 10,750              | (10,750)                      | -                             |
|  | <u>3,385,079</u>    | <u>73,870</u>               | <u>3,458,949</u>    | <u>(10,750)</u>               | <u>3,448,199</u>              |
| <b>EXPENDITURES/EXPENSES</b>                                 |                     |                             |                     |                               |                               |
| Personal Services  | 1,765,667           | -                           | 1,765,667           | 244,629                       | 2,010,296                     |
| Contractual Services   | 733,105             | -                           | 733,105             | (4,049)                       | 729,056                       |
| Travel   | 2,204               | -                           | 2,204               | -                             | 2,204                         |
| Commodities  | 313,922             | -                           | 313,922             | 41,350                        | 355,272                       |
| Equipment  | 21,855              | -                           | 21,855              | (15,565)                      | 6,290                         |
| Right-to-use Principal Payments                              | 117,239             | -                           | 117,239             | (117,239)                     | -                             |
| Right-to-use Interest Payments                               | 9,341               | -                           | 9,341               | -                             | 9,341                         |
| Contingencies  | 7,229               | -                           | 7,229               | -                             | 7,229                         |
| Education  | 28,525              | -                           | 28,525              | -                             | 28,525                        |
| Debt Service   |                     |                             |                     |                               |                               |
| Interest   | 2,700               | -                           | 2,700               | -                             | 2,700                         |
| Capital Improvements   | -                   | 207,934                     | 207,934             | (207,934)                     | -                             |
| Depreciation and Amortization                                | -                   | -                           | -                   | 304,775                       | 304,775                       |
| Loss on Disposal of Capital Assets                           | -                   | -                           | -                   | 112,822                       | 112,822                       |
|  | <u>3,001,787</u>    | <u>207,934</u>              | <u>3,209,721</u>    | <u>358,789</u>                | <u>3,568,510</u>              |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | 383,292             | (134,064)                   | 249,228             | (369,539)                     | -                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                             |                     |                               |                               |
| Operating Transfer   | (750,600)           | 750,600                     | -                   | -                             | -                             |
| Insurance Proceeds   | 13,863              | -                           | 13,863              | (13,863)                      | -                             |
| <b>EXTRAORDINARY ITEMS</b>                                   |                     |                             |                     |                               |                               |
| Insurance Proceeds   |                     |                             |                     | 13,863                        | 13,863                        |
| Fire Restoration Expense                                     | (18,336)            | -                           | (18,336)            | 18,336                        | -                             |
| Demolition Expense   | -                   | (246,501)                   | (246,501)           | -                             | (246,501)                     |
| Net Change in Fund Balances                                  | <u>(371,781)</u>    | <u>370,035</u>              | <u>(1,746)</u>      | <u>1,746</u>                  | <u>-</u>                      |
| Change in Net Position                                       |                     |                             |                     | (352,949)                     | (352,949)                     |
| <b>FUND BALANCES/NET POSITION</b>                            |                     |                             |                     |                               |                               |
| Beginning of Year  | <u>2,355,439</u>    | <u>1,607,646</u>            | <u>3,963,085</u>    | <u>2,543,890</u>              | <u>6,506,975</u>              |
| End of Year  | <u>\$ 1,983,658</u> | <u>\$ 1,977,681</u>         | <u>\$ 3,961,339</u> | <u>\$ 2,192,687</u>           | <u>\$ 6,154,026</u>           |

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

## Notes to Financial Statements

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### **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 2024 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

## Notes to Financial Statements

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### 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 |

The minimum amount at which assets are capitalized is \$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. Mixed-Use Lease**

The District has adopted GASB No. 87 – Leases. The revised standard is intended to increase transparency by recognizing lease assets and liabilities on the statement of net position and enhancing the related disclosures. Under prior standards, a lease was only recognized on the statement of net position if it met the definition of a capital lease. However, under the new standard, a lessee is required to:

- Recognize a right-to-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of net position.

During the prior fiscal year, the District entered into a lease for temporary mixed-use space in Rolling Meadows. The right-to-use lease asset and related lease liability at inception was calculated based on a 31-month period and discounted using a 5.4% interest rate and amounted to \$308,774. The right-to-use asset is included in capital asset and is being amortized over 31 months. See Note 5 for additional information.

#### **G. 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.

#### **H. Compensated Absences**

In June, 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024.

### Note 1: Summary of Significant Accounting Policies (Continued)

Vacation pay for employees is vested as it is earned. In addition, a percentage of accumulated sick leave, depending on years of service, is vested up to a maximum of 62 days. However, employees will only be paid a maximum of 7 days at cessation of employment. Any days over 7 but less than 62 may be accumulated only for conversion to IMRF service credit and these hours are excluded from the GASB 101 calculation. In the governmental-wide financial statements, vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability in the government-wide statements.

#### I. 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 2025. See Note 8 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.

#### J. Interfund Transactions

All interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Operating transfers totaling \$750,600 were made during the year ending April 30, 2025 for the purpose of funding future capital improvements.

#### K. 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

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

**L. 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.

**M. 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.

**N. 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.

## Notes to Financial Statements

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### Note 2: Deposits and Investments

Deposits. At April 30, 2025, the carrying amount of the District's deposits, excluding petty cash of \$400, was \$817,437 and the bank balance was \$844,356. Of the bank balance, \$344,402 was covered by federal depository insurance and \$499,954 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 April 17, 2025 to February 19, 2026 and interest rates approximating 3.955% - 4.986% | <u>\$ 4,859,085</u> | <u>\$ 4,928,153</u> |

### Note 3: Property Tax

The 2024 property taxes attached as an enforceable lien on January 1, 2024. Property tax revenue is recognized in the period of its intended use limited by its availability. The 2024 property taxes were levied on July 24, 2024, and have been recorded as Property Taxes Receivable to the extent not collected by year-end and Deferred Inflows of Resources. There is no allowance for uncollectible property taxes. The 2025 tax levy ordinance has not passed as of August 18, 2025.

The tax levy is divided into two billings. The billings are generally mailed on or about February 1 and July 1 (to be determined for 2024 property taxes). 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 2023 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<br>April 30, 2024 | Increases          | Decreases           | Balance<br>April 30, 2025 |
|--|---------------------------|--------------------|---------------------|---------------------------|
| Capital assets, not being depreciated                |                           |                    |                     |                           |
| Land   | \$ 175,743                | \$ -               | \$ -                | \$ 175,743                |
| Construction in progress                             | 553,566                   | (353,282)          | -                   | 200,284                   |
| Total capital assets, not being depreciated          | <u>729,309</u>            | <u>(353,282)</u>   | <u>-</u>            | <u>376,027</u>            |
| Capital assets, being depreciated or amortized       |                           |                    |                     |                           |
| Buildings  | 552,527                   | 541,870            | (160,282)           | 934,115                   |
| Improvements   | 952,418                   | 41,732             | (187,478)           | 806,672                   |
| Equipment  | 2,633,193                 | 15,564             | (73,950)            | 2,574,807                 |
| Right-to-use Lease Asset                             | 308,774                   | -                  | -                   | 308,774                   |
| Total capital assets, being depreciated or amortized | <u>4,446,912</u>          | <u>599,166</u>     | <u>(421,710)</u>    | <u>4,624,368</u>          |
| Less accumulated depreciation or amortization for    |                           |                    |                     |                           |
| Improvements   | (477,043)                 | (36,867)           | 74,145              | (439,765)                 |
| Buildings  | (511,788)                 | (21,149)           | 152,095             | (380,842)                 |
| Equipment  | (2,056,190)               | (127,234)          | 71,898              | (2,111,526)               |
| Right-to-use Lease Asset                             | (79,684)                  | (119,525)          | -                   | (199,209)                 |
| Total accumulated depreciation or amortization       | <u>(3,124,705)</u>        | <u>(304,775)</u>   | <u>298,138</u>      | <u>(3,131,342)</u>        |
| Capital assets being depreciated or amortized, net   | <u>1,322,207</u>          | <u>294,391</u>     | <u>(123,572)</u>    | <u>1,493,026</u>          |
| Net Investment in Capital Assets                     | <u>\$ 2,051,516</u>       | <u>\$ (58,891)</u> | <u>\$ (123,572)</u> | <u>\$ 1,869,053</u>       |

### Note 5: Right-to-Use Asset and Payable

Right-to-use Asset, net is included in Capital Assets and consists of:

|                               | Balance<br>April 30, 2024 | Additions           | Subtractions | Balance<br>April 30, 2025 |
|-------------------------------|---------------------------|---------------------|--------------|---------------------------|
| Lease Asset                   | \$ 308,774                | \$ -                | \$ -         | \$ 308,774                |
| Less Accumulated Amortization | <u>(79,684)</u>           | <u>(119,525)</u>    | <u>-</u>     | <u>(199,209)</u>          |
|                               | <u>\$ 229,090</u>         | <u>\$ (119,525)</u> | <u>\$ -</u>  | <u>\$ 109,565</u>         |

Lease expense consists of:

|                               | Lease             |
|-------------------------------|-------------------|
| Amortization expense          | \$ 119,525        |
| Interest on related liability | <u>9,341</u>      |
| Lease expense                 | <u>\$ 128,866</u> |

Right-to-use Payable consists of:

|                      | Balance<br>April 30, 2024 | Additions   | Subtractions        | Balance<br>April 30, 2025 | Amount Due<br>in One Year |
|----------------------|---------------------------|-------------|---------------------|---------------------------|---------------------------|
| Right-to-use Payable | <u>\$ 235,132</u>         | <u>\$ -</u> | <u>\$ (117,239)</u> | <u>\$ 117,893</u>         | <u>\$ 117,893</u>         |

## Notes to Financial Statements

### Note 5: Right-to-Use Asset and Payable (Continued)

Right-to-use Lease Payable maturities are as follows:

| Year ending    | Principal  | Interest | Total      |
|----------------|------------|----------|------------|
| April 30, 2026 | \$ 117,893 | \$ 3,221 | \$ 121,114 |

### Note 6: Long-Term Liabilities

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

|                                    | Balance<br>April 30,<br>2024 | Additions         | Reductions          | Balance<br>April 30,<br>2025 | Amounts<br>Due in One<br>Year |
|------------------------------------|------------------------------|-------------------|---------------------|------------------------------|-------------------------------|
| Compensated Absences               | \$ 61,199                    | \$ 15,513         | \$ -                | \$ 76,712                    | \$ 43,236                     |
| Right-to-use Payable               | 235,132                      |                   | (117,239)           | 117,893                      | 117,893                       |
| Debt Certificate,<br>Series 2023   | 50,001                       | -                 | -                   | 50,001                       | 50,001                        |
| Net OPEB<br>Liability              | 83,325                       | -                 | (11,283)            | 72,042                       | -                             |
| Net Pension (Asset)/<br>Obligation | 377,688                      | 247,166           | -                   | 624,854                      | -                             |
|                                    | <u>\$ 807,345</u>            | <u>\$ 262,679</u> | <u>\$ (128,522)</u> | <u>\$ 941,502</u>            | <u>\$ 211,130</u>             |

### Note 7: Debt Certificate, Series 2023

The District issued a debt certificate in 2024 to provide funds to finance the lab, office and fleet maintenance building modernization project at its Wheeling location. The maximum amount of the certificate was \$4,600,000, of which \$50,001 was advanced as of April 30, 2025. The final advance under the certificate was to occur no later than April 30, 2025. The outstanding balance of the certificate bore interest at the rate of 5.40% per annum and was scheduled to mature on November 1, 2031. The certificate was subject to redemption prior to maturity at the option of the District. The District exercised this option on May 1, 2025 and repaid the \$50,001 advance.

### Note 8: 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](http://www.imrf.org).

## Notes to Financial Statements

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### Note 8: 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, 2024, the following employees were covered by the benefit terms:

|  | <u>IMRF</u>      |
|--|------------------|
| Retirees and Beneficiaries currently receiving benefits          | 8                |
| Inactive Plan Members entitled to but not yet receiving benefits | 6                |
| Active Plan Members  | <u>13</u>        |
| Total  | <u><u>27</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 2024 was 6.94%. For the fiscal year ended April 30, 2025, the District contributed \$88,781 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, 2024. The total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

## Notes to Financial Statements

### Note 8: Defined Benefit Pension Plan (Continued)

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension (asset) liability at December 31, 2024:

- 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 2023 valuation according to an experience study from years 2020 to 2022.
- 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 108%) and Female (adjusted 106.4%) tables with future mortality improvements projected using scale MP-2021.
- 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-2021.
- 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-2021.
- There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2024 Illinois Municipal Retirement Fund annual actuarial valuation report.

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, 2024:

| Asset Class             | Portfolio<br>Target<br>Percentage | Long-Term<br>Expected<br>Real Rate<br>of Return |
|-------------------------|-----------------------------------|---|
| Domestic Equity         | 33.5%                             | 4.35%   |
| International Equity    | 18.0                              | 5.40%   |
| Fixed Income            | 24.5                              | 5.20%   |
| Real Estate             | 10.5                              | 6.40%   |
| Alternative Investments | 12.5                              | 4.85-6.25%                                      |
| Cash Equivalents        | 1.0                               | 3.60%   |
| Total                   | 100.0%                            |   |

## Notes to Financial Statements

### Note 8: 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 4.08%, and the resulting single discount rate is 7.25%.

#### Changes in the Net Pension (Asset) Liability.

|   | Total Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>(Asset) Liability<br>(A)-(B) |
|---|-----------------------------------|---------------------------------------|---|
| Balances at December 31, 2023                                 | \$ 8,546,751                      | \$ 8,169,063                          | \$ 377,688                                  |
| Changes for the year:   |                                   |                                       |   |
| Service Cost  | 82,602                            | -                                     | 82,602                                      |
| Interest on the Total Pension Liability                       | 609,326                           | -                                     | 609,326                                     |
| Differences Between Expected and Actual Experience            | 385,080                           | -                                     | 385,080                                     |
| Changes of Assumptions  | -                                 | -                                     | -   |
| Contributions - Employer                                      | -                                 | 81,400                                | (81,400)                                    |
| Contributions - Employees                                     | -                                 | 52,690                                | (52,690)                                    |
| Net Investment Income   | -                                 | 797,183                               | (797,183)                                   |
| Benefit Payments, including Refunds of Employee Contributions | (367,119)                         | (367,119)                             | -   |
| Other (Net Transfer)  | -                                 | (101,431)                             | 101,431                                     |
| Net Changes   | 709,889                           | 462,723                               | 247,166                                     |
| Balances at December 31, 2024                                 | \$ 9,256,640                      | \$ 8,631,786                          | \$ 624,854                                  |

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<br>(6.25%) | Current<br>(7.25%) | 1% Higher<br>(8.25%) |
|-------------------------------|---------------------|--------------------|----------------------|
| Net Pension (Asset) Liability | \$ 1,601,592        | \$ 624,854         | \$ (179,685)         |

## Notes to Financial Statements

### Note 8: Defined Benefit Pension Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2025, the District recognized an increase in pension expense of \$329,180. At December 31, 2024, 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                                    | \$ 317,986                            | \$ 11,001                            |
| Changes of assumptions  | -                                     | 7,710                                |
| Net difference between projected and actual earnings on pension plan investments      | <u>182,327</u>                        | <u>-</u>                             |
| Total Deferred Amounts to be recognized in pension expense in future periods          | 500,313                               | 18,711                               |
| Pension Contributions made subsequent to the Measurement Date, through April 30, 2025 | <u>31,833</u>                         | <u>-</u>                             |
| Total Deferred Amounts Related to Pensions  | <u>\$ 532,146</u>                     | <u>\$ 18,711</u>                     |

Deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of \$31,833 are recognized as a reduction of the net pension (asset) liability in the year ended April 30, 2025. 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 Outflows of Resources</u> |
|--------------------------------|---|
| 2025                           | \$ 238,413                                |
| 2026                           | 370,714                                   |
| 2027                           | (84,115)                                  |
| 2028                           | (43,410)                                  |
| Thereafter                     | <u>-</u>                                  |
| Total                          | <u>\$ 481,602</u>                         |

### Note 9: 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**

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**Note 9: 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, 2025, retirees contributed \$0. Active employees do not contribute to the plan until retirement.

At April 30, 2025, membership consisted of:

|  |    |
|--|----|
| Retirees and Beneficiaries Currently Receiving Benefits and Inactive Employees Entitled to Benefits but not yet Receiving Them | 0  |
| Active Employees   | 14 |
|  | 14 |
|  | 14 |

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 \$72,042 was measured as of April 30, 2025, and was determined by an actuarial valuation performed as of May 1, 2025.

Actuarial Assumptions and Other Inputs. The net OPEB liability in the May 1, 2025 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 5.24%, based on the High Quality 20-Year Tax Exempt G.O. Bond Rate.
- The *Health Care Cost Trend Rates* beginning April 1, 2023 at a rate of 7.90% reduced annually in .32% 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 1 IMRF Male Employees and Age 62 for Tier I IMRF Female Employees and 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 PubG-2010(B). These rates are improved generationally using MP-2021 Improvement Rates.
- *Spouse Mortality* follows the Sex Distinct Raw Rates as developed in the PubG-2010(B) Study. These rates are improved generationally using MP-2020 Improvement Rates.

## Notes to Financial Statements

### Note 9: Other Post-Employment Benefits (Continued)

#### Changes in the Net OPEB Liability

|   | Total OPEB<br>Liability<br>(A) | OPEB Plan<br>Net Position<br>(B) | Net OPEB<br>Liability<br>(A)-(B) |
|---|--------------------------------|----------------------------------|----------------------------------|
| Balances at April 30, 2024  | \$ 83,325                      | \$ -                             | \$ 83,325                        |
| Change for the Year:  |                                |                                  |                                  |
| Service Cost  | 4,433                          | -                                | 4,433                            |
| Interest on the Total Pension Liability   | 3,168                          | -                                | 3,168                            |
| Changes in Benefit Terms  | -                              | -                                | -                                |
| Differences Between Expected and<br>Actual Experience of the Total<br>Pension Liability | (14,660)                       | -                                | (14,660)                         |
| Changes in Assumptions  | 6,748                          | -                                | 6,748                            |
| Benefit Payments  | (10,972)                       | (10,972)                         | -                                |
| Contributions – Employer  | -                              | 10,972                           | (10,972)                         |
| Contributions - Employees   | -                              | -                                | -                                |
| Administrative Expense  | -                              | -                                | -                                |
| Net Changes   | (11,283)                       | -                                | (11,283)                         |
| Balance at April 30, 2025   | \$ 72,042                      | \$ -                             | \$ 72,042                        |

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 5.24%, 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<br>(4.24%) | Current<br>(5.24%) | 1% Higher<br>(6.24%) |
|--------------------|---------------------|--------------------|----------------------|
| Net OPEB Liability | \$ 74,804           | \$ 72,042          | \$ 69,359            |

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<br>(Varies) | Current<br>(Varies) | 1% Higher<br>(Varies) |
|--------------------|----------------------|---------------------|-----------------------|
| Net OPEB Liability | \$ 68,235            | \$ 72,042           | \$ 76,247             |

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended April 30, 2025, the District recognized income resulting from the decrease in the OPEB liability of \$11,283. At April 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

## Notes to Financial Statements

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### Note 9: Other Post-Employment Benefits (Continued)

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

### Note 10: Extraordinary Items

A fire occurred at the Bartlett location on August 11, 2022. The garage was heavily damaged along with four trucks and inventory. The office sustained smoke damage. The building was unusable until total repairs were completed in June 2024. All but \$1,000 of the total repairs to the building are covered by insurance. In accordance with GASB 42-*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, additional fire restoration expenditures of \$18,336 were recorded in the General Fund with the corresponding proceeds (\$13,863) recorded as an Other Financing Source during the fiscal year. In the Government-wide statements, fire restoration expenditures related to building improvements were reversed and recorded as a capital asset. Also, the Other Financing Source was reversed and recorded as Insurance Proceeds revenue.

The District has begun work on a lab office and fleet maintenance building modernization project at the Wheeling location and, in March 2025, the existing building was demolished. The demolition cost of \$246,501 has been classified as extraordinary in the Capital Projects Fund.

### Note 11: 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 \$23,000 for the 2024 calendar year. However, a “catch-up” deferral in the amount of \$7,500 was 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.

## Notes to Financial Statements

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### Note 12: 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 13: 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 14: Committed Fund Balance

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

As of April 30, 2025, the District has entered into contracts totaling \$7,676,611 with an architect and construction manager for the lab, office and fleet maintenance building modernization project at its Wheeling location. The District has paid \$475,961 towards these commitments, leaving a balance of \$7,200,650 due on the contracts.

### Note 15: 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.   | \$ 701,700          |
| Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.   | 1,869,053           |
| Net deferred outflows and deferred inflows related to pensions.  | 513,435             |
| Right-to-use payables are not due as payable in the current period and therefore are not reported in the governmental funds balance sheet.   | (117,893)           |
| 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. | (76,712)            |
| Net OPEB liability   | (72,042)            |
| Net pension obligation   | <u>(624,854)</u>    |
|  | <u>\$ 2,192,687</u> |

## Required Supplementary Information

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### Note 15: Adjustments (Continued)

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

|   |                     |
|---|---------------------|
| 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 or amortization expense. This is the amount by which depreciation/amortization expense exceeded capital outlays (\$304,775 less \$245,884). | \$ (58,891)         |
| Recognizing the loss from sale of capital assets  | (123,572)           |
| The government funds recognize insurance proceeds (\$13,863) as other financing sources; however, in the statement of activities, the insurance proceeds are recognized as an Extraordinary Item, net of any loss from the impairment of the related assets (\$13,863).   | -                   |
| Recognizing a decrease in inventory   | (41,350)            |
| Recognizing the change in pension expense relating to the change in deferred outflows, deferred inflows and net pension (asset) liability   | (240,399)           |
| Recognizing the revenue or (expense) related to the change in the other post-employment obligation  | 11,283              |
| Recognizing an increase in the accrual for compensated absences   | (15,513)            |
| The government funds recognize right-to-use lease proceeds as other financing sources; however, the right-to-use lease proceeds are recognized as a payable in the government-wide financial statements.  |                     |
| Recognizing right-to-use principal payments   | <u>117,239</u>      |
|   | <u>\$ (351,203)</u> |

### Note 16: Subsequent Event

On July 23, 2025, the District approved an ordinance authorizing the issuance of General Obligation Bonds in an aggregate principal amount not to exceed \$6,750,000 to fund the lab, office and fleet maintenance building modernization project.

## 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, 2025

|  | APPROPRIATION    |                  | ACTUAL           |
|--|------------------|------------------|------------------|
|  | ORIGINAL         | FINAL            |                  |
| <b>REVENUES</b>                            |                  |                  |                  |
| Property Taxes                             | \$ 2,912,363     | \$ 2,912,363     | \$ 3,035,265     |
| Personal Property Replacement Taxes        | 271,371          | 271,371          | 173,012          |
| Interest                                   | -                | -                | 166,052          |
| Proceeds From Sale of Fixed Assets         | -                | -                | 10,750           |
| Total Revenues                             | <u>3,183,734</u> | <u>3,183,734</u> | <u>3,385,079</u> |
| <b>EXPENDITURES</b>                        |                  |                  |                  |
| <b>PERSONAL SERVICES</b>                   |                  |                  |                  |
| Salary of Technical Director               | 187,700          | 192,700          | 188,889          |
| Salary of Assistant Technical Director     | 148,950          | 148,950          | 130,838          |
| Salary of Chief of Field Operations        | 130,000          | 130,000          | 121,031          |
| Salary of Chief of Internal Services       | 130,000          | 130,000          | 104,208          |
| Salary of Field Employees                  | 970,000          | 915,000          | 891,679          |
| Salary of Office Manager                   | 130,000          | 130,000          | 122,806          |
| Employer's Share of F.I.C.A.               | 130,000          | 130,000          | 117,435          |
| Employer's Share of I.M.R.F.               | 130,000          | 130,000          | 88,781           |
|  | <u>1,956,650</u> | <u>1,906,650</u> | <u>1,765,667</u> |
| <b>CONTRACTUAL SERVICES</b>                |                  |                  |                  |
| Insurance: Business Auto                   | 60,000           | 62,500           | 62,091           |
| Insurance: General Liability               | 50,000           | 47,500           | 47,014           |
| Insurance: Umbrella Liability              | 15,000           | -                | -                |
| Insurance: Workers Compensation            | 27,000           | 22,000           | 18,558           |
| Insurance: Property                        | 30,000           | 50,000           | 48,371           |
| Insurance: Hospitalization                 | 283,000          | 283,000          | 277,055          |
| Insurance: Unemployment                    | 18,000           | 22,000           | 21,128           |
| Material & Service - Motor Vehicles        | 35,000           | 24,000           | 22,823           |
| Material & Service - Field Equipment       | 7,100            | 7,100            | 2,786            |
| Material & Service - Buildings and Grounds | 40,000           | 51,000           | 49,434           |
| Materials & Service - Radio                | 8,500            | -                | -                |
| Maintenance                                | 25,000           | 25,000           | 20,821           |

## Required Supplementary Information

### APPROPRIATIONS COMPARED TO ACTUAL (Continued)

|  | APPROPRIATION  |                | ACTUAL         |
|--|----------------|----------------|----------------|
|  | ORIGINAL       | FINAL          |                |
| Lights                                 | \$ 15,000      | \$ 15,000      | \$ 11,954      |
| Heat                                   | 20,000         | 20,000         | 11,388         |
| Telephone                              | 38,000         | 33,000         | 17,908         |
| Water                                  | 4,000          | 4,000          | 2,042          |
| Rentals                                | 124,500        | 129,500        | -              |
| Legal Fees and Expenses                | 61,500         | 41,500         | 34,656         |
| Legal Administration                   | 21,000         | 17,000         | 7,139          |
| Auditing and Accounting                | 25,000         | 25,000         | 19,090         |
| Dues and Subscriptions                 | 7,000          | 7,000          | 6,537          |
| Computer Software                      | 55,000         | 55,000         | 46,729         |
| Payroll Expense                        | 15,000         | 11,000         | 5,581          |
|  | <u>984,600</u> | <u>952,100</u> | <u>733,105</u> |
| TRAVEL                                 | <u>3,000</u>   | <u>3,000</u>   | <u>2,204</u>   |
| COMMODITIES                            |                |                |                |
| Insecticides                           | 328,269        | 208,269        | 179,440        |
| Motor Vehicle Fuel                     | 65,000         | 65,000         | 49,221         |
| Office Supplies                        | 15,000         | 15,000         | 6,183          |
| Postage and Freight                    | 3,000          | 3,000          | 1,115          |
| Shop Supplies                          | 20,000         | 20,000         | 18,095         |
| Laboratory Supplies                    | 28,000         | 48,000         | 45,818         |
| Drainage                               | -              | -              | -              |
| Uniforms                               | 15,000         | 15,000         | 10,112         |
| Safety Equipment                       | 16,000         | 15,000         | 3,938          |
|  | <u>490,269</u> | <u>389,269</u> | <u>313,922</u> |
| EQUIPMENT                              |                |                |                |
| Motor Vehicle/Field Equipment Purchase | 5,000          | 5,000          | 3,053          |
| Shop Equipment Purchase                | 3,500          | 14,500         | 13,453         |
| Lab Equipment Purchase                 | 5,000          | -              | -              |
| Office Equipment Purchase              | 7,500          | 1,500          | 967            |
| Radio and Antenna Purchase             | -              | -              | -              |
| Computer Hardware                      | 8,000          | 8,000          | 4,382          |
|  | <u>29,000</u>  | <u>29,000</u>  | <u>21,855</u>  |

(Continued)

## Required Supplementary Information

### APPROPRIATIONS COMPARED TO ACTUAL (Continued)

|  | APPROPRIATION       |                     | ACTUAL              |
|--|---------------------|---------------------|---------------------|
|  | ORIGINAL            | FINAL               |                     |
| RIGHT-TO-USE PRINCIPAL PAYMENTS                              | \$ -                | \$ -                | \$ 117,239          |
| RIGHT-TO-USE INTEREST PAYMENTS                               | -                   | -                   | 9,341               |
| CONTINGENCIES  | 15,000              | 14,500              | 7,229               |
| EDUCATION  |                     |                     |                     |
| Educational Meeting  | 18,000              | 26,500              | 24,628              |
| Literature Purchase  | 750                 | 1,250               | 990                 |
| Research and Development                                     | -                   | -                   | -                   |
| Training and Development                                     | 2,000               | 3,000               | 2,907               |
|  | <u>20,750</u>       | <u>30,750</u>       | <u>28,525</u>       |
| DEBT SERVICE-INTEREST  | <u>2,000</u>        | <u>6,000</u>        | <u>2,700</u>        |
| LOSS AND COST OF COLLECTION                                  | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| Total Expenditures   | <u>3,501,269</u>    | <u>3,331,269</u>    | <u>3,001,787</u>    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (317,535)           | (147,535)           | 383,292             |
| OTHER FINANCING SOURCES (USES)                               |                     |                     |                     |
| Insurance Proceeds   | -                   | -                   | 13,863              |
| Operating Transfer   | (580,600)           | (750,600)           | (750,600)           |
| EXTRAORDINARY ITEM   |                     |                     |                     |
| Fire Restoration Expense                                     | <u>-</u>            | <u>-</u>            | <u>(18,336)</u>     |
| Net Change in Fund Balance                                   | <u>\$ (898,135)</u> | <u>\$ (898,135)</u> | <u>\$ (371,781)</u> |

Appropriated budgets are adopted on a basis consistent with generally accepting accounting principles. All annual appropriations lapse at fiscal year end.

# Required Supplementary Information

NORTHWEST MOSQUITO ABATEMENT DISTRICT  
SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS  
CALENDAR YEAR ENDED DECEMBER 31,

|   | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total Pension Liability</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service Cost  | \$ 82,602           | \$ 85,226           | \$ 81,484           | \$ 80,029           | \$ 78,897           | \$ 86,322           | \$ 79,223           | \$ 82,224           | \$ 80,321           | \$ 71,644           |
| Interest on the Total Pension Liability   | 609,326             | 582,923             | 561,469             | 545,142             | 516,446             | 482,595             | 465,287             | 460,312             | 437,019             | 414,580             |
| Benefit Changes   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Difference between Expected and Actual Experience                                 | 385,080             | 78,053              | 15,805              | (44,273)            | 190,143             | 233,090             | (252)               | (5,443)             | 40,273              | 52,421              |
| Assumption Changes  | -                   | (9,256)             | -                   | -                   | (35,927)            | -                   | 188,581             | (217,361)           | (15,218)            | 7,341               |
| Benefit Payments and Refunds  | (367,119)           | (375,786)           | (353,642)           | (359,227)           | (349,409)           | (313,357)           | (254,093)           | (249,705)           | (247,006)           | (238,875)           |
| <b>Net Change in Total Pension Liability</b>                                      | <b>709,889</b>      | <b>361,160</b>      | <b>305,116</b>      | <b>221,671</b>      | <b>400,150</b>      | <b>488,650</b>      | <b>478,746</b>      | <b>70,027</b>       | <b>295,389</b>      | <b>307,111</b>      |
| Total Pension Liability - Beginning   | 8,546,751           | 8,185,591           | 7,880,475           | 7,658,804           | 7,258,654           | 6,770,004           | 6,291,258           | 6,221,231           | 5,925,842           | 5,618,731           |
| <b>Total Pension Liability - Ending (a)</b>                                       | <b>\$ 9,256,640</b> | <b>\$ 8,546,751</b> | <b>\$ 8,185,591</b> | <b>\$ 7,880,475</b> | <b>\$ 7,658,804</b> | <b>\$ 7,258,654</b> | <b>\$ 6,770,004</b> | <b>\$ 6,291,258</b> | <b>\$ 6,221,231</b> | <b>\$ 5,925,842</b> |
| <b>Plan Fiduciary Net Position</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Employer Contributions  | \$ 81,400           | \$ 68,276           | \$ 98,344           | \$ 112,438          | \$ 98,781           | \$ 78,750           | \$ 108,080          | \$ 104,490          | \$ 108,320          | \$ 92,997           |
| Employee Contributions  | 52,690              | 44,720              | 42,756              | 40,835              | 41,043              | 38,643              | 40,192              | 39,677              | 37,066              | 35,405              |
| Pension Plan Net Investment Income  | 797,183             | 804,943             | (1,037,089)         | 1,284,858           | 977,243             | 1,046,958           | (297,222)           | 944,174             | 359,381             | 25,588              |
| Benefit Payments and Refunds  | (367,119)           | (375,786)           | (353,642)           | (359,227)           | (349,409)           | (313,357)           | (254,093)           | (249,705)           | (247,006)           | (238,875)           |
| Other   | (101,431)           | 223,269             | (131,466)           | 19,525              | 76,181              | 102,530             | 105,350             | (75,344)            | 27,316              | 50,319              |
| <b>Net Change in Plan Fiduciary Net Position</b>                                  | <b>462,723</b>      | <b>765,422</b>      | <b>(1,381,097)</b>  | <b>1,098,429</b>    | <b>843,839</b>      | <b>953,524</b>      | <b>(297,693)</b>    | <b>763,292</b>      | <b>285,077</b>      | <b>(34,566)</b>     |
| Plan Fiduciary Net Position - Beginning   | 8,169,063           | 7,403,641           | 8,784,738           | 7,686,309           | 6,842,470           | 5,888,946           | 6,186,639           | 5,423,347           | 5,138,270           | 5,172,836           |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                                   | <b>\$ 8,631,786</b> | <b>\$ 8,169,063</b> | <b>\$ 7,403,641</b> | <b>\$ 8,784,738</b> | <b>\$ 7,686,309</b> | <b>\$ 6,842,470</b> | <b>\$ 5,888,946</b> | <b>\$ 6,186,639</b> | <b>\$ 5,423,347</b> | <b>\$ 5,138,270</b> |
| <b>Net Pension (Asset) Liability - Ending (a) - (b)</b>                           | <b>\$ 624,854</b>   | <b>\$ 377,688</b>   | <b>\$ 781,950</b>   | <b>\$ (904,263)</b> | <b>\$ (27,505)</b>  | <b>\$ 416,184</b>   | <b>\$ 881,058</b>   | <b>\$ 104,619</b>   | <b>\$ 797,884</b>   | <b>\$ 787,572</b>   |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>     | 93.25%              | 95.58%              | 90.45%              | 111.47%             | 100.36%             | 94.27%              | 86.99%              | 98.34%              | 87.17%              | 86.71%              |
| <b>Covered Valuation Payroll</b>  | \$ 1,172,919        | \$ 993,822          | \$ 950,188          | \$ 907,494          | \$ 912,107          | \$ 858,783          | \$ 893,225          | \$ 881,775          | \$ 823,729          | \$ 786,777          |
| <b>Net Pension (Asset) Liability as a Percentage of Covered Valuation Payroll</b> | 53.27%              | 38.00%              | 82.29%              | -99.64%             | -3.02%              | 48.46%              | 98.64%              | 11.86%              | 96.86%              | 100.10%             |

## 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%   |
| 2021                         | 112,439                             | 112,439             | -                                | 907,494                   | 12.39%   |
| 2022                         | 98,344                              | 98,344              | -                                | 950,188                   | 10.35%   |
| 2023                         | 68,276                              | 68,276              | -                                | 993,822                   | 6.87%  |
| 2024                         | 81,400                              | 81,400              | -                                | 1,172,919                 | 6.94%  |

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate\**

*Valuation Date:* Actuarially determined contribution rates are calculated as of December 31 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 2024 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> | 19-year closed period   |
| <i>Asset Valuation Method:</i>        | 5-year smoothed market; 20% corridor  |
| <i>Wage Growth:</i>                   | 2.75%   |
| <i>Price Inflation:</i>               | 2.25%, approximate; No explicit price inflation assumption is used in this valuation.   |
| <i>Salary Increases:</i>              | 2.75% to 13.75%, 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 2020 valuation pursuant to an experience study of the period 2017 to 2019.   |
| <i>Mortality:</i>                     | For non-disabled retirees, the Pub-2010 Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median |

**Required Supplementary Information**

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

*Other Information:*

*Notes:* There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2022, actuarial valuation.

# Required Supplementary Information

NORTHWEST MOSQUITO ABATEMENT DISTRICT  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED APRIL 30,

|  | 2025             | 2024             | 2023             | 2022             | 2021              | 2020              | 2019              |
|--|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| <b>Total OPEB Liability</b>  |                  |                  |                  |                  |                   |                   |                   |
| Service Cost   | \$ 4,433         | \$ 4,657         | \$ 603           | \$ 778           | \$ 1,004          | \$ 840            | \$ 809            |
| Interest   | 3,168            | 2,805            | 2,519            | 2,270            | 2,739             | 3,734             | 3,798             |
| Changes on Benefit Terms   |                  | -                | -                | -                | 2,023             | -                 | -                 |
| Difference between Expected and Actual Experience                              | (14,660)         | -                | 568              | -                | (15,792)          | -                 | -                 |
| Changes in Assumptions   | 6,748            | (1,907)          | 466              | (21,704)         | 7,843             | 10,566            | -                 |
| Benefit Payments   | (10,972)         | (3,405)          | (2,927)          | (2,765)          | (6,904)           | (6,462)           | (6,073)           |
| <b>Net Change in Total OPEB Liability</b>                                      | (11,283)         | 2,150            | 1,229            | (21,421)         | (9,087)           | 8,678             | (1,466)           |
| <b>Total OPEB Liability - Beginning</b>  | 83,325           | 81,175           | 79,946           | 101,367          | 110,454           | 101,776           | 103,242           |
| <b>Total OPEB Liability - Ending (a)</b>                                       | <u>\$ 72,042</u> | <u>\$ 83,325</u> | <u>\$ 81,175</u> | <u>\$ 79,946</u> | <u>\$ 101,367</u> | <u>\$ 110,454</u> | <u>\$ 101,776</u> |
| <b>OPEB Plan Net Position</b>  |                  |                  |                  |                  |                   |                   |                   |
| Contributions - Employer   | \$ 10,972        | \$ 3,405         | \$ 2,927         | \$ 2,765         | \$ 6,904          | \$ 6,462          | \$ 6,073          |
| Contributions - Employee   | -                | -                | -                | -                | -                 | -                 | -                 |
| Contributions - Other  | -                | -                | -                | -                | -                 | -                 | -                 |
| Net Investment Income  | -                | -                | -                | -                | -                 | -                 | -                 |
| Benefit Payments   | (10,972)         | (3,405)          | (2,927)          | (2,765)          | (6,904)           | (6,462)           | (6,073)           |
| Administrative Expense   | -                | -                | -                | -                | -                 | -                 | -                 |
| <b>Employer Net Change in OPEB Plan Net Position</b>                           | -                | -                | -                | -                | -                 | -                 | -                 |
| <b>OPEB Plan Net Position - Beginning</b>                                      | -                | -                | -                | -                | -                 | -                 | -                 |
| <b>OPEB Plan Net Position - Ending (b)</b>                                     | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       |
| <b>Net OPEB Liability - Ending (a) - (b)</b>                                   | <u>\$ 72,042</u> | <u>\$ 83,325</u> | <u>\$ 81,175</u> | <u>\$ 79,946</u> | <u>\$ 101,367</u> | <u>\$ 110,454</u> | <u>\$ 101,776</u> |
| <b>OPEB Plan Net Position as a Percentage of Net OPEB Liability</b>            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%             | 0.00%             | 0.00%             |
| <b>Covered-Employee Payroll</b>  | \$ 1,240,810     | \$ 1,263,330     | \$ 958,225       | \$ 918,078       | \$ 917,198        | \$ 838,733        | \$ 917,511        |
| <b>Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll</b> | 5.81%            | 6.60%            | 8.47%            | 8.71%            | 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.

## Required Supplementary Information

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NORTHWEST MOSQUITO ABATEMENT DISTRICT  
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

| Fiscal<br>Year<br>Ended<br>April 30, | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Valuation<br>Payroll | Actual<br>as a Percentage<br>of Covered<br>Valuation Payroll |
|--------------------------------------|---|------------------------|--|---------------------------------|--|
| 2019                                 | N/A                                       | \$ -                   | N/A                                    | \$ 917,511                      | 0.0%   |
| 2020                                 | N/A                                       | -                      | N/A                                    | 838,733                         | 0.0%   |
| 2021                                 | N/A                                       | -                      | N/A                                    | 917,198                         | 0.0%   |
| 2022                                 | N/A                                       | -                      | N/A                                    | 918,078                         | 0.0%   |
| 2023                                 | N/A                                       | -                      | N/A                                    | 958,225                         | 0.0%   |
| 2024                                 | N/A                                       | -                      | N/A                                    | 1,263,330                       | 0.0%   |
| 2025                                 | N/A                                       | -                      | N/A                                    | 1,240,810                       | 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 \$10,972 as a pass-thru.

## Supplementary Information

### NORTHWEST MOSQUITO ABATEMENT DISTRICT

#### DETAIL SCHEDULE OF CAPITAL ASSETS

APRIL 30, 2025

|                                      | Estimated<br>Life<br>(Years) | Cost         | Accumulated<br>Depreciation | Net<br>Book<br>Value |
|--------------------------------------|------------------------------|--------------|-----------------------------|----------------------|
| LAND                                 | N/A                          | \$ 175,743   | N/A                         | \$ 175,743           |
| CONSTRUCTION IN PROGRESS             | N/A                          | 200,284      | N/A                         | 200,284              |
| BUILDINGS                            |                              |              |                             |                      |
| Elk Grove                            | 40                           | 243,676      | 231,054                     | 12,622               |
| Bartlett                             | 40                           | 599,132      | 68,725                      | 530,407              |
| Wheeling                             | 40                           | 91,307       | 81,063                      | 10,244               |
|                                      |                              | 934,115      | 380,842                     | 553,273              |
| IMPROVEMENTS OTHER<br>THAN BUILDINGS |                              |              |                             |                      |
| Elk Grove                            | 20                           | 100,211      | 37,538                      | 62,673               |
| Bartlett                             | 20                           | 269,653      | 163,944                     | 105,709              |
| Wheeling                             | 20                           | 436,808      | 238,283                     | 198,525              |
|                                      |                              | 806,672      | 439,765                     | 366,907              |
| EQUIPMENT                            |                              |              |                             |                      |
| Trucks                               | 6                            | 1,314,504    | 1,099,252                   | 215,252              |
| Shop                                 | 10                           | 238,407      | 134,466                     | 103,941              |
| Lab                                  | 15                           | 97,934       | 71,234                      | 26,700               |
| Radios                               | 5                            | 91,028       | 85,199                      | 5,829                |
| Field                                | 10                           | 165,616      | 165,616                     | -                    |
| Sprayers                             | 10                           | 597,042      | 502,234                     | 94,808               |
| Office                               | 10                           | 20,688       | 9,436                       | 11,252               |
| Computers and Peripherals            | 5                            | 44,789       | 39,290                      | 5,499                |
| Audio Visual                         | 10                           | 4,799        | 4,799                       | -                    |
|                                      |                              | 2,574,807    | 2,111,526                   | 463,281              |
| RIGHT-TO-USE LEASE ASSET             | 2.6                          | 308,774      | 199,209                     | 109,565              |
|                                      |                              | \$ 5,000,395 | \$ 3,131,342                | \$ 1,869,053         |

# Supplementary Information

## NORTHWEST MOSQUITO ABATEMENT DISTRICT

### PROPERTY TAX LEVIES, ASSESSED VALUATIONS, RATES, EXTENSIONS, AND COLLECTIONS - LAST SEVEN TAX YEARS

APRIL 30, 2025

|                                      | <u>2024</u>               | <u>2023</u>              | <u>2022</u>              | <u>2021</u>              | <u>2020</u>              | <u>2019</u>              | <u>2018</u>              |
|--------------------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Tax Levy                             | <u>\$ 3,389,316</u>       | <u>\$ 2,912,363</u>      | <u>\$ 2,593,697</u>      | <u>\$ 2,746,456</u>      | <u>\$ 2,705,826</u>      | <u>\$ 2,618,879</u>      | <u>\$ 2,495,597</u>      |
| Assessed Valuation                   | <u>\$ 32,500,000,000*</u> | <u>\$ 32,615,354,663</u> | <u>\$ 31,519,078,040</u> | <u>\$ 26,682,281,599</u> | <u>\$ 28,554,753,385</u> | <u>\$ 28,291,186,400</u> | <u>\$ 24,532,977,892</u> |
| Tax Rate                             | <u>0.010</u>              | <u>0.010</u>             | <u>0.010</u>             | <u>0.010</u>             | <u>0.010</u>             | <u>0.010</u>             | <u>0.010</u>             |
| Tax Extension                        | <u>\$ 3,250,000*</u>      | <u>\$ 3,261,535</u>      | <u>\$ 2,836,717</u>      | <u>\$ 2,935,051</u>      | <u>\$ 2,855,475</u>      | <u>\$ 2,829,119</u>      | <u>\$ 2,698,628</u>      |
| Collections                          | <u>\$ 1,700,788</u>       | <u>\$ 3,217,106</u>      | <u>\$ 2,827,462</u>      | <u>\$ 2,893,583</u>      | <u>\$ 2,797,966</u>      | <u>\$ 2,738,167</u>      | <u>\$ 2,627,631</u>      |
| Percentage of Extension<br>Collected | <u>52.33%</u>             | <u>98.64%</u>            | <u>99.67%</u>            | <u>98.59%</u>            | <u>97.99%</u>            | <u>96.79%</u>            | <u>97.37%</u>            |

\* Estimated