

**PASCO COUNTY MOSQUITO CONTROL  
DISTRICT**

**ODESSA, FLORIDA**

**General Purpose Financial Statements**

**For the Year Ended  
September 30, 2019**

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**Baggett, Reutimann & Associates, CPAs, PA  
Certified Public Accountants**

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**

**ODESSA, FLORIDA**

**OFFICIALS**

**SEPTEMBER 30, 2019**

**ELECTED OFFICIALS**

Gary Joiner

Secretary

Matthew Abbott

Chairman

Sandra Applefield

Treasurer

**APPOINTED OFFICIALS**

Dennis Moore

Director

Stephen C. Booth

Attorney

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**General Purpose Financial Statements**  
**September 30, 2019**

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## **Independent Auditors' Report**

November 30, 2019

Board of Commissioners  
Pasco County Mosquito Control District  
Odessa, FL 33556

### **Report of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pasco County Mosquito Control District (District) as of and for the year ended September 30, 2019, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pasco County Mosquito Control District as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages M1 through M6 and 29-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2019, on our consideration of the Pasco County Mosquito Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Pasco County Mosquito Control District's internal control over financial reporting and compliance.

*Baggett, Reutimann & Associates, CPAs PA*  
**BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA**  
Signed Electronically by Baggett, Reutimann & Associates, CPAs PA, CN: JR183 email: [jrb@baggettcpa.com](mailto:jrb@baggettcpa.com)

## **Management Discussion and Analysis**

# **PASCO COUNTY MOSQUITO CONTROL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2019**

Our discussion and analysis of the Pasco County Mosquito Control District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2019.

## **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the District at the close of its most recent fiscal year were \$9,813,723.
- As of the close of the current fiscal year, the District reported an ending Fund balance for the general fund of \$6,688,114; an increase of \$422,958 in comparison with the prior year.
- At the end of the current fiscal year, unassigned general fund balance was \$5,120,132; or 98% of total expenditures.
- The District did not incur any long term debt during the current fiscal year.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. This report also includes other supplementary information in addition to the financial statements themselves.

The Statement of Net Position (page 1) and the Statement of Activities (page 2) provide information about the activities of the District and present a longer-term view of the District's finances. The statements are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The Funds Financial Statements begin on page 3. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliation on page 6 that converts this data to an economic resources measurement focus and the accrual basis of accounting for use in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.



## **THE FINANCIAL STATEMENTS**

### **The Statement of Net Position and the Statement of Activities**

Government-wide financial statements are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. For purposes of these statements, governmental type activities and business type activities are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the District's assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 7.

### **Required Supplementary Information**

Generally accepted accounting principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called required supplementary information (RSI) and includes this analysis, the MD&A, budgetary comparisons, and other post employment benefits schedules.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

A large portion of the District's net position (40%) reflects its investment in capital assets (e.g., land, buildings, equipment). The District uses these capital assets to provide mosquito control to the citizens of the District. The District maintains \$5,138,896 in cash funds, which represents approximately 78% of its net position.

**District's Net Position  
As of September 30, 2019**

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>% Increase (Decrease)</u>
Current and Other Assets	\$ 6,706,878	\$ 6,294,200	6.56%
Capital Assets, Net of Accumulated Depreciation	2,578,814	2,608,726	-1.15%
Total Assets	<u>9,285,692</u>	<u>8,902,926</u>	4.30%
Deferred Outflows	528,031	683,886	-22.79%
Total Assets and Deferred Outflows	<u>9,813,723</u>	<u>9,586,812</u>	2.37%
Net Pension Liability	1,782,649	1,706,714	4.45%
Current and Other Liabilities	1,101,423	997,403	10.43%
Total Liabilities	<u>2,884,072</u>	<u>2,704,117</u>	6.65%
Deferred Inflows	327,814	331,404	-1.08%
Total Liabilities and Deferred Inflows	<u>3,211,886</u>	<u>3,035,521</u>	5.81%
Net Position:			
Invested in Capital Assets, Net of Related Debt	2,578,814	2,608,726	-1.15%
Unrestricted	4,023,023	3,942,565	2.04%
Total Net Position	<u>\$ 6,601,837</u>	<u>\$ 6,551,291</u>	0.77%

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position.

**District's Changes in Net Position  
Fiscal Year Ended September 30, 2019**

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>% Increase (Decrease)</u>
Revenues			
General Revenues			
Property Taxes	\$ 5,304,718	\$ 5,132,426	3.36%
Interest Earnings	21,592	21,418	0.81%
Other	104,096	48,835	113.16%
Total Revenues	<u>5,430,406</u>	<u>5,202,679</u>	<u>4.38%</u>
Expenses			
General Government			
Total Expenses, Net of Operating Grants & Contributions	<u>5,379,860</u>	<u>5,575,444</u>	<u>-3.51%</u>
Increase (Decrease) in Net Position	<u>50,546</u>	<u>(372,765)</u>	<u>113.56%</u>
Net Position	<u>\$ 6,601,837</u>	<u>\$ 6,551,291</u>	<u>0.77%</u>

**Property taxes** continue as our primary source of revenue. The District's millage rate has been increased slightly in recent years.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The District's capital assets as of September 30, 2019 reflect an investment of \$2,578,814 net of accumulated depreciation.

The following table provides a summary of net capital assets.

### Capital Assets September 30, 2019

	Governmental Activities
Land	\$ 112,597
Buildings and Improvements	2,414,193
Equipment	3,920,912
	<u>\$ 6,447,702</u>
Less Accumulated Depreciation	
Buildings and Improvements	(1,028,423)
Equipment	(2,840,465)
Totals	<u>\$ 2,578,814</u>

### Debt

At September 30, 2019, the District had no outstanding debt.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District currently maintains a stable economic base and local indicators point to continued stability.

The District relies on property taxes for the largest portion of its budget.

When these factors were considered in preparing the District's budget for the 2019-2020 fiscal year, the District accepted the millage rate of .2646 mills per thousand.

## **Request for Information**

The District's financial statements are designed to present users (citizens and customers) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about this report or need additional information, contact the Administrative Manager at 2308 Marathon Rd., Odessa, FL 33556.

## **Basic Financial Statements**

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole. The fund financial statements present financial information about major funds individually. The notes to the financial statements present information essential for the fair presentation of the financial statements that are not displayed on the face of the financial statements.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Statement of Net Position**  
**September 30, 2019**

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<b>Assets</b>	2019
Cash	\$ 5,138,896
Grant Receivable	-
Inventory	1,567,982
Accounts Receivable	-
Total Current Assets	6,706,878
Capital Assets (Net of Accumulated Depreciation)	
Land	112,597
Buildings and Improvements	1,385,770
Equipment	1,080,447
Total Capital Assets (Note 4)	2,578,814
Deferred Outflows	528,031
Total Assets and Deferred Outflows	9,813,723
<b>Liabilities</b>	
Net Pension Liability (Note 2 & 6)	1,782,649
Salaries and Benefits Payable	18,764
Compensated Absences (Note 5)	
Payable Within One Year	166,120
Payable After One Year	109,615
Other Post Employment Benefits (Note 10)	806,924
Total Liabilities	2,884,072
Deferred Inflows	327,814
Total Liabilities and Deferred Inflows	3,211,886
<b>Net Position</b>	
Invested in Capital Assets, Net of related debt	2,578,814
Unrestricted	4,023,023
Total Net Position	\$ 6,601,837

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

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Statement of Activities**  
**September 30, 2019**

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	2019
<b>Expenses</b>	
Public Health - Mosquito Control:	
Personnel Services	\$ 3,004,769
Materials and Services	2,100,031
Depreciation	275,060
Total Program Expenses	5,379,860
 <b>Program Revenues:</b>	
 <b>General Revenues:</b>	
Property Taxes	5,304,718
Interest	21,592
Grant Revenues	70,000
Other	34,096
Total General Revenues	5,430,406
(Decrease) in Net Position	50,546
 Net Position - Beginning of Year (as adjusted)	6,551,291
 Net Position - End of Year	\$ 6,601,837

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



**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2019**

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	2019
	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 5,138,896
Inventory	1,567,982
Accounts Receivable	-
TOTAL ASSETS	6,706,878
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable and Accrued Payroll	18,764
Total Liabilities	18,764
Fund Balances	
Nonspendable:	
Inventory	1,567,982
Prepaid Items	-
Unassigned	5,120,132
Total Fund Balances	6,688,114
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,706,878

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

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**September 30, 2019**

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Fund Balances - Total Governmental Funds \$ 6,688,114

Amounts reported for governmental activities in the  
Statement of Net Position are different because:

Capital assets used in governmental activities  
are not financial resources and, therefore, are  
not reported in the governmental funds.

Governmental capital assets	\$ 6,447,702	
Less accumulated depreciation	<u>(3,868,888)</u>	2,578,814

Long-term liabilities are not due and payable in the  
current period and, therefore, are not reported  
in the governmental funds.

Net Pension Liability	(1,782,649)	
Deferred Outflows	528,031	
Deferred Inflows	(327,814)	
Compensated absences	(275,735)	
Other Post Employment Benefits	<u>(806,924)</u>	<u>(2,665,091)</u>

Net Position of Governmental Activities \$ 6,601,837

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**September 30, 2019**

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	2019
	General Fund
	Total
	Governmental Fund
Revenues	
Property Taxes	\$5,304,718
Interest	21,592
Grants	70,000
Miscellaneous	7,226
Surplus Property	26,870
Total Revenues	5,430,406
Expenditures	
Personnel Services	1,763,156
Personnel Services Benefits	899,113
Operating Expense	182,710
Utilities, Maintenance and Insurance	392,089
Supplies and Misc.	72,596
Gasoline, Oil, Lubricants	98,723
Chemicals	1,352,030
Capital Outlay	247,031
Total Expenditures	5,007,448
Excess of Expenditures (Over) Under Revenue	422,958
Fund Balance at Beginning of Year	6,265,156
Fund Balance at Year End	\$6,688,114

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

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**In Fund Balance of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2019**

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Net Change in Fund Balances - Total Governmental Funds \$ 422,957

Amounts reported for governmental activities in the  
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.  
However, in the Statement of Activities, the cost of those  
assets is depreciated over their estimated useful lives.

Expenditures for capital assets	247,031	
Less current year depreciation	(275,060)	
Un-depreciated cost of Surplus Property Sold	(1,885)	(29,914)

Some expenses reported in the Statement of Activities  
do not require the use of current financial resources and,  
therefore, are not reported as expenditures in  
governmental funds.

Increase in Net Pension Liability	(75,935)	
Decrease in Deferred Outflows	(155,855)	
Decrease in Deferred Inflows	3,590	
Change in Compensated Absences	(12,392)	
Other Post Employment Benefits	(101,908)	(342,500)

Changes in Net Position of Governmental Activities \$ 50,543

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies**

The Pasco County Mosquito Control District was created as the West Pasco County Mosquito Control District on June 7, 1951, by resolution of the Board of County Commissioners of Pasco County, Florida, in accordance with the results of the Special Election of June 5th, 1951, under the provisions of Chapter 390, Florida Statutes of 1949. The name of the District was changed to the Pasco County Mosquito Control District by resolution of the Board of County Commissioners of Pasco County, on November 10, 1987. The District is empowered and authorized to carry out mosquito control operations in accordance with Chapter 388, Florida Statutes. The commissioners on the board of directors are entrusted with a public office to which they are elected.

The District provides services to the citizens of Pasco County, Florida.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of these accounting policies are summarized below.

**A. Defining the Financial Reporting Entity:** In accordance with Governmental Accounting Standards Board Statement Number 14, the financial reporting entity includes the primary government, organizations for which the primary government is financially accountable and other organizations which, if excluded, would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority to an organization's board and, either displays the ability to impose its will on that organization, or the possibility that the organization will impose or provide a financial burden or benefit to the primary government.

The District has no such organizations to include.

**B. Governmental Accounting Standards Board Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments":** The District implemented the provisions of Statement Number 34 for the fiscal year ending September 30, 2004 which established new financial reporting requirements for state and local governments. The Statement established specific standards for the basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information. As part of this Statement, there is a reporting requirement regarding infrastructure (land, buildings, and equipment etc.). All major general assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980 were required to be retroactively reported and all newly acquired or improved infrastructure assets must be prospectively reported effective as of the date of implementation of this statement.

PASCO COUNTY MOSQUITO CONTROL DISTRICT

Notes to the Financial Statements

September 30, 2019

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

**B. Governmental Accounting Standards Board Statement 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”:** (Continued)

The basic financial statements include both government-wide and fund financial statements. The government-wide statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund and Special Revenue Fund. The District has no business-type activities.

The government-wide Statement of Activities reports the gross and net cost for the Mosquito Control Function of the District that is otherwise supported by general government revenue. The expenses for the category are reduced by program revenues to ascertain the net costs for that function. Program revenues are defined as charges for services, operating grants and capital grants that specifically relate to a specific program function. Operating grants and capital grants consist of revenues received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either operating expenditures/expenses or capital expenditures/expenses associated with a specific program.

The fund financial statements are very similar to the financial statements presented in the previous model. The emphasis in the new model is on major funds. All funds maintained by the District are considered major funds in accordance with the new reporting model requirements.

**C. Measurement Focus:** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The measurement focus is the determination of financial position and sources and uses of resources, rather than net income determination.

**D. Fund Accounting:** The District organizes its accounting system on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts.

The funds utilized by the District are governmental funds and consist of the General Fund and Special Revenue Fund.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting: (Continued)**

Governmental Funds

General Fund

The General Fund accounts for the general activities of the Pasco County Mosquito Control District and finances those activities not otherwise designated to be recorded and financed separately.

**E. Basis of Accounting:** Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis of accounting.

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available (susceptible to accrual). Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period. The District defines the length of time used for “available” for purposes of revenue recognition as 60 days. Revenues that are susceptible to accrual include interest revenue, state revenue sharing entitlements, and intergovernmental grants. Expenditures are recorded at the time the related fund liabilities are incurred. Debt service expenditures are recorded only when payment is due. Under the accrual basis, revenues are recognized in the period when earned and expenses are recognized in the period when incurred.

**F. Budgets and Budgetary Accounting:** The District follows these procedures in establishing the budgetary data reflected in the financial statements.

a. The District Director submits to the District Commissioners a proposed operating budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage.

b. Public hearings are conducted to obtain taxpayer comments on the proposed budget and property tax millage rate.

c. The budget and property tax millage is approved by the Commissioners in September.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

**F. Budgets and Budgetary Accounting: (Continued)**

d. Annual budgets are adopted for the General Fund and Special Revenue Fund.

e. The Commission must approve budget amendments that affect revenue accounts or appropriations. Expenditures may not exceed legal appropriations. Appropriations lapse at year-end. One budget adjustment was made during the year.

f. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

g. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles.

**G. Assets, Liabilities, and Fund Equity:**

Cash and Investments

Authorized investments include the Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act; Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency; interest bearing time deposits on savings accounts in qualified public depositories, as defined in S.280.02; and direct obligations of the U. S. Treasury. Securities shall be invested to provide sufficient liquidity to pay obligations as they come due.

Cash and certificates of deposit include amounts in demand deposit and interest bearing time deposit accounts with Federal or State Chartered Banks. All deposits are covered by collateral pledged with the State Treasurer by the applicable banks. This is done in compliance with Section 280, Florida Statutes, which provides that in the event of a default by any participating bank or savings and loan association, all participating banks and savings and loan associations throughout the State would be obliged to reimburse the District for any loss.

Inventory

Chemicals, fuel and supplies inventory are stated at the lower of cost or net realizable value using the first in/first out (FIFO) method. The general fund accounts for inventory by the consumption method wherein inventories are recorded as expenditures when consumed (FIFO) rather than when purchased.



**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

**G. Assets, Liabilities, and Fund Equity: (Continued)**

Prepaid Items: Prepayments made to vendors for services that will benefit periods beyond September 30, 2019 are recorded as prepaid items.

Property Taxes: Under Florida Law, the assessment of all properties and the collection of all District property taxes are consolidated in the offices of the Pasco County Property Appraiser and Pasco County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit districts to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2019 was .2034.

The tax levy of the District is established by the Commissioners prior to October 1 of each year. The Pasco County Property Appraiser incorporates the millages into the total tax levy, which includes the tax requirements of the county, municipalities, independent districts and the Pasco County School Board.

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pasco County Tax Collector.

All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by Pasco County.

Capital Assets: Capital assets acquired or constructed in excess of \$750 are capitalized at historical cost. Donated assets are recorded at fair market value as of the date received. Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable assets are as follows:

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

**G. Assets, Liabilities, and Fund Equity: (Continued)**

Capital Assets (continued)

Assets	Years
Buildings and Improvements	39-50
Equipment	6-15

Compensated Absences: Annual vacation accruals vary based on years of service. The maximum number of annual leave hours that an employee may accrue is 432 hours.

Sick leave accumulates at the rate of 8 hours for each month worked with no maximum accumulation. Payment for unused medical leave will be made at termination of employment based on years of service. A provision for accumulated absences, related payroll taxes and retirement has been made in the financial statements as of September 30, 2019.

**NET POSITION:** The government-wide financial statements utilize a net position presentation. Net position is presented in three components - invested in capital assets (net of related debt), restricted, and unrestricted. (See also Note 2)

- Invested in Capital assets (net of related debt) - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.
- Restricted - This component consists of net position that has constraints placed on it either externally by third parties (creditors, grantors, and contributors) or by law through constitutional provisions of enabling legislation. The District would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of these funds.
- Unrestricted - This component consists of net position that does not meet the definition of “invested in capital assets, net of related debt” and “restricted”. Designations of net position made by the District’s management are included in this component because these types of constraints are internal and management can remove or modify them.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**

**Notes to the Financial Statements**

**September 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

**G. Assets, Liabilities, and Fund Equity: (Continued)**

**FUND BALANCE:** In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Under GASB 54 requirements, fund balance is reported in five possible components - nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable - This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - This component includes amounts reported as restricted when constraints placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - This component includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's Commissioners. Such amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned - This component is used to report the government's intent to use the amount for a specific purpose, but is neither restricted nor committed.
- Unassigned - This component is the residual classification for the general fund. This amount represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and the unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

**H. Restatement**

The District adopted Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the year ended September 30, 2018. The objective of this Statement is to address accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). The adoption of this standard resulted in a restatement to decrease beginning net position in the statement of net position and the statement of activities in the amount of \$184,482. The offsetting amount is reflected as an additional liability amount in the statement of net position in the 2017 statement.

**I. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2. Cash and Certificates of Deposit**

All demand deposits and certificates of deposit are covered by collateral pledged with the State Treasurer by the applicable banks. This is done in compliance with Section 280, Florida Statutes, which provides that in the event of a default by any such bank or savings and loan association, all participating banks and savings and loan associations throughout the State would be obligated to reimburse the government for any loss.

Such deposits totaled \$5,138,863 at September 30, 2019.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
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**NOTE 3. Changes in Capital Assets**

Capital asset activity for the year ended September 30, 2019 was as follows:

	Oct. 1, 2018 Beginning Balance	Increases	Decreases	Sept. 30, 2019 Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 112,597	\$ -	\$ -	\$ 112,597
Total assets not being depreciated	<u>112,597</u>	<u>-</u>	<u>-</u>	<u>112,597</u>
Other capital assets:				
Buildings & Improvements	2,396,338	17,855	-	2,414,193
Equipment	3,818,974	229,176	127,238	3,920,912
Construction in Process	-	-	-	-
Total other capital assets at historical cost	<u>6,215,312</u>	<u>247,031</u>	<u>127,238</u>	<u>6,335,105</u>
Less accumulated depreciation for:				
Buildings & Improvements	(967,210)	(61,213)	-	(1,028,423)
Equipment	(2,751,973)	(213,847)	(125,355)	(2,840,465)
Total accumulated depreciation	<u>(3,719,183)</u>	<u>(275,060)</u>	<u>(125,355)</u>	<u>(3,868,888)</u>
Other capital assets, net	<u>2,496,129</u>	<u>(28,029)</u>	<u>1,883</u>	<u>2,466,217</u>
Governmental activities Capital assets, net of depreciation	<u>\$ 2,608,726</u>	<u>\$ (28,029)</u>	<u>\$ 1,883</u>	<u>\$ 2,578,814</u>

Depreciation expense was charged to functions as follows:

	2019
Governmental activities	
General government	<u>\$ 275,060</u>

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
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**NOTE 4. Accumulated Sick and Vacation Pay**

The District had \$129,964 of vacation leave and \$145,771 of vested sick leave time accumulated by employees as of September 30, 2019. A maximum of one thousand forty hours sick leave is available to be cashed out. However, sick leave may be accumulated indefinitely for health insurance premiums. The District will pay employees for a portion of their unused sick leave upon termination based upon one half of the unused leave available, limited to employees with over five years of employment and four hundred eighty hours at separation. Annual leave accumulates at various rates based upon length of service of the employee with a maximum possible accumulation of four hundred and thirty-two hours per employee. An estimate of \$166,120 will be paid during the subsequent fiscal year and \$109,615 will be paid in the second subsequent year and beyond.

The following is a summary of accumulation of sick and vacation pay for the year ended September 30, 2019:

	Payable Oct 1, 2018	Earned	Paid	Payable Sept 30, 2019	Estimated Current Portion Sept 30, 2019
Compensated					
Absences	\$ 263,343	\$ 178,512	\$ 166,120	\$ 275,735	\$ 166,120

**NOTE 5. Retirement Plans**

Florida Retirement System:

General Information - All of the District's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of Florida State Legislature.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**

**Notes to the Financial Statements**

**September 30, 2019**

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**NOTE 5. Retirement Plans (Continued)**

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Website: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

Pension Plan

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited services, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credit service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credit service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credit service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service,

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
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**NOTE 5. Retirement Plans (Continued)**

and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of pre-July 2011 service by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, government employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular - 8.26% and 8.47%; Senior Management Service - 24.06% and 25.41%; Elected Officers' - 40.77% and 42.00%; and DROP participants - 14.03% and 14.60%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods October 1, 2018 through September 30, 2019.

The District's contributions, including employee contributions, to the Pension Plan totaled \$110,298 for the fiscal year ended September 30, 2019.



**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
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**NOTE 5. Retirement Plans (Continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2019, the District reported a liability of \$1,225,044 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was .003557183 percent, which was an increase (decrease) of .000265771 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the District recognized pension expense of \$285,674. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 72,661	\$ 760
Change of assumptions	314,642	-
Net difference between projected and actual earnings on Pension Plan investments	-	67,776
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	29,633	161,582
District Pension Plan contributions subsequent to the measurement date	27,054	-
Total	<u>\$ 443,990</u>	<u>\$ 230,118</u>

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 5. Retirement Plans (Continued)**

The deferred outflows of resources related to the Pension Plan, totaling \$27,054 resulting from District's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2020	(14,243)
2021	(18,905)
2022	(27,282)
2023	(33,962)
2024	(31,913)
Thereafter	(19,884)

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 5. Retirement Plans (Continued)**

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Annual Standard Deviation</u>
Cash Equivalents	1.00%	3.30%	3.30%	1.20%
Fixed Income	18.00%	4.10%	4.10%	3.50%
Global Equity	54.00%	8.00%	6.80%	16.50%
Real Estate	11.00%	6.70%	6.10%	11.70%
Private Equity	10.00%	11.20%	8.40%	25.80%
Strategic Investments	<u>6.00%</u>	5.90%	5.70%	6.70%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.60%	1.90%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage higher (7.90%) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District's proportionate share of the net pension liability	\$2,117,694	\$ 1,225,044	\$ 479,531

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

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**NOTE 5. Retirement Plans (Continued)**

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - The District reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2019.

**HIS Plan**

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution for the period of October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019 was 1.66% and 1.66%, respectively. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$27,673 for the fiscal year ended September 30, 2019.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 5. Retirement Plans (Continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2019, the District reported a liability of \$557,605 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of July 1, 2018. The District's proportionate share of net pension liability was based on the District's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was .004983514 percent, which was an increase (decrease) of (.0002622) percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the District recognized pension expense of \$45,962. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,773	\$ 683
Change of assumptions	64,565	45,574
Net difference between projected and actual earnings on HIS Plan investments	360	-
Changes in proportion and differences between District HIS Plan contributions and proportionate share of contributions	39,397	51,439
District HIS Plan contributions subsequent to the measurement date	6,770	-
Total	<u>\$ 117,865</u>	<u>\$ 97,696</u>

The deferred outflows of resources related to the HIS Plan, totaling \$6,770 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
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**NOTE 5. Retirement Plans (Continued)**

Fiscal Year Ending September 30,	Amount
2020	3,195
2021	3,195
2022	3,649
2023	500
2024	(7,922)
Thereafter	(11,464)

Actuarial Assumptions - The total pension liability in the June 30, 2019, actuarial valuation was determined using following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study of the FRS for the period July 1, 2008- June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
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**NOTE 5. Retirement Plans (Continued)**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	(2.50%)	(3.50%)	(4.50%)
District's proportionate share of the net pension liability	\$ 636,535	\$ 557,605	\$ 491,866

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - The District reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2019.

**NOTE 6. Deferred Compensation Plan**

The District has created a deferred compensation plan which is available to all employees in accordance with Internal Revenue Code 457. The plan is administered by independent plan administrators through applicable service agreements. Various options are available for all District employees.

Certain provisions of the Small Business Job Protection Act of 1996 affect Internal Revenue Code Section 457 plans by eliminating the requirement that Section 457 plan assets remain assets of the sponsoring government. The Act now requires that amounts deferred under Section 457 be held in trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors. The trust assets and liabilities are not reflected in these financial statements.

**NOTE 7. Other Employee Benefit Plan**

The District provides employee eye care and dental care on a reimbursement basis at one hundred percent of permanent full-time employees, spouse or children's cost as stated in the policy manual up to \$1,200 per calendar year, with a maximum accumulation of \$3,600. No benefits are available or paid at termination. The plan is unfunded and is reported as an expense/expenditure when reimbursement is made. The current year's cost for providing this benefit was \$37,591.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
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**NOTE 8. Risk Management**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance coverage as its way of managing these areas of risk of loss. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the District's insurance coverage for each of the past three years.

**NOTE 9. Other Post Employment Benefits**

Plan Description

In addition to providing the pension and other benefits previously described, the District provides post employment healthcare, and life insurance (OPEB) to eligible retired individuals. Eligible individuals include all regular employees of the Pasco County Mosquito Control District who retire from active service. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children.

Benefits Provided

Eligible individuals may choose healthcare coverage under a health maintenance organization (HMO) plan or under a point-of-service plan (POS).

Retirees must pay the excess of a monthly premium as determined by the insurance carrier over any applicable subsidy that is provided by the District. The premium varies depending on whether the retiree elects coverage under the HMO or POS plan and whether the retiree elects single, single plus spouse, single plus children, or family coverage.

The District subsidizes 100% of the cost of retiree health insurance for those retirees who have earned at least 10 years of service (15 years of service if hired after July 9, 2007) between age 62 and Medicare eligibility provided that the individual has been covered under the District's health insurance plan since termination of employment.

Funding

Funding is "pay-as-you-go" with the District funding 100% for the employee after reaching the age of 62 until eligible for Medicare coverage. Full-time employees who elect to take early retirement from the District prior to age 62 have the option to continue their health insurance through the District at their own expense. The retired employee may opt to continue paying the full cost of any dependent coverage.



**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
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**NOTE 9. Other Post Employment Benefits (Continued)**

*Employees Covered by Benefit Terms*

As of September 30, 2019, membership consisted of:

Active employees fully eligible	31
Active employees not yet fully eligible	<u>19</u>
Total Active employees	50
Retirees	<u>5</u>
Total number of employees	<u>55</u>

*Actuarial Assumptions*

Liabilities are based on the Entry Age Normal level percent pay cost method. In this method, the actuarial Present Value of Benefits (PVB) for each individual is allocated as a level percent of pay from the entry wage (hire age, for most employees) to age at which retirement rates become 100%. The portion of the PVB allocated to the valuation year is called the Normal Cost (NC). The portion of the PVB allocated to the past years is called the Actuarial Accrued Liability (AAL).

GASB 75 requires that “the total OPEB liability should be determined by (a) actuarial valuation as of the measurement date amounts from an actuarial valuation as of the date of no more than 30 months and 1 day earlier than the employer’s most recent fiscal year end.”

Liabilities for this report were calculated as of the current measurement date per GASB 75 option (a) completed as of September 30, 2019.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.83% as of September 30, 2019, as was based on the Fidelity 20 Year Municipal GO AA index.

*Changes in Total OPEB Liability*

Total OPEB liability at September 30, 2018	\$ 705,016
Changes for the year:	
Service Cost	43,888
Interest	25,345
Changes in Assumptions	82,176
Benefits paid	<u>(49,501)</u>
Net Change in total OPEB Liability	<u>101,908</u>
Total OPEB liability at September 30, 2019	<u>\$ 806,924</u>

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Notes to the Financial Statements**  
**September 30, 2019**

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**NOTE 9. Other Post Employment Benefits (Continued)**

*Changes in Assumptions*

The discount rate was changed 3.50% as of September 30, 2018 to 3.83% as of September 30, 2019.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following represents the total OPEB liability calculated using the discount rate of 3.83% as well as what the net OPEB liability would be if it were calculated using a discount rate one percentage point lower (2.83%) or one percentage point higher (4.83%) than the current discount rate.

1% Decrease	Discount Rate	1% Increase
2.83%	3.83%	4.83%
\$ 869,973	\$ 806,924	\$ 750,840

*Funding*

The District utilized the “pay as you go” method of funding this program, thus there were no assets available within the plan.

**NOTE 10. Subsequent Events**

The District’s management has evaluated events and transactions for potential recognition or disclosure through November 30, 2019, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes a budgetary comparison schedule for the general fund and special revenue fund.

**PASCO COUNTY MOSQUITO CONTROL DISTRICT  
BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**For the Year Ended September 30, 2019**

	Actual Amounts			Variance with Final
	Budget Original	Budget Final	(Budgetary Basis)	Budget Positive/(Negative)
<b>Resources (Inflows)</b>				
Property Taxes	\$ 5,499,686	\$ 5,499,686	\$ 5,304,718	\$ (194,968)
Grant Revenue			70,000	70,000
Interest	21,600	21,600	21,592	(8)
Miscellaneous	-	-	7,226	7,226
Surplus Property	-	-	26,870	26,870
<b>Amounts Available for</b>				
Appropriation	5,521,286	5,521,286	5,430,406	(90,880)
<b>Changes to Appropriations</b>				
<b>(Outflows)</b>				
<b>Personnel Services</b>				
Salaries and Wages	1,839,853	1,839,853	1,763,156	76,697
<b>Personnel Services Benefits</b>				
Payroll Taxes	140,749	140,749	128,876	11,873
Dental Benefit	46,080	46,080	37,591	8,489
Retirement	150,140	150,140	152,325	(2,185)
Health Insurance	672,864	640,864	530,041	110,823
<b>Workmen's Compensation</b>				
Insurance	67,000	67,000	25,120	41,880
Cafeteria Plan	550	550	-	550
Other	14,400	14,400	8,781	5,619
Unemployment Tax	15,000	15,000	3,365	11,635
Disability Insurance	13,200	13,200	13,014	186
<b>Total Personnel Services</b>				
Benefits	1,119,983	1,087,983	899,113	188,870
<b>Operating Expenditures</b>				
Tax Collection	106,607	106,607	84,846	21,761
Accounting	13,000	13,000	12,023	977
Property Appraisal	70,594	70,594	43,530	27,064
Legal & Engineering	25,000	25,000	-	25,000
Pilot Medical Examination	400	400	340	60
Entomology/Consulting	70,000	60,000	30,397	29,603
Bank Service Charges	5,760	5,760	5,694	66
Cleaning	5,760	5,760	5,880	(120)
<b>Total Operating Expenditures</b>				
	297,121	287,121	182,710	104,411

**PASCO COUNTY MOSQUITO CONTROL DISTRICT  
BUDGETARY COMPARISON SCHEDULE**

**General Fund  
For the Year Ended September 30, 2019**

	Budget Original	Budget Amended	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/(Negative)
Expenditures (Continued):				
Utilities, Maintenance, Insurance				
Communications Services	40,500	40,500	42,065	(1,565)
Freight/Postage	3,600	3,600	2,024	1,576
Travel Registrations	64,690	64,690	48,148	16,542
Utilities	32,020	32,020	30,329	1,691
Hanger & Equipment				
Rental	8,760	8,760	7,590	1,170
Insurance	122,000	93,000	91,328	1,672
Equipment & Shop				
Maintenance	240,690	240,690	143,249	97,441
Printing & Binding	1,800	1,800	165	1,635
Promotional Activities	30,000	30,000	16,531	13,469
Governmental Fees	25,930	25,930	7,006	18,924
Advertising	-	-	3,654	(3,654)
Total Utilities, Maintenance, Insurance	569,990	540,990	392,089	148,901
Supplies & Miscellaneous	155,027	145,027	72,596	72,431
Gasoline, Oil & Lubricants	160,658	160,658	98,723	61,935
Chemicals	1,904,511	1,814,511	1,352,030	462,481
Capital Outlay	551,535	532,684	247,031	285,653
Contingency Account	600,000	600,000	-	600,000
Total Charges to Appropriations	7,198,678	7,008,827	5,007,448	2,001,379
Excess (Deficiency) of Resources over Charges to Appropriations	(1,677,392)	(1,487,541)	422,958	1,910,499
Fund Balance at Beginning of Year	1,677,392	1,487,541	6,265,156	4,777,615
Fund Balance at End of Year	\$ -	\$ -	\$ 6,688,114	\$ 6,688,114

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Schedule of Funding Progress-Other Post Employment Benefits**  
**Year Ended September 30, 2019**

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**OTHER POST EMPLOYMENT BENEFIT PLAN**

**Schedule of Funding Process**

	<u>9/30/2019</u>	<u>9/30/2018</u>
Actuarial Accrued Liability (AAL)	\$ 806,924	\$ 604,250
Actuarial Value of Plant Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 806,924	\$ 604,250
Funded Ratio	0%	0%
Actuarial Valuation Date	9/30/2017	10/1/2014
Covered Payroll	\$ 1,839,853	\$ 1,692,419
Ratio of UAAL to Covered Payroll	43.9%	35.7%

**Retiree Continuation Insurance Plan**

**Schedule of Changes in the City's Net OPEB Liability and Related Ratios**

	<u>9/30/2019</u>	<u>9/30/2018</u>
<b><u>Total OPEB Liability</u></b>		
Service Cost	43,888	44,183
Interest	25,345	22,466
Changes in Assumptions	82,176	(21,348)
Benefits paid	(49,501)	(41,635)
Net Change in total OPEB Liability	101,908	3,666
Total OPEB liability, Beginning	705,016	701,350
Total OPEB liability, Ending	<u>\$ 806,924</u>	<u>\$ 705,016</u>

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Florida Retirement System**  
**Year Ended September 30, 2019**

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	2019	2018	2017	2016	2015
District's proportionate share of the net pension liability	0.003557183%	0.003822954%	0.004556147%	0.48783070%	0.004579389%
District's proportionate share of the net pension liability	1,225,044	1,151,494	\$ 1,347,678	\$ 1,231,776	\$ 591,490
District's covered-employee payroll	1,664,978	1,687,176	\$ 1,746,637	\$ 1,728,334	\$ 1,542,721
District's proportionate share of the net pension liability as a percentage of covered-employee payroll	73.58%	68.25%	77.16%	71.27%	38.34%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Schedule of Proportionate Share of Net Pension Liability**  
**FRS Health Insurance Subsidy Program**  
**Year Ended September 30, 2019**

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportionate share of the net pension liability	0.004983514%	0.005245787%	0.005383668%	0.00568379%	0.004954792%
District's proportionate share of the net pension liability \$	557,605	\$ 555,220	\$ 575,647	\$ 662,422	\$ 505,311
District's covered-employee payroll \$	1,664,978	\$ 1,687,176	\$ 1,746,637	\$ 1,727,334	\$ 1,542,721
District's proportionate share of the net pension liability as a percentage of covered-employee payroll	33.49%	32.91%	32.96%	38.35%	32.75%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%



**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Schedule of Contributions**  
**Florida Retirement System**  
**Year Ended September 30, 2019**

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 110,298	\$ 108,951	\$ 118,608	\$ 118,965	\$ 111,649
Contributions in relation to the contractually required amount	\$ (110,298)	\$ (108,951)	\$ (118,608)	\$ (118,965)	\$ (111,649)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Pasco Mosquito Control District's covered-employee payroll	\$1,664,978	\$1,687,176	\$1,746,637	\$1,728,334	\$1,542,721
Contributions as a percentage of covered-employee payroll	6.62%	6.46%	6.79%	6.88%	7.24%

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Schedule of Contributions**  
**FRS Health Insurance Subsidy Program**  
**Year Ended September 30, 2019**

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 27,673	\$ 28,448	\$ 28,492	\$ 29,133	\$ 18,940
Contributions in relation to the contractually required amount	\$ (27,673)	\$ (28,448)	\$ (28,492)	\$ (29,133)	\$ (18,940)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Pasco Mosquito Control District's covered-employee payroll	\$1,664,978	\$1,687,176	\$1,746,637	\$1,728,334	\$1,542,721
Contributions as a percentage of covered-employee payroll	1.69%	1.69%	1.63%	1.69%	1.23%

**PASCO COUNTY MOSQUITO CONTROL DISTRICT**  
**Schedule of Contributions**  
**Other Post Employment Benefits**  
**Year Ended September 30, 2019**

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	<u>2019</u>
Contractually Required Contribution	\$ 49,501
Contributions in relation to Required	\$ 49,501
Contribution Excess (deficiency)	\$ -
Mosquito Control District Payroll	\$1,763,156
Contributions as a percentage of District Payroll	2.81%

**Other Reports**  
**and**  
**Management Letter**

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**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*.**

November 30, 2019

Board of Commissioners  
Pasco County Mosquito Control District  
Odessa, FL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pasco County Mosquito Control District, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Pasco County Mosquito Control District's basic financial statements, and have issued our report thereon dated November 30, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Pasco County Mosquito Control District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pasco County Mosquito Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pasco County Mosquito Control'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 entity'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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pasco County Mosquito Control 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 determination of financial statements amounts. 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*.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA  
Signed Electronically by Baggett, Reutimann & Associates, CPAs PA, CN: JB183 email: jrb1@baggett.com

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## MANAGEMENT LETTER

November 30, 2019

Board of Commissioners  
Pasco County Mosquito Control District  
Odessa, FL 33556

We have audited the financial statements of the Pasco County Mosquito Control District as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated November 30, 2019.

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters dated November 30, 2019. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the state of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(i)1.), require that we address in the management letter, if not already addressed in the auditors' report on compliance and internal controls, whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial report.

As required by the Rules of the Auditor General (Section 10.554(1)(i)2.), the scope of the audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that Pasco County Mosquito Control District complied with Section 218.415, Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554 (1)(i)6.a.), a statement must be included as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes. Additionally, as required by Section 10.556(7), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management.

The Rules of the Auditor General (Section 10.554(1)(i)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.

The Rules of the Auditor General (Section 10.554(1)(i)4.) require that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

The official title of the entity is the Pasco County Mosquito Control District. There are no component units. The District was created as the West Pasco County Mosquito Control District on June 7, 1951, by resolution of the Board of County Commissioners of Pasco County, Florida, in accordance with the results of the Special Election of June 5th, 1951, under the provisions of Chapter 390, Florida Statutes of 1949. The name of the District was changed to the Pasco County Mosquito Control District by resolution of the Board of County Commissioners of Pasco County, on November 10, 1987. The District is empowered and authorized to carry out mosquito control operations in accordance with Chapter 388, Florida Statutes.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Baggott, Reutimann & Associates, CPAs PA*  
**BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA**  
Signed Electronically by Baggott, Reutimann & Associates, CPAs PA, CN: JR183 email: [jrb@baggettsga.com](mailto:jrb@baggettsga.com)



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

November 30, 2019

Board of Commissioners  
Pasco County Mosquito Control District  
Odessa, Florida

We have examined the Pasco County Mosquito Control District's (the District) compliance with Section 218.415, Florida Statutes regarding the investment of public funds during the period ended September 30, 2019, as required by Section 10.556, Rules of the Auditor General. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the District, its management, and is not intended to be and should not be used by anyone other than these specified parties. However, this letter is a matter of public record and its distribution is not limited.

*Baggett, Reutimann & Associates, CPAs PA*  
BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA  
Signed Electronically by Baggett, Reutimann & Associates, CPAs PA, CN: JB193 email: jrb@baggett.com