

**NORTH SHORE MOSQUITO  
ABATEMENT DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2022**



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## **Independent Auditor's Report**

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Board of Trustees  
North Shore Mosquito Abatement District  
Northfield, Illinois

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Shore Mosquito Abatement District, Northfield, Illinois as of and for the year ended December 31, 2022, 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 North Shore Mosquito Abatement District, Northfield, Illinois as of December 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 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 Financial Statements section of our report. We are required to be independent of North Shore Mosquito Abatement District, Northfield, Illinois, 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 North Shore 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 and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

## **Independent Auditor's Report**

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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 North Shore 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 North Shore 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 3 through 6 and 23 through 29 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.

*ATA GROUP, LLP*

June 8, 2023

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

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As management of North Shore Mosquito Abatement District, this narrative overview and analysis is provided of the District's financial activities for the year ending December 31, 2022. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

### **Overview of the Financial Statements**

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 December 31, 2022 and 2021 was \$4,132,266 and \$4,175,302, respectively. For the years ended December 31, 2022 and 2021, net position decreased by \$43,036 and increased by \$385,676, respectively. 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, 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 and OPEB liabilities and on employer contributions to the pension and OPEB liabilities.

### **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 \$4,132,266 as of the close of the year. Of the net position balance, \$2,429,223 is unrestricted and \$1,653,043 represents net investment in capital assets. The District uses these capital assets to provide services and, consequently, these assets are not available to liquidate liabilities or for other spending.

# Management's Discussion and Analysis

## Condensed Statement of Net Position

	December 31,	
	2022	2021
Current Assets	\$ 3,654,430	\$ 3,572,011
Net Pension Asset	-	735,277
Capital Assets, net	1,653,043	1,804,393
Total Assets	5,307,473	6,111,681
Deferred Outflows Related to Pension (IMRF)	583,611	393,932
Total Assets and Deferred Outflows of Resources	5,891,084	6,505,613
Current Liabilities	5,123	35,381
Non-Current Liabilities	64,628	28,519
Total Liabilities	69,751	63,900
Deferred Inflows of Resources	1,689,067	2,266,411
Net Position		
Net Investment in Capital Assets	1,653,043	1,775,080
Unrestricted	2,479,223	2,400,222
Total Net Position	\$ 4,132,266	\$ 4,175,302

## Condensed Statement of Changes in Net Position

	For Years Ended December 31,	
	2022	2021
Revenues		
Taxes	\$ 1,791,406	\$ 1,724,853
Interest	10,159	639
Total Revenues	1,801,565	1,725,492
Expenses		
Administration	70,705	42,465
Purchase of Equipment	-	10,122
Purchase of Supplies	380,282	248,175
Building Maintenance	20,339	12,026
Utilities	34,159	32,165
Legal and Audit	30,981	30,270
Salaries and Wages	852,653	714,543
IMRF and Social Security	128,355	(128,449)
Insurance, including OPEB	132,663	144,690
Capital Fund	18,605	44,003
Contingency	10,971	5,326
Depreciation	164,888	184,480
Total Expenses	1,844,601	1,339,816
Change in Net Position	(43,036)	385,676
Net Position,		
Beginning of Year	4,175,302	3,789,626
End of Year	\$ 4,132,266	\$ 4,175,302

# Management's Discussion and Analysis

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## The District's Funds

The Capital Improvement Fund (CIF) of the District was authorized in 2011 and funded for the first time in 2012. The purpose of the CIF is to fund specific capital improvements, repairs or replacements of the District's real or personal property. The general fund changed by a net decrease of \$297,722 and the capital improvement fund changed by a net increase of \$143,903. The net changes included a transfer of \$170,000 from the general fund to the capital improvement fund for future projects.

## Significant Events

2022, our 95<sup>th</sup> year of mosquito control, was a year of numerous accomplishments. The final year of our five-year strategic plan saw the implementation of our new website, enhancements to our control operations, and some unexpected challenges that we successfully overcame. All of these accomplishments further enhance the service we provide residents and visitors of the 14 communities that comprise the District.

The launch of our new website occurred in January of 2022. Our new site ([www.nsmad.org](http://www.nsmad.org)) is designed to engage visitors with an improved user-interface, mobile device compatibility, language translation options, and is ADA compliant. Improvements go beyond just the look and feel of the site, NSMAD staff developed a new app that provides visitors to our site with an easy-to-navigate dashboard that provides real-time information about our treatment activities. Any person can now view much of the same data our staff uses to make treatment decisions. Our treatment records are now accessible by the public via our website, anytime, day or night. These improvements in transparency and accessibility demonstrate the massive amount of control activities performed by NSMAD staff daily to control mosquitoes and protect public health. Residents will find that our improved Service Request form allows them to choose from a variety of NSMAD services such as larval treatment control requests, property inspections to help locate the source of mosquito issues or arrange for a tire pick-up.

The District conducted a variety of research projects aimed at improving the effectiveness of our larval control program. With populations of mosquitoes that are resistant to currently available mosquito adulticides present in the area, our focus on improved larval mosquito control operations is key to protecting public health from current and potential future vector-borne diseases.

The physical and virtual renovations undertaken in 2022 will ensure that the NSMAD headquarters can function as the "nerve center" for district operations well into the future. It is important to note that through careful planning, NSMAD staff were able to increase the services we provide, without increasing our tax levy. In fact, the NSMAD has maintained the same flat levy for the past six years - a level which equates to approximately \$5.00 per resident or less than a can of mosquito repellent.

## Budgetary Highlights

The District's General Fund expended \$1,923,241, and transferred \$170,000 which was \$257,945 more than the appropriation of \$1,835,296. The appropriation sets the legal spending limit for the fiscal year. See Note 9 for additional information about the excess of expenditures over appropriations.

## Management's Discussion and Analysis

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### Capital Assets

The District's net capital assets are \$1,653,043, which is net of accumulated depreciation, as of December 31, 2022. During the fiscal year the District purchased a new truck to replace one that had been totaled in an accident.

	December 31,	
	2022	2021
Land	\$ 60,000	\$ 60,000
Land Improvements	586,269	586,269
Building and Improvements	1,780,886	1,780,886
Field Equipment	563,577	563,105
Lab Equipment	106,744	106,744
Office Equipment	5,670	5,670
Shop Equipment	30,358	30,358
Software	37,375	37,375
Cost of Capital Assets	3,170,879	3,170,407
Less Accumulated Depreciation	(1,517,836)	(1,366,014)
Net Capital Assets	<u>\$ 1,653,043</u>	<u>\$ 1,804,393</u>

See Note 4 on page 14 of the financial statements for more detailed information about District capital assets.

### Economic Factors

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 Executive Director, North Shore Mosquito Abatement District, 117 Northfield Road, Northfield, Illinois 60093.



# Basic Financial Statements

## NORTH SHORE MOSQUITO ABATEMENT DISTRICT

### GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION

DECEMBER 31, 2022

	General Fund	Capital Improvements Fund	Total	Adjustments (Note 8)	Statement of Net Position
<b>ASSETS</b>					
Cash and Deposits	\$ 1,122,960	\$ 199,440	\$ 1,322,400	\$ -	\$ 1,322,400
Property Tax Receivable, net	1,831,845	-	1,831,845	-	1,831,845
Prepaid Expense	123,062	-	123,062	-	123,062
Inventory	-	-	-	377,123	377,123
Capital Assets, net of accumulated depreciation	-	-	-	1,653,043	1,653,043
<b>Total Assets</b>	<b>3,077,867</b>	<b>199,440</b>	<b>3,277,307</b>	<b>2,030,166</b>	<b>5,307,473</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows Related to Pension (IMRF)	-	-	-	583,611	583,611
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 3,077,867</b>	<b>\$ 199,440</b>	<b>\$ 3,277,307</b>	<b>2,613,777</b>	<b>5,891,084</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 5,123	\$ -	\$ 5,123	\$ -	\$ 5,123
Long-Term Liabilities					
Due within one year	-	-	-	-	-
Due after one year	-	-	-	64,628	64,628
<b>Total Liabilities</b>	<b>5,123</b>	<b>-</b>	<b>5,123</b>	<b>64,628</b>	<b>69,751</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows Related to Pension (IMRF)	-	-	-	168,940	168,940
Deferred Property Taxes	1,520,127	-	1,520,127	-	1,520,127
<b>Total Deferred Inflows of Resources</b>	<b>1,520,127</b>	<b>-</b>	<b>1,520,127</b>	<b>168,940</b>	<b>1,689,067</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,525,250</b>	<b>-</b>	<b>1,525,250</b>	<b>233,568</b>	<b>1,758,818</b>
<b>FUND BALANCES / NET POSITION</b>					
<b>Fund Balances</b>					
Non-spendable	123,062	-	123,062	(123,062)	-
Committed	-	199,440	199,440	(199,440)	-
Unassigned	1,429,555	-	1,429,555	(1,429,555)	-
<b>Total Fund Balances</b>	<b>1,552,617</b>	<b>199,440</b>	<b>1,752,057</b>	<b>(1,752,057)</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,077,867</b>	<b>\$ 199,440</b>	<b>\$ 3,277,307</b>		
<b>Net Position</b>					
Net Investment in Capital Assets				1,653,043	1,653,043
Unrestricted				2,479,223	2,479,223
<b>Total Net Position</b>				<b>\$ 4,132,266</b>	<b>\$ 4,132,266</b>

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

# Basic Financial Statements

## NORTH SHORE MOSQUITO ABATEMENT DISTRICT

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

YEAR ENDED DECEMBER 31, 2022

	General Fund	Capital Improvements Fund	Total	Adjust- ments (Note 8)	Statement of Activities
<b>REVENUES</b>					
Property Taxes	\$1,585,077	\$ -	\$1,585,077	\$ -	\$1,585,077
Personal Property Replacement Taxes	206,329	-	206,329	-	206,329
Interest	4,113	6,046	10,159	-	10,159
Total Revenues	<u>1,795,519</u>	<u>6,046</u>	<u>1,801,565</u>	<u>-</u>	<u>1,801,565</u>
<b>EXPENDITURES / EXPENSES</b>					
Administration	70,705	-	70,705	-	70,705
Purchase of Supplies	646,778	-	646,778	(266,496)	380,282
Building Maintenance	20,339	-	20,339	-	20,339
Utilities	34,159	-	34,159	-	34,159
Legal and Audit	30,981	-	30,981	-	30,981
Salaries and Wages	852,653	-	852,653	-	852,653
IMRF and Social Security	95,826	-	95,826	32,529	128,355
Insurance, including OPEB	160,829	-	160,829	(28,166)	132,663
Capital Fund	-	32,143	32,143	(13,538)	18,605
Contingency	10,971	-	10,971	-	10,971
Depreciation	-	-	-	164,888	164,888
Total Expenditures / Expenses	<u>1,923,241</u>	<u>32,143</u>	<u>1,955,384</u>	<u>(110,783)</u>	<u>1,844,601</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,722)	(26,097)	(153,819)	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfer In (Out)	<u>(170,000)</u>	<u>170,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(297,722)	143,903	(153,819)	153,819	-
Change in Net Position				(43,036)	(43,036)
<b>FUND BALANCES / NET POSITION</b>					
Beginning of Year	<u>1,850,339</u>	<u>55,537</u>	<u>1,905,876</u>	<u>2,269,426</u>	<u>4,175,302</u>
End of Year	<u>\$1,552,617</u>	<u>\$ 199,440</u>	<u>\$1,752,057</u>	<u>\$2,380,209</u>	<u>\$4,132,266</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

The North Shore Mosquito Abatement District (District) was chartered on December 8, 1927 to serve the Illinois townships of Evanston, Niles, New Trier and parts of Northfield and Maine. The objective of the District is the reduction of the regional mosquito population to reduce the probability of mosquito borne diseases, minimize annoyance by pestiferous mosquitoes, and educate residents on proper breeding source reduction in their own backyards.

The financial statements of North Shore 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 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 Fund Balance Sheet and Statement of Net Position and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities combine information about the reporting government as a whole and fund 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 is used to account for all financial resources not accounted for in another fund. The Capital Improvements Fund is a capital projects fund and is used to account for specific capital acquisitions. Both the General and Capital Improvements funds are considered major funds of the District.

## Notes to Financial Statements

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

#### 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 basis of accounting. Fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance) are prepared using the current financial measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means collectible within the current period or within sixty days after the year end. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

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 2022 tax year is recognized as deferred inflows of resources in the accompanying balance sheet.

#### D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for the capital project fund.

#### E. Cash and Deposits

Cash and deposits represent amounts in a demand deposit account, money market accounts and certificates of deposit.

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.

#### F. Capital Assets

The accounting treatment over capital assets depends on whether the assets are reported in the government-wide or fund financial statements.

## Notes to Financial Statements

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

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

Land Improvements	15 years
Buildings and Improvements	10 – 50 years
Field Equipment	3 – 7 years
Lab Equipment	5 – 10 years
Office Equipment	3 – 5 years
Shop Equipment	7 – 20 years
Software	3 years

The minimum capitalization threshold is any item with a total cost greater than \$5,000. Prior to January 1, 2022, the minimum capitalization threshold was \$1,500.

#### *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.

#### **G. Inventory**

Inventory is valued at cost, which approximates market, using the first-in/first-out (FIFO) method, on the government-wide financial statement. Inventory is expensed at the time of purchase (purchase method) on the fund financial statements. Inventory consists of insecticides.

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

Every employee must use his or her vacation days during the calendar year in which they are earned. Any vacation days unused by December 31 of the calendar year will be lost unless granted a carry-over into the next calendar year by the Executive Director based on his/her judgment. Sick pay benefits can be accumulated; however, they are not paid upon termination, so no liability is recognized.

#### **I. Deferred Outflows and Inflows of Resources**

Deferred outflows and inflows of resources related to pension expense represent amounts related to the difference between expected and actual experience, changes in

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

assumptions and the net difference between projected and actual earnings on pension plan investments. See Note 6 for additional information on the deferred outflows.

Deferred property tax revenue is listed under deferred inflows. Deferred 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, and therefore are classified as deferred inflows of resources.

#### J. Fund Equity

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 or are required to be maintained intact; prepaid expense amounts are considered non-spendable;
- 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 (the board of trustees); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint (such action would be passing a resolution or ordinance); capital projects fund balance is considered committed for capital purchases and maintenance;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the board of trustees or, can be delegated by the Board to the District Superintendent;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board of trustees establishes (and modifies or rescinds) 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. An assigned fund balance is established by the board of trustees through adoption or amendment of the budget as intended for specific purpose.

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

#### K. Estimates

The preparation of financial statements in conformity with U.S. generally accepted

## Notes to Financial Statements

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

accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### L. Defined Benefit Pension Plan (IMRF)

For purposes of measuring the net pension 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.

#### M. Interfund Transfer

The annual transfer from the General Fund to the Capital Improvement Fund is to supply monies to acquire capital assets and fund their maintenance.

### Note 2: Deposits

At December 31, 2022, the carrying amount of the District's deposits was \$1,322,400 and the bank balance was \$1,738,333. Of the bank balance, \$603,084 was covered by federal depository insurance and \$1,135,249 was collateralized with securities held by the pledging financial institution's agent in the District's name. Included in deposits are certificates of deposit (CDs) totaling \$339,872. CDs terms are generally six months or less. The interest rate on CDs held at year end ranged from .05% to 1.10%.

### Note 3: Property Tax

Property taxes are payable in two installments generally on or around March 1 and August 1; however, the due date for the second billing of the 2021 property tax was delayed until December 30, 2022. Property tax revenue is recorded when received and includes those amounts paid within 60 days after year end. The amount of the 2021 tax levy receivable at year end, and collected within 60 days, was \$311,718. A total of \$1,564,750 was collected related to the 2021 extended tax levy of \$1,594,453 (requested levy \$1,520,127) in 2022 and the first 60 days of 2023. Prior year collections, totaling \$20,327, increased the overall tax levy collection. The extended levy was \$74,326 higher than the requested levy due to rounding of the tax rate by the county.

The District passed its 2022 tax levy ordinance in December 2022. This \$1,520,127 levy is presented as both Property Tax Receivable and Deferred Inflows of Resources. It attached as an enforceable lien on property as of January 1, 2022. No allowance for uncollectible taxes is recorded for the 2022 levy since the levy is rounded up when extended, and this rounding is usually adequate to cover collection losses.

## Notes to Financial Statements

### Note 4: Capital Assets

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

	Balance December 31, 2021	Increases	Decreases	Balance December 31, 2022
Capital assets, not being depreciated				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Capital assets, being depreciated				
Land Improvements	586,269	-	-	586,269
Building and Improvements	1,780,886	-	-	1,780,886
Field Equipment	563,105	21,992	(21,520)	563,577
Lab Equipment	106,744	-	-	106,744
Office Equipment	5,670	-	-	5,670
Shop Equipment	30,358	-	-	30,358
Software	37,375	-	-	37,375
Total capital assets being depreciated	3,110,407	21,992	(21,520)	3,110,879
Less accumulated depreciation for				
Land Improvements	(303,509)	(35,700)	-	(339,209)
Building and Improvements	(534,179)	(56,111)	-	(590,290)
Field Equipment	(426,858)	(46,046)	13,066	(459,838)
Lab Equipment	(54,311)	(14,689)	-	(69,000)
Office Equipment	(5,670)	-	-	(5,670)
Shop Equipment	(19,701)	(703)	-	(20,404)
Software	(21,786)	(11,639)	-	(33,425)
Total accumulated depreciation	(1,366,014)	(164,888)	13,066	(1,517,836)
Capital assets being depreciated, net	1,744,393	(142,896)	(8,454)	1,593,043
Capital assets, net	\$ 1,804,393	\$ (142,896)	\$ (8,454)	\$ 1,653,043

### Note 5: Long-Term (Assets) Liabilities

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

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due In One Year
Net Pension (Asset)					
Liability	\$ (735,277)	\$ 799,552	\$ -	\$ 64,275	\$ -
Net OPEB					
Liability	28,519	-	28,166	353	-

### Note 6: Defined Benefit Pension Plan

IMRF Plan Description. The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal



## Notes to Financial Statements

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### Note 6: Defined Benefit Pension Plan (Continued)

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).

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, 2022, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving	1
Active Plan Members	<u>7</u>
Total	<u><u>13</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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 2022 was 4.63%. For the fiscal year ended December 31, 2022 the District

### Note 6: Defined Benefit Pension Plan (Continued)

contributed \$30,598 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, 2022. The total pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension (asset) liability at December 31, 2022:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.25%.
- *Salary Increases* were expected to be 2.85% to 13.75%, including inflation.
- The *Investment Rate of Return* was assumed to be 7.25%.
- *Projected Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for *Mortality* (for non-disabled retirees) were developed from the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables with future mortality improvements projected using scale MP-2020.
- For *Disabled Retirees*, the Pub-2010, Amount-Weighted, below-median income, General Disabled Retiree, Male and Female (both unadjusted) tables were used with future mortality improvements projected using scale MP-2020.
- For *Active Members*, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables were used with future mortality improvements projected using scale MP-2020.
- There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2022 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, 2022:

## Notes to Financial Statements

### Note 6: Defined Benefit Pension Plan (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	35.5%	6.50%
International Equities	18.0	7.60%
Fixed Income	25.5	4.90%
Real Estate	10.5	6.20%
Alternative Investments	9.5	6.25-9.90%
Cash Equivalents	1.0	4.00%
Total	100.0%	

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.05%; and the resulting single discount rate is 7.25%.

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) - (B)
Balances at December 31, 2021	\$ 3,006,743	\$ 3,742,020	\$ (735,277)
Change for the year:			
Service Cost	56,470	-	56,470
Interest on the Total Pension Liability	214,982	-	214,982
Change in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	89,733	-	89,733
Changes in Assumptions	-	-	-
Contributions - Employer	-	30,598	(30,598)
Contributions - Employees	-	29,738	(29,738)
Net Investment Income	-	(450,491)	450,491
Benefit Payments, including Refunds of Employee Contributions	(139,408)	(139,408)	-
Other (Net Transfers)	-	(48,212)	48,212
Net Changes	221,777	(577,775)	799,552
Balances at December 31, 2022	\$ 3,228,520	\$ 3,164,245	\$ 64,275

## Notes to Financial Statements

### Note 6: Defined Benefit Pension Plan (Continued)

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:

	<u>1% Lower (6.25%)</u>	<u>Current (7.25%)</u>	<u>1% Higher (8.25%)</u>
Net Pension (Asset) Liability	\$ 545,474	\$ 64,275	\$ (299,325)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2022, the District recognized an increase in pension expense of \$63,127. At December 31, 2022, 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	\$ 290,263	\$ 130,142
Changes of assumptions	19,109	38,798
Net difference between projected and actual earnings on pension plan investments	<u>274,239</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 583,611</u>	<u>\$ 168,940</u>

Amounts reported as net deferred outflows 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>
2023	\$ 10,157
2024	69,568
2025	106,002
2026	188,819
2027	32,322
Thereafter	<u>7,803</u>
Total	<u>\$ 414,671</u>

### Note 7: Other Post-Employment Benefits

#### Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described above, the District provides post-employment health care benefits (OPEB) for retired employees of the District through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the.

## Notes to Financial Statements

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### Note 7: Other Post-Employment Benefits (Continued)

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.

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 December 31, 2022, retirees contributed \$0. Active employees do not contribute to the plan until retirement.

At December 31, 2022, membership consisted of:

Total active employees	7
Inactive employees currently receiving benefit payments	0
Inactive entitled to but not yet receiving benefit payments	<u>0</u>
	<u><u>7</u></u>

#### Contributions

There are no actuarially determined contributions or employer contributions as there is no Trust that exists for funding the OPEB liabilities. There are only contributions from other District resources which relate to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums, and current premium payments on behalf of one retiree whom the District pays their Medicare Supplemental health insurance payment under a previous, unique plan.

#### Net OPEB Liability

The District's net OPEB liability of \$353 was measured as of December 31, 2022, and was determined by an actuarial valuation performed as of January 1, 2023.

Actuarial Assumptions and Other Inputs. The net OPEB liability in the January 1, 2023 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 3.72%, based on the High Quality 20-Year Tax Exempt G.O. Bond Rate.
- The *Health Care Cost Trend Rates* beginning January 1, 2022 at 7.40% reduced annually in .27% increments to 5.0%.

## Notes to Financial Statements

### Note 7: Other Post-Employment Benefits (Continued)

- *Plan Participation Rate* assumes 15% of employees currently enrolled in medical plans will participate in the plan.
- *Retirement Rates* used were Age 61 for Tier 1 IMRF Employees and Age 62 for Tier II IMRF employees.
- *Retiree Lapse Rates* used was 100% at age 65 once Medicare eligible.
- *Mortality Rates* follows the Sex Distinct Raw Rates as developed in the PubG-2010(B) Study. These rates are improved generationally using MP-2020 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.

	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Net OPEB Liability (A)-(B)
Balances at December 31, 2021	\$ 28,519	\$ -	\$ 28,519
Change for the year:			
Service Cost	34	-	34
Interest on the Total OPEB Liability	524	-	524
Change in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total OPEB Liability	(22,529)	-	(22,529)
Changes in Assumptions	(37)	-	(37)
Benefit Payments	(6,158)	6,158	(12,316)
Contributions - Employer	-	(6,158)	6,158
Contributions - Employees	-	-	-
Administrative Expenses	-	-	-
Net Changes	(28,166)	-	(28,166)
Balances at December 31, 2022	\$ 353	\$ -	\$ 353

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 3.72%, 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 (2.72%)	Current (3.72%)	1% Higher (4.72%)
Net OPEB Liability	\$ 383	\$ 353	\$ 324

## Notes to Financial Statements

### Note 7: Other Post-Employment Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability, as well as what the plan's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Employer's Net OPEB	\$ 304	\$ 353	\$ 410

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2022, the District recognized OPEB expense of (\$28,166). At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

### Note 8: 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	\$ 377,123
Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	1,653,043
Deferred outflows related to pensions	583,611
Net pension liability reported in the government-wide	(64,275)
Net OPEB liabilities reported in the government wide statements	(353)
Deferred inflows related to pensions	<u>(168,940)</u>
	<u>\$ 2,380,209</u>

## Notes to Financial Statements

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### **Note 8: Adjustments (Continued)**

The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeded capital outlays is \$151,350 (\$164,888 less \$13,538). Also, the inventory increased by \$(266,496), and the increase in government-wide pension expense was \$32,529. In addition, OPEB liability decreased by \$(28,166).

### **Note 9: Excess of Expenditures Over Appropriations**

For the year ended December 31, 2022, expenditures appear to exceed appropriations by a total of \$257,945. See page 23, Schedule of Revenues and Expenditures – Estimated Receipts and Appropriations Compared to Actual – General Fund, for the detail of the over and under of various line items. The entire reported coverage can be accounted for from two sources. One insecticide invoice for \$134,660 was charged to 2022 expenses instead of where it was budgeted in 2021, due to the late delivery of the insecticide. The capital improvement transfer of \$170,000 was paid in 2022, where it remains in the District’s account.

### **Note 10: Fund Balances - Non-Spendable and Committed**

The non-spendable portion of fund balances in the general fund represents the amount recorded as prepaid expense. The fund balance of the capital improvement fund is listed as committed as it has been designated by the board of trustees for capital improvement and maintenance purposes.

### **Note 11: 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 for all 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.



## Required Supplementary Information

### NORTH SHORE MOSQUITO ABATEMENT DISTRICT

#### SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL GENERAL FUND

YEAR ENDED DECEMBER 31, 2022

	ESTIMATED RECEIPTS AND APPROPRIATIONS ORIGINAL	ESTIMATED RECEIPTS AND APPROPRIATIONS FINAL	ACTUAL
<b>REVENUES</b>			
Property Taxes	\$ 1,520,127	\$ 1,520,127	\$ 1,585,077
Personal Property Replacement Taxes	50,000	50,000	206,329
Interest	500	500	4,113
Total Revenues	<u>1,570,627</u>	<u>1,570,627</u>	<u>1,795,519</u>
<b>EXPENDITURES</b>			
<b>ADMINISTRATION</b>			
Education	2,500	2,500	1,783
Meetings	32,000	32,000	19,226
IT Service	25,000	25,000	29,399
Subscriptions	5,000	5,000	3,000
Printing and Publications	3,500	3,500	17,297
	<u>68,000</u>	<u>68,000</u>	<u>70,705</u>
<b>PURCHASE OF EQUIPMENT</b>			
Lab Equipment	-	-	-
Office Equipment	-	-	-
Shop Equipment	-	-	-
Field Equipment	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>PURCHASE OF SUPPLIES</b>			
Lab Supplies	38,000	38,000	37,005
Office Supplies	11,600	11,600	18,175
Motor Vehicle Expense	16,000	16,000	21,552
Insecticides	243,253	243,253	554,092
Gasoline	-	-	-
Field Supplies	10,500	10,500	15,954
Shop Supplies	-	-	-
	<u>319,353</u>	<u>319,353</u>	<u>646,778</u>
<b>BUILDING MAINTENANCE</b>			
Building Maintenance and Repair	10,000	10,000	20,339
	<u>10,000</u>	<u>10,000</u>	<u>20,339</u>

(Continued)

## Required Supplementary Information

### GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES-ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL (Continued)

	ESTIMATED RECEIPTS AND APPROPRIATIONS ORIGINAL	ESTIMATED RECEIPTS AND APPROPRIATIONS FINAL	ACTUAL
<b>UTILITIES</b>			
Electricity	\$ 1,500	\$ 1,500	\$ 3,562
Heat	8,000	8,000	6,773
Water	900	900	479
Telephone	20,647	20,647	21,747
Garbage Collection	1,500	1,500	1,598
	<u>32,547</u>	<u>32,547</u>	<u>34,159</u>
<b>LEGAL AND AUDIT</b>			
Audit	14,242	14,242	12,900
Attorney	18,200	18,200	18,081
Regulatory / Legal Review	-	-	-
	<u>32,442</u>	<u>32,442</u>	<u>30,981</u>
<b>SALARIES AND WAGES</b>			
Salary - Executive Director	112,429	112,429	112,428
Salary - Internal Operations Manager	98,344	98,344	98,344
Salary - Field Supervisor	83,574	83,574	83,574
Salary - Chief Inspector	60,711	60,711	60,711
Salary - Lab Director	112,156	112,156	112,156
Salary - Communications Manager	93,492	93,492	93,492
Salary - Vector Biologist	92,548	92,548	92,548
Consultants	12,000	12,000	11,095
Employee Overtime	14,200	14,200	8,179
Part-time Labor/Overtime	150,000	150,000	180,126
	<u>829,454</u>	<u>829,454</u>	<u>852,653</u>
<b>IMRF AND SOCIAL SECURITY</b>			
Employer's Share of F.I.C.A.	61,000	61,000	65,228
Employer's Share of I.M.R.F.	32,000	32,000	30,598
	<u>93,000</u>	<u>93,000</u>	<u>95,826</u>
<b>INSURANCE</b>			
Employee Health Insurance	115,000	115,000	102,489
Comprehensive and Liability Insurance	45,200	45,200	47,420
Workman's Compensation Insurance	12,300	12,300	9,009
Unemployment Insurance	2,000	2,000	1,911
	<u>174,500</u>	<u>174,500</u>	<u>160,829</u>
<b>CONTINGENCIES</b>			
	<u>6,000</u>	<u>6,000</u>	<u>10,971</u>
Total Expenditures	<u>1,565,296</u>	<u>1,565,296</u>	<u>1,923,241</u>
Excess of Revenues Over Expenditures	5,331	5,331	(127,722)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to Capital Improvements Fund	<u>(270,000)</u>	<u>(270,000)</u>	<u>(170,000)</u>
Net Change in Fund Balances	<u>\$ (264,669)</u>	<u>\$ (264,669)</u>	<u>\$ (297,722)</u>

# Required Supplementary Information

## NORTH SHORE MOSQUITO ABATEMENT DISTRICT

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

CALENDAR YEAR ENDED DECEMBER 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service Cost	\$ 56,470	\$ 57,206	\$ 59,361	\$ 58,754	\$ 53,273	\$ 54,451	\$ 59,071	\$ 55,908	\$ 57,778
Interest on the Total Pension Liability	214,982	206,715	180,734	189,173	174,660	204,788	193,359	173,475	158,892
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	89,733	(11,056)	309,244	(257,514)	61,216	(436,658)	52,737	180,904	8,917
Assumption Changes	-	-	(55,722)	-	82,254	(95,060)	-	-	96,616
Benefit Payments and Refunds	(139,408)	(137,515)	(130,841)	(83,398)	(103,927)	(153,340)	(147,616)	(145,865)	(107,794)
<b>Net Change in Total Pension Liability</b>	<b>221,777</b>	<b>115,350</b>	<b>362,776</b>	<b>(92,985)</b>	<b>267,476</b>	<b>(425,819)</b>	<b>157,551</b>	<b>264,422</b>	<b>214,409</b>
<b>Total Pension Liability - Beginning</b>	<b>3,006,743</b>	<b>2,891,393</b>	<b>2,528,617</b>	<b>2,621,602</b>	<b>2,354,126</b>	<b>2,779,945</b>	<b>2,622,394</b>	<b>2,357,972</b>	<b>2,143,563</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 3,228,520</b>	<b>\$ 3,006,743</b>	<b>\$ 2,891,393</b>	<b>\$ 2,528,617</b>	<b>\$ 2,621,602</b>	<b>\$ 2,354,126</b>	<b>\$ 2,779,945</b>	<b>\$ 2,622,394</b>	<b>\$ 2,357,972</b>
<b>Plan Fiduciary Net Position</b>									
Employer Contributions	\$ 30,598	\$ 30,798	\$ 35,534	\$ 23,699	\$ 38,757	\$ 37,484	\$ 38,049	\$ 40,640	\$ 39,890
Employee Contributions	29,738	26,964	27,240	26,529	27,124	25,365	55,359	25,062	23,807
Pension Plan Net Investment Income	(450,491)	549,327	345,776	448,116	(111,849)	483,956	184,372	12,742	148,475
Benefit Payments and Refunds	(139,408)	(137,515)	(130,841)	(83,398)	(103,927)	(153,340)	(147,616)	(145,865)	(107,794)
Other	(48,212)	14,921	210,083	(200,719)	38,883	(536,073)	43,474	114,519	27,954
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(577,775)</b>	<b>484,495</b>	<b>487,792</b>	<b>214,227</b>	<b>(111,012)</b>	<b>(142,608)</b>	<b>173,638</b>	<b>47,098</b>	<b>132,332</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>3,742,020</b>	<b>3,257,525</b>	<b>2,769,733</b>	<b>2,555,506</b>	<b>2,666,518</b>	<b>2,809,126</b>	<b>2,635,488</b>	<b>2,588,390</b>	<b>2,456,058</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 3,164,245</b>	<b>\$ 3,742,020</b>	<b>\$ 3,257,525</b>	<b>\$ 2,769,733</b>	<b>\$ 2,555,506</b>	<b>\$ 2,666,518</b>	<b>\$ 2,809,126</b>	<b>\$ 2,635,488</b>	<b>\$ 2,588,390</b>
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 64,275</b>	<b>\$ (735,277)</b>	<b>\$ (366,132)</b>	<b>\$ (241,116)</b>	<b>\$ 66,096</b>	<b>\$ (312,392)</b>	<b>\$ (29,181)</b>	<b>\$ (13,094)</b>	<b>\$ (230,418)</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>98.01%</b>	<b>124.45%</b>	<b>112.66%</b>	<b>109.54%</b>	<b>97.48%</b>	<b>113.27%</b>	<b>101.05%</b>	<b>100.50%</b>	<b>109.77%</b>
<b>Covered Valuation Payroll</b>	<b>\$ 660,852</b>	<b>\$ 599,194</b>	<b>\$ 605,342</b>	<b>\$ 589,522</b>	<b>\$ 602,751</b>	<b>\$ 563,670</b>	<b>\$ 570,444</b>	<b>\$ 558,821</b>	<b>\$ 529,044</b>
<b>Net Pension (Asset) Liability as a Percentage of Covered Valuation Payroll</b>	<b>9.73%</b>	<b>-122.71%</b>	<b>-60.48%</b>	<b>-40.90%</b>	<b>10.97%</b>	<b>-55.42%</b>	<b>-5.12%</b>	<b>-2.34%</b>	<b>-43.55%</b>

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

### NORTH SHORE MOSQUITO ABATEMENT DISTRICT

#### SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2022	\$ 30,598	\$ 30,598	\$ -	\$ 660,852	4.63%
2021	30,798	30,798	-	599,194	5.14%
2020	35,534	35,534	-	605,342	5.87%
2019	23,699	23,699	-	589,522	4.02%
2018	38,757	38,757	-	602,751	6.43%
2017	37,484	37,484	-	563,370	6.65%
2016	38,049	38,049	-	570,444	6.67%
2015	40,801	40,801	-	558,821	7.30%
2014	39,890	39,890	-	529,044	7.54%

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

#### SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2022 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 2022 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>	21-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>	2.85% 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-medial income, General, Retiree, Mail (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-

## **Required Supplementary Information**

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Weighted, below-median 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, 2020, actuarial valuation; note two year lag between valuation and rate setting.

# Required Supplementary Information

## NORTH SHORE MOSQUITO ABATEMENT DISTRICT

### SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31,

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 34	\$ 40	\$ 6	\$ 5	\$ 5
Interest	524	666	730	1,250	1,417
Changes on Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	(22,529)	-	8,517	-	-
Changes in Assumptions	(37)	(637)	1,349	544	-
Benefit Payments	(6,158)	(5,927)	(5,739)	(5,560)	(5,422)
Net Change in Total OPEB Liability	(28,166)	(5,858)	4,863	(3,761)	(4,000)
Total OPEB Liability - Beginning	28,519	34,377	29,514	33,275	37,275
Total OPEB Liability - Ending (a)	<u>\$ 353</u>	<u>\$ 28,519</u>	<u>\$ 34,377</u>	<u>\$ 29,514</u>	<u>\$ 33,275</u>
OPEB Plan Net Position					
Contributions - Employer	\$ 6,158	\$ 5,927	\$ 5,739	\$ 5,560	\$ 5,422
Contributions - Employee	-	-	-	-	-
Contributions - Other	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments	(6,158)	(5,927)	(5,739)	(5,560)	(5,422)
Administrative Expense	-	-	-	-	-
Employer Net Change in OPEB Plan Net Position	-	-	-	-	-
OPEB Plan Net Position - Beginning	-	-	-	-	-
OPEB Plan Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 353</u>	<u>\$ 28,519</u>	<u>\$ 34,377</u>	<u>\$ 29,514</u>	<u>\$ 33,275</u>
OPEB Plan Net Position as a Percentage of Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 653,253	\$ 596,428	\$ 581,042	\$ 589,522	\$ 602,751
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	0.05%	4.78%	5.92%	5.01%	5.52%

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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### NORTH SHORE MOSQUITO ABATEMENT DISTRICT

### SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Calendar Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual as a Percentage of Covered Valuation Payroll
2022	\$ N/A	\$ -	\$ N/A	\$ 653,253	0.00%
2021	N/A	-	N/A	596,428	0.00%
2020	N/A	-	N/A	581,042	0.00%
2019	N/A	-	N/A	589,522	0.00%
2018	N/A	-	N/A	602,751	0.00%

#### *Notes to the Required Supplementary Information*

There is no Actuarially Determined Contribution (ADC) or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities. However, the District did make contributions from other District resources in the current year in the amount of \$6,158 as a pass-thru.