

***BARBERTON-NORTON MOSQUITO ABATEMENT
DISTRICT***

SUMMIT COUNTY

Regular Audit

For the Years Ended December 31, 2023 and 2022





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Columbus, Ohio 43215
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800-282-0370

Board of Trustees
Barberton-Norton Mosquito Abatement District
131 Snyder Avenue
Barberton, OH 44203

We have reviewed the *Independent Auditor's Report* of the Barberton-Norton Mosquito Abatement District, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Barberton-Norton Mosquito Abatement District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2024

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Barberton-Norton Mosquito Abatement District
Summit County
For the Years Ended December 31, 2023 and 2022

Table of Contents

Title	Page
Independent Auditor’s Report 2023.....	1
Management’s Discussion and Analysis 2023.....	4
Basic Financial Statements 2023:	
Government Wide Financial Statements 2023:	
Statement of Net Position – Cash Basis – December 31, 2023	10
Statement of Activities – Cash Basis – For the Year Ended December 31, 2023	11
Fund Financial Statements 2023:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – December 31, 2023.....	12
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds - For the Year Ended December 31, 2023.....	13
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis - For the Year Ended December 31, 2023:	
General Fund.....	14
Notes to the Basic Financial Statements – For the Year Ended December 31, 2023	15

Barberton-Norton Mosquito Abatement District
Summit County
For the Years Ended December 31, 2023 and 2022

Table of Contents

Title	Page
Management’s Discussion and Analysis 2022.....	26
Basic Financial Statements 2022:	
Government Wide Financial Statements 2022:	
Statement of Net Position – Cash Basis – December 31, 2022	32
Statement of Activities – Cash Basis – For the Year Ended December 31, 2022	33
Fund Financial Statements 2022:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – December 31, 2022.....	34
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds - For the Year Ended December 31, 2022.....	35
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis - For the Year Ended December 31, 2022:	
General Fund.....	36
Notes to the Basic Financial Statements – For the Year Ended December 31, 2022.....	37
Independent Auditor’s Report on the Internal Control Over Financial Reporting and on Compliance and Other Matters required by <i>Government</i> <i>Auditing Standards</i>	48

INDEPENDENT AUDITOR’S REPORT

Barberton-Norton Mosquito Abatement District
Summit County
4410 W. Streetsboro Road
Richfield, OH 44286

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the cash basis financial statements of the governmental activities and the major fund of the Barberton-Norton Mosquito Abatement District, Summit County, Ohio (the District), as of and for the years ended December 31, 2023 and 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 accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the major fund of the District as of December 31, 2023 and 2022, and the respective changes in cash basis financial position thereof and the budgetary comparison for the General fund for the year then ended in accordance with the cash basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 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.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 GAAS and the financial audit standards in the Comptroller General of the United States' *Government 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 GAAS and *Government 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 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 28, 2024

Barberton-Norton Mosquito Abatement District
Summit County

Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

The discussion and analysis of the Mosquito Abatement District's financial performance provides an overall review of the Mosquito Abatement District's financial activities for the year ended December 31, 2023, within the limitations of the Mosquito Abatement District's cash basis of accounting. The intent of this discussion and analysis is to look at the Mosquito Abatement District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Mosquito Abatement District's financial performance.

Financial Highlights

Key financial highlights for the year 2023 are as follows:

- Net Position decreased \$64,791. The decrease is attributable to a large capital purchase.
- The Mosquito Abatement District had \$445,927 in disbursements during 2023.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Mosquito Abatement District's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Mosquito Abatement District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The statement of net position – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Mosquito Abatement District, presenting both an aggregate view of the Mosquito Abatement District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Mosquito Abatement District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Mosquito Abatement District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Mosquito Abatement District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Barberton-Norton Mosquito Abatement District

Summit County

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Mosquito Abatement District as a Whole

The statement of net position and the statement of activities reflect how the Mosquito Abatement District did financially during 2023, within the limitations of the cash basis of accounting. The statement of net position – Cash Basis presents the cash balances of the governmental activities of the Mosquito Abatement District at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Mosquito Abatement District's general receipts.

These statements report the Mosquito Abatement District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Mosquito Abatement District's financial health. Over time, increases or decreases in the Mosquito Abatement District's cash position is one indicator of whether the Mosquito Abatement District's financial health is improving or deteriorating. When evaluating the Mosquito Abatement District's financial condition, you should also consider other non-financial factors as well such as the Mosquito Abatement District's property tax base, the condition of the Mosquito Abatement District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The statement of net position – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the Mosquito Abatement District's services. The Mosquito Abatement District has no business-type activities.

Reporting the Mosquito Abatement District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Mosquito Abatement District's major funds – not the Mosquito Abatement District as a whole. The Mosquito Abatement District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the Mosquito Abatement District are governmental.

Barberton-Norton Mosquito Abatement District
Summit County
Management’s Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Governmental Funds - The Mosquito Abatement District’s activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Mosquito Abatement District’s governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Mosquito Abatement District’s abatement programs. The Mosquito Abatement District’s significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Mosquito Abatement District’s major governmental fund is the General Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Mosquito Abatement District as a Whole

Table 1 provides a summary of the Mosquito Abatement District’s net position for 2023 compared to 2022 on a cash basis:

Table 1
Net Position – Cash Basis

	Governmental Activities		
	2023	2022	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	\$491,278	\$556,069	(\$64,791)
Total Assets	491,278	556,069	(64,791)
Net Position			
Unrestricted	491,278	556,069	(64,791)
Total Net Position	\$491,278	\$556,069	(\$64,791)

- As mentioned previously, net position decreased \$64,791. The decrease is attributable to a large capital purchase.

Table 2 reflects the change in net position in 2023 and provides a comparison to prior year amounts.

Barberton-Norton Mosquito Abatement District
Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Table 2
Changes in Net Position

	Governmental Activities		
	2023	2022	Change
Receipts			
General Receipts			
Property Taxes Levied for			
General Mosquito District Purposes	379,571	377,271	2,300
Earnings on Investments	1,282	320	962
Miscellaneous	283	3,148	(2,865)
Total General Receipts	<u>381,136</u>	<u>380,739</u>	<u>397</u>
Total Receipts	<u>381,136</u>	<u>380,739</u>	<u>397</u>
Disbursements			
Administration	223,263	190,352	32,911
General Government	117,382	130,548	(13,166)
Capital Outlay	105,282	0	105,282
Total Disbursements	<u>445,927</u>	<u>320,900</u>	<u>125,027</u>
Change in Net Position	(64,791)	59,839	(124,630)
Net Position Beginning of Year	<u>556,069</u>	<u>496,230</u>	<u>59,839</u>
Net Position End of Year	<u><u>\$491,278</u></u>	<u><u>\$556,069</u></u>	<u><u>(\$64,791)</u></u>

In 2023, 100% of the Mosquito Abatement District's total receipts were from general receipts, consisting mainly of property taxes levied for general Mosquito Abatement District purposes.

The 2023 disbursements for general government include all costs related to mosquito abatement.

Governmental Activities

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major services provided by the Mosquito Abatement District. The next column identifies the costs of providing these services. The net cost column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost for both the current and prior years is presented in Table 3.

Barberton-Norton Mosquito Abatement District
Summit County
Management’s Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Table 3
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Administration	\$223,263	\$223,263	\$190,352	\$190,352
General Government	117,382	117,382	130,548	130,548
Capital Outlay	105,282	105,282	-	-
Totals	\$445,927	\$445,927	\$320,900	\$320,900

The Mosquito Abatement District relies almost solely on a special assessment included on district members’ tax bills.

The Mosquito Abatement District’s Funds

As noted earlier, the Mosquito Abatement District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Mosquito Abatement District’s governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Mosquito Abatement District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Mosquito Abatement District’s net resources available for spending at the end of the year.

At the end of 2023, the Mosquito Abatement District’s governmental funds reported total ending fund balances of \$491,278. All of the total is unassigned fund balance is available for spending.

The general fund is the chief operating fund of the Mosquito Abatement District. At the end of 2023, unassigned fund balance in the general fund was \$491,278. As a measure of the general fund’s liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 110.2% of the total general fund expenditures.

Expenditures exceeded revenue in the general fund by \$64,791 in 2023.

General Fund Budgeting Highlights

The Mosquito Abatement District’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2023, the Mosquito Abatement District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. There were no significant changes between the original and the final estimated receipts.

Barberton-Norton Mosquito Abatement District
Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Contacting the Mosquito Abatement District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Mosquito Abatement District's finances and to reflect the Mosquito Abatement District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to 131 Snyder Avenue, Barberton, Ohio 44203, Phone 330-848-2623.

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT

Summit County, Ohio

Statement of Net Position - Cash Basis

December 31, 2023

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$491,278</u>
<i>Total Assets</i>	<u><u>\$491,278</u></u>
Net Position	
Unrestricted	<u>\$491,278</u>
<i>Total Net Position</i>	<u><u>\$491,278</u></u>

See accompanying notes to the basic financial statements

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT

Summit County, Ohio

Statement of Activities - Cash Basis

For the Year Ended December 31, 2023

	<u>Cash</u> <u>Disbursements</u>	<u>Net (Disbursements) Receipts</u> <u>and Changes in Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities		
Current:		
Administration	\$223,263	(\$223,263)
General Government	117,382	(117,382)
Capital Outlay	<u>105,282</u>	<u>(105,282)</u>
<i>Total Governmental Activities</i>	<u><u>\$445,927</u></u>	<u><u>(445,927)</u></u>
General Receipts:		
Property Taxes Levied for:		
General Purposes		379,571
Earnings on Investments		1,282
Miscellaneous		<u>283</u>
Total General Receipts		<u>381,136</u>
<i>Change in Net Position</i>		(64,791)
<i>Net Position Beginning of Year</i>		<u>556,069</u>
<i>Net Position End of Year</i>		<u><u>\$491,278</u></u>

See accompanying notes to the basic financial statements

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT

Summit County, Ohio

Statement of Assets and Fund Balances - Cash Basis

Governmental Funds

December 31, 2023

	<u>General</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$491,278</u>
<i>Total Assets</i>	<u><u>\$491,278</u></u>
Fund Balances	
Unassigned	<u>\$491,278</u>
<i>Total Fund Balances</i>	<u><u>\$491,278</u></u>

See accompanying notes to the basic financial statements

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT
Summit County, Ohio
Statement of Receipts, Disbursements and Changes In Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General
Receipts	
Property and Other Local Taxes	\$379,571
Earnings on Investments	1,282
Miscellaneous	283
<i>Total Receipts</i>	381,136
Disbursements	
Current:	
Administration	223,263
General Government	117,382
Capital Outlay	105,282
<i>Total Disbursements</i>	445,927
<i>Net Change in Fund Balances</i>	(64,791)
<i>Fund Balances Beginning of Year</i>	556,069
<i>Fund Balances End of Year</i>	\$491,278

See accompanying notes to the basic financial statements

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT
Summit County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 374,000	\$ 379,600	\$ 379,571	\$ (29)
Earnings on Investments	300	1,500	1,282	(218)
Miscellaneous	-	250	283	33
<i>Total Receipts</i>	374,300	381,350	381,136	(214)
Disbursements				
Current:				
Administration	176,600	282,400	223,263	59,137
General Government	146,900	158,400	117,382	41,018
Capital Outlay	71,500	107,500	105,282	2,218
<i>Total Disbursements</i>	395,000	548,300	445,927	102,373
<i>Net Change in Fund Balance</i>	(20,700)	(166,950)	(64,791)	102,159
<i>Fund Balance Beginning of Year</i>	556,069	556,069	556,069	-
<i>Fund Balance End of Year</i>	\$ 535,369	\$ 389,119	\$ 491,278	\$ 102,159

See accompanying notes to the basic financial statements

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 1 – Reporting Entity

A five-member Board of Directors appointed by the District Advisory Council governs the Mosquito Abatement District. The Board appoints an executive director and all employees of the Mosquito Abatement District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Mosquito Abatement District are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Mosquito Abatement District. The Mosquito Abatement District's services include eradicating biting arthropods.

B. Component Units

Component units are legally separate organizations for which the Mosquito Abatement District is financially accountable. The Mosquito Abatement District is financially accountable for an organization if the Mosquito Abatement District appoints a voting majority of the organization's governing board and (1) the Mosquito Abatement District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Mosquito Abatement District is legally entitled to or can otherwise access the organization's resources; or the Mosquito Abatement District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Mosquito Abatement District, are accessible to the Mosquito Abatement District and are significant in amount to the Mosquito Abatement District. The Mosquito Abatement District has no component units.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Mosquito Abatement District's accounting policies.

Basis of Presentation

The Mosquito Abatement District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Mosquito Abatement District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Mosquito Abatement District that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The District has no business-type activities.

The statement of net position presents the cash and investment balances of the governmental activities of the Mosquito Abatement District at year end. The statement of activities compares disbursements with program receipts for each of the Mosquito Abatement District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Mosquito Abatement District is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Mosquito Abatement District's general receipts.

Fund Financial Statements During the year, the Mosquito Abatement District segregates transactions related to certain Mosquito Abatement District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Mosquito Abatement District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The only fund of the District is the General Fund.

Fund Accounting

The Mosquito Abatement District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Mosquito Abatement District are in the governmental category.

Governmental Funds The Mosquito Abatement District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following is the Mosquito Abatement District's only major governmental fund:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Mosquito Abatement District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

The Mosquito Abatement District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Mosquito Abatement District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Mosquito Abatement District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Mosquito Abatement District may appropriate.

The appropriation resolution is the Mosquito Abatement District's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Mosquito Abatement District. The legal level of control has been established at the fund and function level for all funds.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts originally approved by the Board of Directors. The amounts reported as the final budgeted amounts on the budgetary statements reflect amendments approved by the Board of Directors

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Mosquito Abatement District during the year.

Cash and Investments

To improve cash management, cash received by the Mosquito Abatement District is pooled. Monies for all funds are maintained in this pool. If the Mosquito Abatement District had investment with a maturity greater than 90 days they would be segregated on the financial statements.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Mosquito Abatement District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Employer Contributions to Cost-Sharing Pension Plans

The Mosquito Abatement District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

Long-Term Obligations

The Mosquito Abatement District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Mosquito Abatement District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Mosquito Abatement District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Mosquito Abatement District Trustees. Those committed amounts cannot be used for any other purpose unless the Mosquito Abatement District Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Mosquito Abatement District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Mosquito Abatement District Trustees or a Mosquito Abatement District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Mosquito Abatement District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than fund. There were no outstanding encumbrances at year end.

Note 4 – Maintenance Assessments

Special assessments become a lien on January 1 preceding the October 1 date for which the Mosquito Abatement District adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property assessments on behalf of the District.

Note 5 – Risk Management

The Mosquito Abatement 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. During 2023, the Mosquito Abatement District contracted with Frankenmuth Insurance for property and automobile insurance coverage.

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

Workers' Compensation

The Mosquito Abatement District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 6 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 6 - Defined Benefit Pension Plan (continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 6 - Defined Benefit Pension Plan (continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee*	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension**	14.0 %
Post-employment Health Care Benefits**	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional plan. The employer contributions rate for the member-directed plan is allocated 4% for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$26,604 for year 2023.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 7 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor.

Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 7 - Postemployment Benefits (continued)

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 7 - Postemployment Benefits (continued)

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. The allocation for the combined plan was 2%. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District’s contractually required contribution was \$0 for 2023.

Note 8 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Mosquito Abatement District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the General Fund is presented below:

<u>Fund Balances</u>	<u>General</u>
Unassigned (Deficit)	<u>\$491,278</u>
<i>Total Fund Balances</i>	<u><u>\$491,278</u></u>

Barberton-Norton Mosquito Abatement District
Summit County

Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

The discussion and analysis of the Mosquito Abatement District's financial performance provides an overall review of the Mosquito Abatement District's financial activities for the year ended December 31, 2022, within the limitations of the Mosquito Abatement District's cash basis of accounting. The intent of this discussion and analysis is to look at the Mosquito Abatement District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Mosquito Abatement District's financial performance.

Financial Highlights

Key financial highlights for the year 2022 are as follows:

- Net Position increased \$59,839. The increase is attributable to revenue exceeding expectations and lower than anticipated expenditures.
- The Mosquito Abatement District had \$320,900 in disbursements during 2022.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Mosquito Abatement District's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Mosquito Abatement District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The statement of net position – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Mosquito Abatement District, presenting both an aggregate view of the Mosquito Abatement District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Mosquito Abatement District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Mosquito Abatement District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Mosquito Abatement District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Barberton-Norton Mosquito Abatement District
Summit County

Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Mosquito Abatement District as a Whole

The statement of net position and the statement of activities reflect how the Mosquito Abatement District did financially during 2022, within the limitations of the cash basis of accounting. The statement of net position – Cash Basis presents the cash balances of the governmental activities of the Mosquito Abatement District at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Mosquito Abatement District's general receipts.

These statements report the Mosquito Abatement District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Mosquito Abatement District's financial health. Over time, increases or decreases in the Mosquito Abatement District's cash position is one indicator of whether the Mosquito Abatement District's financial health is improving or deteriorating. When evaluating the Mosquito Abatement District's financial condition, you should also consider other non-financial factors as well such as the Mosquito Abatement District's property tax base, the condition of the Mosquito Abatement District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The statement of net position – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the Mosquito Abatement District's services. The Mosquito Abatement District has no business-type activities.

Reporting the Mosquito Abatement District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Mosquito Abatement District's major funds – not the Mosquito Abatement District as a whole. The Mosquito Abatement District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the Mosquito Abatement District are governmental.

Barberton-Norton Mosquito Abatement District
Summit County
Management’s Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Governmental Funds - The Mosquito Abatement District’s activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Mosquito Abatement District’s governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Mosquito Abatement District’s abatement programs. The Mosquito Abatement District’s significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Mosquito Abatement District’s major governmental fund is the General Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Mosquito Abatement District as a Whole

Table 1 provides a summary of the Mosquito Abatement District’s net position for 2022 compared to 2021 on a cash basis:

Table 1
Net Position – Cash Basis

	Governmental Activities		
	2022	2021	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	\$556,069	\$496,230	\$59,839
Total Assets	556,069	496,230	59,839
Net Position			
Unrestricted	556,069	496,230	59,839
Total Net Position	\$556,069	\$496,230	\$59,839

As mentioned previously, net position increased \$59,839. The increase is attributable to revenue exceeding expectations and lower than anticipated expenditures.

Table 2 reflects the change in net position in 2022 and provides a comparison to prior year amounts.

Barberton-Norton Mosquito Abatement District
Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Table 2
Changes in Net Position

	Governmental Activities		
	2022	2021	Change
Receipts			
General Receipts			
Property Taxes Levied for			
General Mosquito District Purposes	377,271	369,295	7,976
Earnings on Investments	320	120	200
Miscellaneous	3,148	1,225	1,923
Total General Receipts	<u>380,739</u>	<u>370,640</u>	<u>10,099</u>
Total Receipts	<u>380,739</u>	<u>370,640</u>	<u>10,099</u>
Disbursements			
Administration	190,352	167,447	22,905
General Government	130,548	109,235	21,313
Capital Outlay	0	2,950	(2,950)
Total Disbursements	<u>320,900</u>	<u>279,632</u>	<u>41,268</u>
Change in Net Position	59,839	91,008	(31,169)
Net Position Beginning of Year	<u>496,230</u>	<u>405,222</u>	<u>91,008</u>
Net Position End of Year	<u><u>\$556,069</u></u>	<u><u>\$496,230</u></u>	<u><u>\$59,839</u></u>

In 2022, 100% of the Mosquito Abatement District's total receipts were from general receipts, consisting mainly of property taxes levied for general Mosquito Abatement District purposes.

The 2022 disbursements for general government include all costs related to mosquito abatement.

Governmental Activities

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major services provided by the Mosquito Abatement District. The next column identifies the costs of providing these services. The net cost column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost for both the current and prior years is presented in Table 3.

Barberton-Norton Mosquito Abatement District
Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Table 3
Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Administration	\$190,352	\$190,352	\$167,447	\$167,447
General Government	130,548	130,548	109,235	109,235
Capital Outlay	-	-	2,950	2,950
Totals	\$320,900	\$320,900	\$279,632	\$279,632

The Mosquito Abatement District relies almost solely on a special assessment included on district members' tax bills.

The Mosquito Abatement District's Funds

As noted earlier, the Mosquito Abatement District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Mosquito Abatement District's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Mosquito Abatement District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Mosquito Abatement District's net resources available for spending at the end of the year.

At the end of 2022, the Mosquito Abatement District's governmental funds reported total ending fund balances of \$556,069. All of the total is unassigned fund balance is available for spending.

The general fund is the chief operating fund of the Mosquito Abatement District. At the end of 2022, unassigned fund balance in the general fund was \$556,069. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 173.3% of the total general fund expenditures.

Revenue exceeded expenditures in the general fund by \$59,839 in 2022.

General Fund Budgeting Highlights

The Mosquito Abatement District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2022, the Mosquito Abatement District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. There were no significant changes between the original and the final estimated receipts.

Barberton-Norton Mosquito Abatement District
Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Contacting the Mosquito Abatement District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Mosquito Abatement District's finances and to reflect the Mosquito Abatement District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to 131 Snyder Avenue, Barberton, Ohio 44203, Phone 330-848-2623.

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT

Summit County, Ohio

Statement of Net Position - Cash Basis

December 31, 2022

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$556,069</u>
<i>Total Assets</i>	<u><u>\$556,069</u></u>
Net Position	
Unrestricted	<u>\$556,069</u>
<i>Total Net Position</i>	<u><u>\$556,069</u></u>

See accompanying notes to the basic financial statements.

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT

Summit County, Ohio

Statement of Activities - Cash Basis

For the Year Ended December 31, 2022

	<u>Cash</u> <u>Disbursements</u>	<u>Net (Disbursements) Receipts</u> <u>and Changes in Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities		
Current:		
Administration	\$190,352	(\$190,352)
General Government	<u>130,548</u>	<u>(130,548)</u>
<i>Total Governmental Activities</i>	<u><u>\$320,900</u></u>	<u><u>(320,900)</u></u>
General Receipts:		
Property Taxes Levied for:		
General Purposes		377,271
Earnings on Investments		320
Miscellaneous		<u>3,148</u>
Total General Receipts		<u>380,739</u>
<i>Change in Net Position</i>		59,839
<i>Net Position Beginning of Year</i>		<u>496,230</u>
<i>Net Position End of Year</i>		<u><u>\$556,069</u></u>

See accompanying notes to the basic financial statements.

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT

Summit County, Ohio

Statement of Assets and Fund Balances - Cash Basis

Governmental Funds

December 31, 2022

	<u>General</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$556,069</u>
<i>Total Assets</i>	<u><u>\$556,069</u></u>
Fund Balances	
Unassigned	<u>\$556,069</u>
<i>Total Fund Balances</i>	<u><u>\$556,069</u></u>

See accompanying notes to the basic financial statements.

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT
Summit County, Ohio
Statement of Receipts, Disbursements and Changes In Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General
Receipts	
Property and Other Local Taxes	\$377,271
Earnings on Investments	320
Miscellaneous	3,148
	380,739
<i>Total Receipts</i>	<i>380,739</i>
Disbursements	
Current:	
Administration	190,352
General Government	130,548
	320,900
<i>Total Disbursements</i>	<i>320,900</i>
<i>Net Change in Fund Balances</i>	<i>59,839</i>
<i>Fund Balances Beginning of Year</i>	<i>496,230</i>
<i>Fund Balances End of Year</i>	<i>\$556,069</i>

See accompanying notes to the basic financial statements.

BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT
Summit County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 365,000	\$ 377,300	\$ 377,271	\$ (29)
Earnings on Investments	300	300	320	20
Miscellaneous	-	3,050	3,148	98
<i>Total Receipts</i>	365,300	380,650	380,739	89
Disbursements				
Current:				
Administration	190,300	218,300	190,352	27,948
General Government	135,600	152,100	130,548	21,552
Capital Outlay	71,500	71,500	-	71,500
<i>Total Disbursements</i>	397,400	441,900	320,900	121,000
<i>Net Change in Fund Balance</i>	(32,100)	(61,250)	59,839	121,089
<i>Fund Balance Beginning of Year</i>	496,230	496,230	496,230	-
<i>Fund Balance End of Year</i>	\$ 464,130	\$ 434,980	\$ 556,069	\$ 121,089

See accompanying notes to the basic financial statements.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 1 – Reporting Entity

A five-member Board of Directors appointed by the District Advisory Council governs the Mosquito Abatement District. The Board appoints an executive director and all employees of the Mosquito Abatement District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Mosquito Abatement District are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Mosquito Abatement District. The Mosquito Abatement District's services include eradicating biting arthropods.

B. Component Units

Component units are legally separate organizations for which the Mosquito Abatement District is financially accountable. The Mosquito Abatement District is financially accountable for an organization if the Mosquito Abatement District appoints a voting majority of the organization's governing board and (1) the Mosquito Abatement District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Mosquito Abatement District is legally entitled to or can otherwise access the organization's resources; or the Mosquito Abatement District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Mosquito Abatement District, are accessible to the Mosquito Abatement District and are significant in amount to the Mosquito Abatement District. The Mosquito Abatement District has no component units.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Mosquito Abatement District's accounting policies.

Basis of Presentation

The Mosquito Abatement District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Mosquito Abatement District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Mosquito Abatement District that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The District has no business-type activities.

The statement of net position presents the cash and investment balances of the governmental activities of the Mosquito Abatement District at year end. The statement of activities compares disbursements with program receipts for each of the Mosquito Abatement District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Mosquito Abatement District is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Mosquito Abatement District's general receipts.

Fund Financial Statements During the year, the Mosquito Abatement District segregates transactions related to certain Mosquito Abatement District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Mosquito Abatement District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The only fund of the District is the General Fund.

Fund Accounting

The Mosquito Abatement District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Mosquito Abatement District are in the governmental category.

Governmental Funds The Mosquito Abatement District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following is the Mosquito Abatement District's only major governmental fund:

General The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Mosquito Abatement District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

The Mosquito Abatement District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Mosquito Abatement District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Mosquito Abatement District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Mosquito Abatement District may appropriate.

The appropriation resolution is the Mosquito Abatement District's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Mosquito Abatement District. The legal level of control has been established at the fund and function level for all funds.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts originally approved by the Board of Directors. The amounts reported as the final budgeted amounts on the budgetary statements reflect amendments approved by the Board of Directors.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Mosquito Abatement District during the year.

Cash and Investments

To improve cash management, cash received by the Mosquito Abatement District is pooled. Monies for all funds are maintained in this pool. If the Mosquito Abatement District had investment with a maturity greater than 90 days they would be segregated on the financial statements.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Mosquito Abatement District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Employer Contributions to Cost-Sharing Pension Plans

The Mosquito Abatement District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for post retirement healthcare benefits.

Long-Term Obligations

The Mosquito Abatement District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Mosquito Abatement District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Mosquito Abatement District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Mosquito Abatement District Trustees. Those committed amounts cannot be used for any other purpose unless the Mosquito Abatement District Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Mosquito Abatement District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Mosquito Abatement District Trustees or a Mosquito Abatement District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Mosquito Abatement District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than fund. There were no outstanding encumbrances at year end.

Note 4 – Maintenance Assessments

Special assessments become a lien on January 1 preceding the October 1 date for which the Mosquito Abatement District adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property assessments on behalf of the District.

Note 5 – Risk Management

The Mosquito Abatement 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. During 2022, the Mosquito Abatement District contracted with Frankenmuth Insurance for property and automobile insurance coverage.

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

Workers' Compensation

The Mosquito Abatement District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 6 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 6 - Defined Benefit Pension Plan (continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 6 - Defined Benefit Pension Plan (continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional plan. The rate for the combined plan is 4%. The employer contributions rate for the member-directed plan is allocated 4% for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$22,863 for year 2022.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 7 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan.

Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 7 – Postemployment Benefits (continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$0 for the year 2022.

Barberton-Norton Mosquito Abatement District

Summit County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 8 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Mosquito Abatement District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the General Fund is presented below:

<u>Fund Balances</u>	<u>General</u>
Unassigned (Deficit)	<u>\$556,069</u>
<i>Total Fund Balances</i>	<u><u>\$556,069</u></u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Barberton-Norton Mosquito Abatement District
Summit County
4410 W. Streetsboro Road
Richfield, OH 44286

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities and the major fund of the Barberton-Norton Mosquito Abatement District, Summit County, Ohio, (the District) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 28, 2024, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

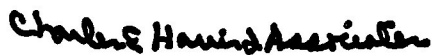
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 28, 2024.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 28, 2024

OHIO AUDITOR OF STATE KEITH FABER



BARBERTON-NORTON MOSQUITO ABATEMENT DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/12/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov