

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**For the Year Ended
March 31, 2022**

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

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**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

PRINCIPAL OFFICIALS

March 31, 2022

LEGISLATIVE

Alan Bolds, Trustee and President

Harvey Mull, Trustee and Secretary

Ronald Almiron, Trustee

Tom Stolt, Trustee and Treasurer

Ken Rosenwinkel, Trustee

Karrison LLC

Certified Public Accountant • 2841 83rd Street • Darien, Illinois 60561 • 630.505.3920

INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Wheaton Mosquito Abatement District
Wheaton, Illinois

Opinion

We have audited accompanying financial statements of the governmental activities and major fund, and the aggregate remaining fund information of the Wheaton Mosquito Abatement District, as of and for the year ended March 31, 2022, and the related notes to the 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 major fund, and the aggregate remaining fund information of the Wheaton Mosquito Abatement District as of March 31, 2022 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Wheaton 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wheaton 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wheaton 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wheaton 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 required supplementary information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wheaton Mosquito Abatement District's basic financial statements. The individual fund financial statements and the financial information listed as schedules and supplemental data in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund financial statements, the schedules, and supplemental data are the responsibility of management and were derived from and relate 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 basic financial statements as a whole.

Karrion LLC
Darien, Illinois
November 20, 2022

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

STATEMENT OF NET POSITION

March 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 375,759
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	<u>468,667</u>
Total assets	844,426
DEFERRED OUTFLOWS OF RESOURCES	
Prepaid expenses	<u>5,985</u>
Total assets and deferred outflows of resources	<u>850,411</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities	
Accounts payable	81,958
Deferred inflows of resources	
Unavailable property taxes	<u>468,667</u>
Total liabilities and deferred inflows of resources	<u>550,625</u>
NET POSITION	
Unrestricted	<u>299,786</u>
Total net position	<u><u>\$ 299,786</u></u>

See accompanying notes to financial statements.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants	Capital Grants	Primary Governmental Activities
Governmental Activities					
Public health	\$ 475,755	\$ -	\$ -	\$ -	\$ (475,755)
Total governmental activities	475,755	-	-	-	(475,755)
Total primary government	475,755	-	-	-	(475,755)
			General Revenues		
			Taxes		
			Property		470,862
			Replacement		5,213
			Investment income		410
			Total		476,485
			Change in Net Position		730
			Net Position - April 1		299,056
			Net Position - March 31		\$ 299,786

See accompanying notes to financial statements.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS
GOVERNMENTAL FUND**

BALANCE SHEET

March 31, 2022

ASSETS	
Cash and investments	\$ 375,759
Receivables (net of allowance for uncollectibles)	
Property taxes	468,667
Prepaid items	<u>5,985</u>
 Total assets	 <u><u>850,411</u></u>
 LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
 Liabilities	
Accounts payable	81,958
 Deferred inflows of resources	
Unavailable property taxes	<u>468,667</u>
 Total liabilities and deferred inflows of resources	 <u>550,625</u>
 Fund Balance	
Nonspendable	
Prepaid items	5,985
Unrestricted	
Unassigned	<u>293,801</u>
 Total fund balance	 <u>299,786</u>
 Total deferred inflows of resources and fund balance	 <u><u>\$ 850,411</u></u>

See accompanying notes to financial statements.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS
GOVERNMENTAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

For the Year Ended March 31, 2022

Revenues	
Taxes	
Property taxes	\$ 470,862
Replacement tax	5,213
Investment income	<u>410</u>
Total revenues	<u>476,485</u>
Expenditures	
Current	
Public health	
Legal and accounting	14,392
Administrative costs	9,245
Dues, journals, and seminars	610
Mosquito control services	443,321
Stream, ditch, and drainage improvements	-
Mosquito control research	<u>8,187</u>
Total expenditures	<u>475,755</u>
Net Change in Fund Balance	730
Fund Balance - April 1	<u>299,056</u>
Fund Balance - March 31	<u><u>\$ 299,786</u></u>

See accompanying notes to financial statements.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wheaton Mosquito Abatement District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). 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 municipal corporation governed by an appointed five-member board. As required by generally accepted accounting principles, these financial statements present the District (the primary government) and its component units. There are no component units in the District's reporting entity.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into one category: governmental.

Governmental funds are used to account for all or most of a government's general activities. The general fund is used to account for all activities of the general government not accounted for in some other fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District.

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

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS (Cont.)

March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Cont.)

Separate financial statements are provided for governmental funds. Major governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District.

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period (60 days) or soon enough thereafter to be used to pay liabilities of the current period. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Those revenues susceptible to accrual are property taxes and interest revenue. Fine revenue is not susceptible to accrual because generally it is not measurable until received in cash.

The District reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS (Cont.)

March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Investments

Investments, if any, are stated at fair value.

f. Prepaid Expenses/Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses/items.

g. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources.

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

h. Net Position/Fund Balance

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Trustees, which is considered the District's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. Any residual fund balance in the General Fund is reported as unassigned.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS (Cont.)

March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Cont.)

h. Net Position/Fund Balance

It is the District's philosophy to support long-term financial strategies, where fiscal sustainability is its first priority, while also building funds for future growth. It is essential to maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. Fund balance levels are also a crucial consideration in long-term financial planning.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned funds.

i. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

a. Deposits

The District's investment policy authorizes the District to invest in investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS (Cont.)

March 31, 2022

3. RECEIVABLES - TAXES

Property taxes for 2021 attach as an enforceable lien on January 1, 2021 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about April 1, 2022 and July 1, 2022 and are payable in two installments, on or about June 1, 2022 and September 1, 2022. The County collects such taxes and remits them periodically. The 2021 tax levy is reported as deferred revenue as it is intended to finance the fiscal year ending March 31, 2023. The 2022 tax levy, which attached as an enforceable lien on property as of January 1, 2022, has not been recorded as a receivable as of March 31, 2022 as the tax has not yet been levied by the District and will not be levied until December 2022 and, therefore, the levy is not measurable at March 31, 2022.

4. 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; and natural disasters. The District has purchased insurance from private insurance companies.

5. LONG-TERM DEBT

Legal Debt Margin

ASSESSED VALUATION – 2020	<u>\$ 3,043,289,913</u>
Legal debt limit - 2.875% of assessed valuation	\$ 87,494,588
Amount of debt applicable to debt limit	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 87,494,588</u>

Chapter 50, Section 405/1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 300,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 2.875% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

6. CONTINGENT LIABILITIES

Litigation – the District is not involved in any pending litigation or aware of any unasserted potential litigation.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended March 31, 2022

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes	\$ 462,269	\$ 470,862
Replacement tax	2,100	5,213
Investment income	950	410
Total revenues	465,319	476,485
Expenditures		
Current		
Public health		
Legal and accounting	27,500	14,392
Administrative costs	15,000	9,245
Dues, journals, and seminars	6,000	610
Mosquito control services	450,000	443,321
Stream, ditch, and drainage improvements	18,000	-
Research - mosquito control	15,000	8,187
Total expenditures	531,500	475,755
Net Change in Fund Balance	\$ (66,181)	730
Fund Balance - April 1		299,056
Fund Balance - March 31		\$ 299,786

See independent auditor's report.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2022

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The budget may only be amended by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no supplementary appropriations were necessary.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

SCHEDULE OF CASH AND INVESTMENTS

March 31, 2022

Providence Bank	
Checking	\$ 3,696
Money market	219,084
Wheaton Bank & Trust	
Money market	<u>152,979</u>
 Total cash and investments	 <u><u>\$ 375,759</u></u>

See independent auditor's report.

**WHEATON MOSQUITO ABATEMENT DISTRICT
WHEATON, ILLINOIS**

**SCHEDULE OF PROPERTY TAX ASSESSED VALUATIONS,
RATES, EXTENSIONS, AND COLLECTIONS**

Last Five Tax Levy Years

Tax Levy Year	2021		2020		2019		2018		2017	
Assessed Valuations (rate setting)	<u>\$ 3,043,289,913</u>		<u>\$ 3,008,270,603</u>		<u>\$ 2,944,760,294</u>		<u>\$2,871,233,601</u>		<u>\$ 2,727,402,504</u>	
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
Tax Extensions	0.1541	\$ 468,667	0.0157	\$ 472,298	0.0160	\$ 471,162	0.0161	\$ 462,269	0.0165	450,021
Tax Collections										
Year ended March 31, 2022			\$ 470,862		\$ 470,292		\$ -		\$ -	
Cumulative through March 31, 2022			<u>-</u>		<u>-</u>		<u>461,845</u>		<u>449,801</u>	
Total Tax Collections			<u>470,862</u>		<u>470,292</u>		<u>461,845</u>		<u>449,801</u>	
Percent Collected			<u>99.7%</u>		<u>99.8%</u>		<u>99.9%</u>		<u>100.0%</u>	

* Property tax rates are per \$100 of assessed valuation.

See independent auditor's report.