

To: Finance and Administrative Committee
RuthAnne Hall, Assistant County Administrator
From: Regina Tuczak, Chief Financial Officer
James Klimt, Controller
Subject: Southlake Mosquito Abatement District Audit Procedures
Date: October 31, 2025

At its meeting on August 12, 2025, the Lake County Board (the County) adopted an Ordinance pertaining to the Southlake Mosquito Abatement District (the District) that included the following:

“Be it further ordained, that upon passage of this ordinance, the County will work with the District to have an audit performed detailing all claims against the District, its receipts, an inventory of the real and personal property it owns or controls, and any debts owed by it.”

Representatives from the Finance Department of the County thus conducted audit procedures on the District as defined in 55 ILCS 5/5-44025, as of September 30, 2025, and for the period from the most recent fiscal year end of April 30, 2025, through September 30, 2025.

The most recent Annual Financial Report (AFR) filed by the District with the Illinois State Comptroller is as of April 30, 2024. The AFR for the most recent fiscal year end of April 30, 2025, was due October 27, 2025, and is not available on the Illinois State Comptroller website. Note that the AFRs filed with the Illinois State Comptroller are not audited.

The District utilizes the accounting services of Smith Accounting Services to prepare monthly financial compilation reports. Using these monthly financial compilation reports, Finance Staff performed the following procedures as of September 30, 2025, the most recent available compilation report (Attachment), and for the activity from April 30, 2025, the District’s most recent fiscal year end, to September 30, 2025.

- 1) The District has a balance of cash of \$224,597.60 and certificates of deposit of \$995,074.47 as of September 30, 2025, totaling \$1,219,672.07, held with First Bank of Highland Park (the Bank). These balances were confirmed directly with the Bank, noting no exceptions. The District has reported \$500 of outstanding checks with a book balance of \$1,219,172.07.
- 2) Receipts of Real Estate taxes of \$394,212.93 were received in this five-month period. These receipts were compared to tax receipt records provided by the Lake County Treasurer’s office noting no exceptions. An additional \$69,380.60 of disbursements were reported by the Lake County Treasurer’s office in October, bringing tax year 2024 revenue received in 2025 to \$463,592.93, or 96.2% of the extended amount of \$481,721.17 reported by the Lake County Clerk’s office.
- 3) Operating expenditures consist of Mosquito Abatement expenses of \$303,429.69 from Clarke Environmental paid in this five-month period. Copies of invoices were requested

for \$289,752.81 of this amount. Invoice copies were received and reviewed, noting agreement of amounts paid to the financial compilation reports.

- 4) Expenditures of \$30,723.90 were paid in this five-month period. The largest expenditure is for \$11,915 for Insurance and Bonds. Copies of two insurance invoices totaling \$11,915.00 were reviewed, noting agreement of amounts paid to the financial compilation reports.
- 5) A confirmation letter was sent to the District's external legal counsel, Ancel Glink PC. External legal counsel confirmed that they are not aware that the District owns any real property or personal property and is also unaware of any existing debt of the District. External legal counsel also confirmed that to our knowledge, there are no matters pending against the District as a corporate entity, including pending or threatened litigation, claims and assessments, any of which involve claims for potential damages, excluding unasserted claims and assessments, with respect to which their firm has been engaged or to which they have devoted substantive attention on behalf of the District.
- 6) The District's Board President, Kim Stone, also confirmed via email that the District does not own any real or personal property.

The procedures listed above were designed to be consistent with the requirements of 55 ILCS 5/5-44025, as of September 30, 2025. and for the period from the most recent fiscal year end of April 30, 2025, through September 30, 2025. Representatives from the Finance Department of Lake County did not perform any procedures with regards to internal controls at the District. Had such procedures been performed, other matters may have come to our attention that would be reported to you. Note that in recent months, due to some concerns of District Board members, the District has considered hiring an outside consulting firm to perform a review of its systems, processes and controls. Such review has not yet been performed.

Final Summary of Assets on Hand, Debts, and Property:

As of September 30, 2025, the District held \$1,219,172.07 in current assets consisting of cash accounts and certificates of deposit. There were no debts outstanding other than operating expenditures and \$500 of outstanding checks. There is no real or personal property held by the District.

If you have any questions or need further information, please contact Regina Tuczak at rtuczak@lakecountyil.gov

†Smith Accounting Services

38183 North Russell Avenue
Beach Park, Illinois 60087

(847)336-5411 home
(847)404-5422 cell
keltycidas@gmail.com

October 30, 2025

To the Board of Directors
Southlake Mosquito Abatement District

I have compiled the statement of assets, liabilities and net assets – modified cash basis of Southlake Mosquito Abatement District, as of September 30, 2025 and the related statement of revenues, expenses and other changes in net assets – modified cash basis for the five month period ended September 30, 2025 and fiscal year ended April 30, 2025. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.


Smith Accounting Services

Southlake Mosquito Abatement District
Comparative Statement of Revenues, Expenses and Other Changes in Net Assets - Modified Cash Basis
For the Five Months Ended September 30, 2025 and Fiscal Year Ended April 30, 2025

	<u>September 30</u>		<u>Year to Date</u>	<u>Fiscal Year</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>
Revenues Collected				
Real estate taxes	\$ 129,759.79	\$ 167,856.43	\$ 394,212.93	\$ 458,058.03
Real estate taxes - TIF				
Income on investments	4,100.95	1,545.31	17,731.80	25,344.64
Miscellaneous				
Total Revenues Collected	<u>\$ 133,860.74</u>	<u>\$ 169,401.74</u>	<u>\$ 411,944.73</u>	<u>\$ 483,402.67</u>
Operating Expenditures				
Mosquito abatement	\$ 6,838.44	\$ 21,079.62	\$ 303,429.69	\$ 411,550.83
Gross Margin	<u>\$ 127,022.30</u>	<u>\$ 148,322.12</u>	<u>\$ 108,515.04</u>	<u>\$ 71,851.84</u>
Expenditures Paid				
Educational programs				
Administrative/office supplies				
Postage				
Publications		\$ 286.35	\$ 458.90	\$ 350.75
Insurance and bonds	\$ 11,915.00	11,380.00	11,915.00	(2,861.00)
Legal	2,520.00	1,687.50	7,380.00	13,954.05
Accounting	100.00	100.00	650.00	1,150.00
Seminars and dues			-	-
Website	5,420.00	200.00	10,320.00	1,875.00
Miscellaneous				
Total Expenditures Paid	<u>\$ 19,955.00</u>	<u>\$ 13,653.85</u>	<u>\$ 30,723.90</u>	<u>\$ 14,468.80</u>
Surplus of Revenues Collected Over (Under) Expenditures Paid	<u>\$ 107,067.30</u>	<u>\$ 134,668.27</u>	<u>\$ 77,791.14</u>	<u>\$ 57,383.04</u>

See accountant's compilation report.

Southlake Mosquito Abatement District
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
September 30, 2025

Assets

Current Assets

Cash - Checking	\$	99,500.00	
Certificate of Deposit - 8151		499,523.49	
Certificate of Deposit - 9577		495,550.98	
Cash - Business Advantage		124,597.60	
	\$	<u>1,219,172.07</u>	

Liabilities and Net Assets

Liabilities

-

Net Assets

Balance - May 1, 2025	\$	1,141,380.93	
Surplus (deficit) - Year to date		<u>77,791.14</u>	
			<u>\$ 1,219,172.07</u>
			<u>\$ 1,219,172.07</u>

See accountant's compilation report.