



Indian River
Mosquito Control District
FINANCIAL STATEMENTS
Year Ended September 30, 2020



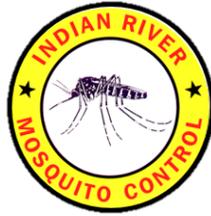
CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Indian River Mosquito Control District
Table of Contents
As of September 30, 2020

Introductory Section	
Title Page	1
Table of Contents	2
District Commissioners	3
Financial Section	
Independent Auditors' Report	5
Management's Discussion and Analysis	7
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Governmental Fund	
Balance Sheet	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balance	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	19
Statement of Fiduciary Net Position – OPEB Trust Fund	20
Statement of Changes in Fiduciary Net Position – OPEB Trust Fund	21
Notes to Financial Statements	23
Required Supplementary Information Other Than Management's Discussion and Analysis	
Schedule of Revenues, Expenditures, and Changes in General Fund Balances – Budget and Actual	49
Notes to Required Supplementary Information	50
Schedule of Proportionate Share of Net Pension Liability	52
Schedule of Contributions	54
Schedule of Change in Net OPEB Liability (Asset) and Related Ratios	56
Additional Elements Required by <i>Government Auditing Standards</i> and The Rules of the Auditor General	
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 <i>Government Auditing Standards</i> .	59
Independent Auditors' Management Letter	61
Independent Accountants' Report on Compliance with Local Government Investment Policies	65



THIS PAGE IS INTENTIONALLY LEFT BLANK.



Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

To the District Commissioners
Indian River Mosquito Control District
Vero Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Indian River Mosquito Control District, (the "District") as of and for the year ended September 30, 2020, and the 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 and the major fund of the Indian River Mosquito Control District as of September 30, 2020, 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 management's discussion and analysis, the required budgetary comparison information and the postemployment benefits and net pension liability supplementary information on pages 7-12 and pages 47-54, respectively, 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 February 26, 2021 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Cary Riggs & Ingram, L.L.C.

Melbourne, Florida
February 26, 2021

Indian River Mosquito Control District Management's Discussion and Analysis

Our discussion and analysis of the Indian River Mosquito Control District, Vero Beach, Florida ("District") provides an overview of the District's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. This overview and analysis is required by generally accepted accounting principles (GAAP) in the United States of America in Governmental Accounting Standards Board Statement No. 34 **Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments** (GASB 34).

DISTRICT HIGHLIGHTS

- The District is an independent special taxing district, which operates under Chapter 388, Florida Statutes.
- The District is governed by a three-member Board of Commissioners. Each commissioner is elected for a four-year term.
- The District employs 29 full-time employees. The District owns over 30 vehicles along with several boats and pieces of heavy machinery.
- The District's offices are located at 5655 41 St. Street, Vero Beach, Florida 32967.
- Ground and aerial mosquito control services are provided within the District's 352 square miles. The District includes 66% of the land mass of Indian River County.
- During fiscal year ended September 30, 2020, the District aeriaily treated (=larvicided) 33,615 acres, which is approximately 1.9X the 37-year historical average. However, this amount is about 1.2X of our last 5-year average of 28,973 acres.
- During fiscal year ended September 30, 2020, the District ground sprayed (=adulticided) 3401 miles, which is approximately 37% of the 37-year historical average. That mileage is approximately half of the most recent 5-year average of 5494 miles.
- During fiscal year ended September 30, 2020, the District received 812 service requests from the public which is approximately 88% of the 30-year average. That number is close to the past 5-year average of 735 requests.
- During fiscal year ended Sept. 30, 2020, the District saw significant evidence of West Nile Virus (WNV) transmission (as shown by the District's sentinel chicken program) which resulted in Indian River County being placed under a Mosquito-Borne Illness Advisory. It is possible that 2020 WNV activity could be a precursor of an active year also in 2021.

Indian River Mosquito Control District Management's Discussion and Analysis

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year resulting in a net position balance of \$3,540,166.
- The change in the District's total net position in comparison with the prior fiscal year was (\$567,190), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2020, the District's governmental fund reported ending fund balances of \$2,263,377, a decrease of (\$216,163) in comparison with the prior fiscal year. A portion of the fund balance is non-spendable for prepaid items and inventory, assigned for future capital outlay and subsequent years' expenditures, and the remainder is unassigned which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual amount being reported as net position. 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.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by property tax revenues. The District does not have any business-type activities. The governmental activities of the District include the mosquito control functions.

Indian River Mosquito Control District Management's Discussion and Analysis

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain 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.

The District has two fund categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund for external reporting. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. The general fund is considered a major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Fiduciary Funds

Governmental funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's program. Fiduciary funds use much the same basis of accounting as the government-wide statements. The District maintains one fiduciary fund for the Other Post-Employment Benefits (OPEB) Trust.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data included in the government-wide and fund financial statements.

Indian River Mosquito Control District Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources at the close of the most recent fiscal year.

The District's net position reflects its investment in capital assets (e.g., land, land improvements, and infrastructure). These assets are used to provide services to residents; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net position may be used to meet the District's other obligations.

Key components of the District's net position are reflected in the following table:

NET POSITION		
SEPTEMBER 30,		
	2020	2019
	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 2,388,214	\$ 2,668,115
Capital assets, net of depreciation	3,492,111	3,472,028
Total assets	<u>5,880,325</u>	<u>6,140,143</u>
Deferred outflows of resources	1,016,259	730,810
Total assets and deferred outflows	<u>6,896,584</u>	<u>6,870,953</u>
Current liabilities	124,837	188,575
Long-term liabilities	3,109,814	2,338,967
Total liabilities	<u>3,234,651</u>	<u>2,527,542</u>
Deferred inflows of resources	121,767	236,055
Total liabilities and deferred inflows	<u>3,356,418</u>	<u>2,763,597</u>
Net position		
Investment in capital assets	3,492,111	3,472,028
Unrestricted	48,055	635,328
Total net position	<u>\$ 3,540,166</u>	<u>\$ 4,107,356</u>

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing general revenues.

Indian River Mosquito Control District Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR END SEPTEMBER 30,

Revenues:	2020	2019
Program revenues:		
Operating grants and contributions	\$ 198,352	\$ 244,332
General revenues:		
Property taxes	4,467,920	4,179,680
Investment earnings	13,327	52,703
Miscellaneous income	716	4,681
Gain on disposal of capital assets	8,839	17,099
Total revenues	4,689,154	4,498,495
Expenses:		
Physical environment	5,256,344	4,924,325
Total expenses	5,256,344	4,924,325
Change in net position	(567,190)	(425,830)
Net position - beginning	4,107,356	4,533,186
Net position - ending	\$ 3,540,166	\$ 4,107,356

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2020 was \$5,256,344. The costs of the District's activities were primarily funded by property taxes. Program revenues are comprised primarily of grants and contributions.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Commissioners. The general fund budget for the fiscal year ended September 30, 2020 was amended to increase revenues by \$204,148 and increase appropriations by \$39,938. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2020.

Indian River Mosquito Control District Management's Discussion and Analysis

CAPITAL ASSETS

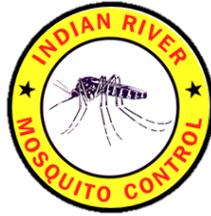
At September 30, 2020, the District had \$7,621,654 invested in capital assets. In the government-wide statements depreciation of \$4,129,543 has been taken, which resulted in a net book value of \$3,492,111. More detailed information about the District's capital assets is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND OTHER EVENTS

The District is planning two capital improvement projects: improvements to the security systems at the District's facilities and a geo tube pilot project at the Oyster Bar impoundment. In addition, it is anticipated that the general operations of the District will remain fairly constant. Recent trends in the local real estate values have seen a modest increase in these values which are expected to continue in the near future. The District's budget for the 2020-21 fiscal year is at a millage rate of 0.2515.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, landowners, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact Indian River Mosquito Control District at 5655 41st Street, Vero Beach, Florida, 32967.



BASIC FINANCIAL STATEMENTS

**Indian River Mosquito Control District
Statement of Net Position**

<i>September 30, 2020</i>	Primary Government
ASSETS	
Cash and cash equivalents	\$ 1,919,556
Receivables	1,048
Investments	131,875
Inventories	334,361
Prepaid items	53
Due from fiduciary fund	1,321
Capital assets:	
Nondepreciable	700,838
Depreciable, net	2,791,273
Total assets	5,880,325
DEFERRED OUTFLOWS OF RESOURCES	
FRS pension	1,006,294
OPEB trust	9,965
Total deferred outflows of resources	1,016,259
LIABILITIES	
Accounts payable and accrued expenses	49,042
Accrued wages	75,795
Noncurrent liabilities:	
Compensated absences	177,529
Net pension liability	2,767,631
Net OPEB liability	164,654
Total liabilities	3,234,651
DEFERRED INFLOWS OF RESOURCES	
FRS pension	121,767
Total deferred inflows of resources	121,767
NET POSITION	
Net investment in capital assets	3,492,111
Unrestricted	48,055
Total net position	\$ 3,540,166

The accompanying notes are an integral part of this financial statement.

**Indian River Mosquito Control District
Statement of Activities**

<i>Year ended September 30, 2020</i>					Primary Government
Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense)
			Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Physical environment	\$ 5,256,344	\$ -	\$ 198,352	\$ -	\$ (5,057,992)
Total governmental activities	\$ 5,256,344	\$ -	\$ 198,352	\$ -	\$ (5,057,992)
General revenues					
Property taxes					4,467,920
Investment earnings					13,327
Miscellaneous income					716
Gain on disposal of capital assets					8,839
Total general revenues					4,490,802
Change in net position					(567,190)
Net position, beginning of year					4,107,356
Net position, end of year					\$ 3,540,166

The accompanying notes are an integral part of this financial statement.

**Indian River Mosquito Control District
Balance Sheet – Governmental Fund**

<i>September 30, 2020</i>	General	Total Governmental Fund
ASSETS		
Cash and cash equivalents	\$ 1,919,556	\$ 1,919,556
Receivables	1,048	1,048
Due from fiduciary fund	1,321	1,321
Investments	131,875	131,875
Inventories	334,361	334,361
Prepaid items	53	53
Total assets	\$ 2,388,214	\$ 2,388,214
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accrued expenses	\$ 49,042	\$ 49,042
Accrued wages	75,795	75,795
Total liabilities	124,837	124,837
Fund balances:		
Nonspendable for:		
Prepays and inventory	334,414	334,414
Assigned:		
Subsequent year's expenditures	1,500,000	1,500,000
Capital outlay	69,000	69,000
Unassigned	359,963	359,963
Total fund balances	2,263,377	2,263,377
Total liabilities and fund balances	\$ 2,388,214	\$ 2,388,214

The accompanying notes are an integral part of this financial statement.

**Indian River Mosquito Control District
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**

September 30, 2020

Total fund balances - governmental funds	\$ 2,263,377
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 funds.	3,492,111
Deferred outflow of resources related to pension earnings and OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	1,016,259
Deferred inflow of resources related to pension earnings are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	(121,767)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds	
Compensated absences	(177,529)
Net pension liability	(2,767,631)
Net OPEB liability	(164,654)
Net position of governmental activities	\$ 3,540,166

The accompanying notes are an integral part of this financial statement.

Indian River Mosquito Control District
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund

<i>Year ended September 30, 2020</i>	General	Total Governmental Fund
Revenues		
Property taxes	\$ 4,467,920	\$ 4,467,920
Interest income	13,327	13,327
Grants and donations	198,352	198,352
Miscellaneous revenue	716	716
Total revenues	4,680,315	4,680,315
Expenditures		
Current:		
Physical environment	4,486,124	4,486,124
Capital outlay	419,193	419,193
Total expenditures	4,905,317	4,905,317
Expenditures in excess of revenues	(225,002)	(225,002)
Other financing sources		
Proceeds from sale of capital assets	8,839	8,839
Net other financing sources	8,839	8,839
Net changes in fund balance	(216,163)	(216,163)
Fund balance, beginning of year	2,479,540	2,479,540
Fund balance, end of year	\$ 2,263,377	\$ 2,263,377

The accompanying notes are an integral part of this financial statement.

**Indian River Mosquito Control District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of the Governmental Fund to the Statement of Activities**

Year ended September 30, 2020

Net change in fund balances - total governmental funds \$ (216,163)

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 allocated over
their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 426,645	
Less: current year depreciation	<u>(406,562)</u>	20,083

Under the modified accrual basis of accounting used in governmental
funds, expenditures, (revenues), are not recognized for transactions that
are not normally paid with expendable available financial resources.
In the statement of activities, however, which is presented on the accrual
basis, expenses and liabilities are reported regardless of when the financial
resources are available.

Compensated absences	\$ (1,749)	
Other postemployment benefits liability	(45,134)	
Net pension liability	<u>(324,227)</u>	(371,110)

Change in net position of governmental activities	\$ (567,190)	
--	---------------------	--

The accompanying notes are an integral part of this financial statement.

**Indian River Mosquito Control District
Statement of Fiduciary Net Position – OPEB Trust Fund**

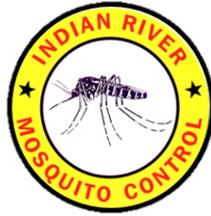
<i>September 30, 2020</i>	OPEB Trust Fund
ASSETS	
Cash and cash equivalents	\$ 53,194
Investments	211,555
Accounts receivable	300
Total assets	265,049
LIABILITIES	
Accounts payable	162
Due to other funds	1,321
Total liabilities	1,483
NET POSITION	
Net position restricted for other post employment benefits	\$ 263,566

The accompanying notes are an integral part of this financial statement.

**Indian River Mosquito Control District
Statement of Changes in Fiduciary Net Position – OPEB Trust Fund**

<i>Year Ended September 30, 2020</i>	OPEB Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 1,885
Investment income	3,749
Total additions	5,634
DEDUCTIONS:	
Benefit payments	9,247
Administrative expenses	2,570
Total deductions	11,817
Change in net position	(6,183)
Net position restricted for other post employment benefits, beginning of year	269,749
Net position restricted for other post employment benefits, end of year	\$ 263,566

The accompanying notes are an integral part of this financial statement.



THIS PAGE IS INTENTIONALLY LEFT BLANK.

Indian River Mosquito Control District

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Indian River Mosquito Control District (the "District") was originally created under Chapter 11.128 of the Laws of Florida and Acts of the 1925 Legislature and is presently operating under Chapter 388, Florida Statutes. The District encompasses approximately two-thirds of the land mass and ninety-five percent of the population of Indian River County, Florida. The District is a separate taxing district governed by a Board of Commissioners composed of three members elected for terms of four years and is authorized to act as is necessary and prudent to control mosquitos within the boundaries of the District.

The Board has the responsibility for:

1. Levying taxes.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and termination of key personnel.
6. Financing improvements.

The financial statements of the District have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all activities of the primary government. *Governmental activities* are those which normally are supported by taxes and intergovernmental revenues.

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

Indian River Mosquito Control District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as *program revenues* include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The OPEB trust fund financial statements are reported using the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized at the time the liability is incurred.

Indian River Mosquito Control District

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The District reports the following major governmental fund:

The *general fund* is the government's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The District reports the following fiduciary fund:

The *OPEB trust fund*, this fund accounts for the trust fund established to receive and invest OPEB contributions and disburse these monies in accordance with the OPEB Trust document. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents

The District considers cash to be cash on hand and demand deposits.

2. Investments

The District's investments consist of certificates of deposit, which are held to maturity and are nonparticipating interest-earning investment contracts and a life insurance policy which the District is the beneficiary of and purchased. The certificates of deposits are valued at cost plus accrued interest per Section 150: *Investments* of the GASB Codification. The life insurance contract is valued at the current surrender value of the policy.

3. Receivables and Allowance for Doubtful Accounts

All trade and property tax receivables are considered to be fully collectible. Therefore, the District considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been provided.

4. Inventories

The cost of inventory is accounted for on the consumption method wherein inventories are charged as expenditures when used rather than when purchased. Inventories are valued at cost on the first-in, first-out method.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Indian River Mosquito Control District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

6. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, culverts, impoundments, and similar items), and intangible assets are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements other than buildings	5-20
Equipment	5-10
Office furniture	5-10
Intangible assets - land easement and improvements	50

7. Deferred Outflows / Inflows of Resources

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

The deferred outflows and inflows are an aggregate of items related to pensions and other post-employment benefits (OPEB) as calculated in accordance with GASBC P20, *Pension Activities* and GASBC P50, *Other Post-Employment Benefits*.

8. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The amount which may be paid out upon termination is capped at certain thresholds established by the District and approved by the Commission. All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only if they have matured, for example, as a result of employee resignations and retirements.

Indian River Mosquito Control District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

9. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

10. Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance – Amounts that are inherently not spendable because of their form (such as inventory) and/or that cannot convert or are not readily convertible to cash (such as prepaid assets).

Assigned Fund Balance – Amounts that the District Administrator has identified to be used for a specific purpose and any deficit budgeted for the next fiscal year.

Unassigned Fund Balance – The remaining portion of fund balance which is spendable and not obligated or specifically designated, and thus, available for any purpose.

11. Use of Estimates

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

12. Defined Benefit Pension Plans

The District participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plan's fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The District's employer contributions are recognized when due, and the District has a legal

Indian River Mosquito Control District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

12. Defined Benefit Pension Plans (Continued)

requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan.

13. Other Post Employment Benefits

The District participates in a single employer defined benefit other post employment plan. The District does have a trust for the plan, however there is no actuarial determined contribution. The net liability or asset is determined in accordance with GASBC P50, *Other Post Employment Benefits*.

14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 26, 2021 and determined there were no events that occurred that required disclosure.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

As permitted by GASBC 2400, *Budgetary Reporting*, the District has elected to disclose all budgetary information in the notes to the required supplementary information on page 47.

Note 3: DETAILED NOTES ON ALL FUNDS

A. Deposits

All bank balance deposit amounts are covered by federal depository insurance or collateral with the State of Florida under the Florida Security for Public Deposits Act.

The Florida Security for Public Deposits Act, establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, the District deposits in qualified public depositories are fully insured. The qualified public depository must pledge 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

Indian River Mosquito Control District Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

B. Investments

As of September 30, 2020, no separate written investment policy had been adopted, and therefore, the District is restricted to investments as authorized under Section 218.415(17), Florida Statutes. Investments authorized under this provision of the state statutes are limited to: the Florida Local Government Surplus Funds Trust Fund (SBA), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest bearing time deposits or savings accounts in state-certified qualified public depositories; and direct obligations of the U.S. Treasury. In addition, Florida Chapter 73-497(11) which was subsequently amended allowed for the investment in life insurance.

1. Interest Rate Risk

The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. This policy is pursuant to Florida State Statute 218.415(6).

2. Credit Risk

Credit rate risk is the risk of losses due to the failure of the security issue or backer. This is mitigated by investing in the assets allowed under State Ordinance and by diversifying the portfolio so that potential losses on individual securities will be minimized.

3. Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2020, the District's investment in Certificates of Deposit are not subject to custodial credit risk. The District's investments are held by the District and not comingled with assets of other entities.

4. Fair Value

GASB Codification Section 3100: *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Indian River Mosquito Control District Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

B. Investments (Continued)

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets (L1): or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities (L2): in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.
If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value (L3): measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Life insurance contract: Valued using the current cash surrender value which is the present value of future benefits.

There have been no changes in the methodologies used at September 30, 2020.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Indian River Mosquito Control District Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

B. Investments (Continued)

As of September 30, 2020, the District had the following investments and effective duration presented in terms of years:

Governmental Funds	Weighted Average Maturity (Years)				Rating	Agency	Level
Investment Type	Fair Value	Less than 1	1-5	Over 6			
Life insurance contract	\$ 30,265	\$ 30,265	\$ -	\$ -	Unrated	-	L3
Investments valued at amortized cost							
Certificates of Deposit	101,610	101,610	-	-			
Total governmental funds	131,875	131,875	-	-			
OPEB Trust fund							
Certificates of Deposit	211,555	211,555	-	-			
Total OPEB trust fund	211,555	211,555	-	-			
Total investments	\$ 343,430	\$ 343,430	\$ -	\$ -			

C. Property Taxes

The millage rate levied by the District for the fiscal year ended September 30, 2020, was 0.2515 mills. Tax collections for the District were approximately 97% of the total tax levy.

Under Florida law, the assessment of all properties and the collection of all county, municipal, special districts, and school board property taxes are consolidated in the offices of Indian River County Property Appraiser and Indian River County Tax Collector. The laws of the State of Florida regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit the District to levy property taxes at a rate of up to 10 mills.

The tax levy of the District is established by the District Commissioners prior to October 1st of each year and the Indian River County Property Appraiser incorporates the District millage into the total tax levy, which includes Indian River County and the County School Board tax requirements among other overlapping governments.

All taxes are due and payable on November 1st (levy date) of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 15 following the year in which they are assessed.

Indian River Mosquito Control District Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

C. Property Taxes (continued)

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. Taxes paid in March are paid without discount.

On or prior to June 1st of each fiscal year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates are held by Indian River County.

D. Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 549,359	\$ -	\$ -	\$ 549,359
Construction in process	189,090	151,479	(189,090)	151,479
Total capital assets not being depreciated	738,449	151,479	(189,090)	700,838
Capital assets, being depreciated/amortized:				
Buildings and improvements	1,688,377	-	-	1,688,377
Equipment	1,851,347	114,764	(38,125)	1,927,986
Infrastructure	2,954,961	349,492	-	3,304,453
Total capital assets being depreciated	6,494,685	464,256	(38,125)	6,920,816
Less accumulated depreciation for:				
Buildings and improvements	554,318	48,139	-	602,457
Equipment	1,421,735	139,885	(38,125)	1,523,495
Infrastructure	1,785,053	218,538	-	2,003,591
Total accumulated depreciation	3,761,106	406,562	(38,125)	4,129,543
Total capital assets, being depreciated, net	2,733,579	57,694	-	2,791,273
Governmental activities capital assets, net	\$ 3,472,028	\$ 209,173	\$ (189,090)	\$ 3,492,111

Depreciation expense of \$406,562 was charged to the physical environment function.

Indian River Mosquito Control District Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

E. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences payable	\$ 175,780	\$ 128,637	\$ (126,888)	\$ 177,529	\$ -
Net pension liability	2,043,896	723,735	-	2,767,631	-
Net OPEB obligation (asset)	119,291	50,997	(5,634)	164,654	-
Long-term liabilities	\$ 2,338,967	\$ 903,369	\$ (132,522)	\$ 3,109,814	\$ -

For the governmental activities, the compensated absences are generally liquidated by the general fund; the net OPEB obligations are liquidated by the OPEB trust fund; and the Pension obligation by the general fund.

F. Concentrations

The District purchases products from an assortment of vendors, however due to the nature of the chemicals used for mosquito control, the District has a purchasing concentration with one vendor comprising 11.5% of total physical environment expenses for the year ended September 30, 2020.

G. Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. The statements address:

GASB Statement No. 84, Fiduciary Activities ("GASB 84"), seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Indian River Mosquito Control District Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

G. Future Accounting Pronouncements (Continued)

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

The District is evaluating the requirements of the above statements and the impact on reporting.

Indian River Mosquito Control District Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

H. Asset Retirement Obligations

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and the normal operation of a long-lived asset. The District assesses asset retirement obligations on a periodic basis. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs.

The District has an above ground fuel storage tank which is regulated by Florida Administrative Code (FAC) 62-762, and requires certain activities if use of the fuel storage tank is discontinued. The District has determined it cannot reasonably estimate the fair value of the liability for disposal of this item and, accordingly, has not recorded an asset retirement obligation for this matter.

Note 4: DEFINED BENEFIT PENSION PLANS

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Indian River Mosquito Control District Notes to Financial Statements

Note 4: DEFINED BENEFIT PENSION PLANS (Continued)

A. Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

B. Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan.

The employer's contribution rates as of September 30, 2020, were as follows:

	FRS	HIS
Regular class	8.34%	1.66%
Special risk class	22.79%	1.66%
Senior management service class	25.63%	1.66%
Elected officials	47.52%	1.66%
DROP from FRS	15.32%	1.66%

The employer's contributions for the year ended September 30, 2020, were \$186,330 to the FRS Pension Plan and \$35,326 to the HIS Program.

Indian River Mosquito Control District Notes to Financial Statements

Note 4: DEFINED BENEFIT PENSION PLANS (Continued)

C. Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2020, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2020. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability	\$ 2,053,565	\$ 714,066
Proportion at:		
Current measurement date	0.0047%	0.0058%
Prior measurement date	0.0043%	0.0051%
Pension expense	\$ 458,889	\$ 74,133

D. Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 78,594	\$ -	\$ 29,210	\$ (551)
Change of assumptions	371,760	-	76,782	(41,520)
Net difference between projected and actual earnings on pension plan investme	122,271	-	570	-
Changes in proportion and differences between District pension plan contributions and proportionate share of contributions	150,078	(48,170)	117,399	(31,526)
District pension plan contribution subsequent to the measurement date	50,685	-	8,945	-
Total	\$ 773,388	\$ (48,170)	\$ 232,906	\$ (73,597)

Indian River Mosquito Control District Notes to Financial Statements

Note 4: DEFINED BENEFIT PENSION PLANS (Continued)

D. Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2020. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30:	FRS	HIS
2021	\$ 141,652	\$ 42,102
2022	215,851	31,576
2023	182,124	9,022
2024	107,925	19,547
2025	26,981	27,065
Thereafter	-	21,052
Total	\$ 674,533	\$ 150,364

E. Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2020. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2020. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2020.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases, including inflation	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Indian River Mosquito Control District Notes to Financial Statements

Note 4: DEFINED BENEFIT PENSION PLANS (Continued)

E. Actuarial Assumptions (continued)

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%. The assumed rate of inflation was decreased from 2.60% to 2.40%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%. The assumed rate of inflation was decreased from 2.60% to 2.40%. Mortality assumptions for the HIS Program were changed from the Generational RP-2000 with Projection Scale BB to the PUB2010 base tables projected generationally with Scale MP-2018

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.2%	2.2%
Fixed income	19.0%	3.0%	2.9%
Global equity	54.2%	8.0%	6.7%
Real estate	10.3%	6.4%	5.8%
Private equity	11.1%	10.8%	8.1%
Strategic investments	4.4%	5.5%	5.3%
Total	100%		

F. Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. FRS' 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 calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Indian River Mosquito Control District Notes to Financial Statements

Note 4: DEFINED BENEFIT PENSION PLANS (Continued)

G. Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease Rate	Rate	1% Increase	1% Decrease Rate	Rate	1% Increase
September 30, 2020	5.80%	6.80%	7.80%	1.21%	2.21%	3.21%
District's proportionate share of the net pension liability	\$ 3,279,196	\$ 2,053,565	\$ 1,029,910	\$ 825,429	\$ 714,066	\$ 622,917

H. Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Note 5: OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The District administers a single-employer defined benefit retiree other post-employment benefit plan (the "OPEB Plan"). Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District, and eligible dependents, may continue to participate in the District's fully-insured benefit plan for medical, prescription drug, dental, vision and life insurance. The OPEB Plan can be amended at any time by the Board of Commissioners of the District. The OPEB Plan is administered through an OPEB trust and does not issue stand-alone financial reports and is not included in the reports of any other entity.

B. Benefits Provided

The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the District on average than those of active employees.

Indian River Mosquito Control District Notes to Financial Statements

Note 5: OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Benefits Provided (Continued)

Additionally, pursuant to a policy adopted by the District Commission on April 6, 2004, and amended on June 4, 2013 eligible retirees receive insurance coverage at explicitly subsidized premium rates - rates that are lower than full blended rates charged by the insurance vendors.

Eligibility for the subsidy depends on age and service with the District and the Retiree is required to remit to the District all HIS funds received from the FRS system while they are participating in the OPEB Plan.

The benefits provided under this defined benefit plan are provided from age 57 until the Retiree reaches Medicare eligibility in which case they may elect to remain in the OPEB Plan but are required to pay the entire premium less HIS contributions.

The service based subsidy requires a minimum of 20 years of service at retirement as an employee or 16 years as a commissioner. The Retiree has an option to select a more comprehensive health care plan, but must pay the premium difference. As of September 30, 2020, the District provides benefits for 1 eligible Retiree.

C. Funding Policy

The District has elected to partially fund the program and contributions to the OPEB Plan are established on an annual basis. Therefore, the contributions made to the OPEB Plan are the benefits paid to retirees (both on an explicit and implicit basis), administrative expenses, and contributions to the OPEB trust fund.

For the year ended September 30, 2020, the District remitted \$1,885 to the OPEB trust fund. The District does not currently calculate an actuarially determined contribution.

D. Annual OPEB Cost and Net OPEB Liability

The District's net OPEB liability is calculated using the Alternative Measurement Method permitted by GASB Codification P50: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* that meet specified criteria for employers in plans with fewer than one hundred total plan members. The Alternative Measurement Method involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. The calculation is performed anew every two years, with every other year only undergoing an update for changes in experience, health-care cost projections, and other similar assumptions.

Indian River Mosquito Control District Notes to Financial Statements

Note 5: OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Annual OPEB Cost and Net OPEB Liability (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan terms and include the types of benefits provided at the time of each valuation. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the actuarially calculated assets and liabilities, consistent with the long-term perspective of the future benefits.

The components of the net OPEB liability (asset) at September 30, 2020 were as follows:

Total OPEB liability	Fiduciary net position	Net OPEB liability (asset)	Funded percentage
\$ 428,382	\$ 263,728	\$ 164,654	62%

The change in the net OPEB liability (asset) for the year ended September 30, 2020 were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balance as of September 30, 2019	\$ 389,040	\$ 269,749	\$ 119,291
Service Cost	26,569	-	26,569
Interest	12,964	-	12,964
Changes of assumptions	8,128	-	8,128
Employer contributions	-	1,175	(1,175)
Net investment income	-	3,749	(3,749)
Other additions	217	161	56
Benefit payments	(8,536)	(8,536)	-
Administrative expenses	-	(2,570)	2,570
Balance as of September 30, 2020	\$ 428,382	\$ 263,728	\$ 164,654

The net OPEB liability was determined based on the following assumptions and information:

Employer's reporting date:	September 30, 2020
Measurement date:	September 30, 2020
Valuation date:	September 30, 2019

Actuarial Assumptions:

Discount rate:	2.49%
Inflation rate:	2.50%
Expected return on plan assets:	3.25%
Payroll growth rate:	3.25%

Indian River Mosquito Control District Notes to Financial Statements

Note 5: OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Annual OPEB Cost and Net OPEB Liability (continued)

Healthcare cost trend rate: 6.40% for FY2020, gradually decreasing over several decades to an ultimate rate of 4.00% in FY2076 and later years. In addition, The medical trend rates were updated to exclude the Affordable Care Act's Excise Tax on high-cost health insurance plan due to its repeal.

Withdrawal: Rates are from the July 1, 2018 Florida Retirement System Pension Plan actuarial valuation.

Mortality basis: Rates are from the Pub-2010 headcount weighted mortality tables for General projected generational using scale MP-2018.

Disabled: None.

Spouse age difference: Future retirees - Males are assumed to be 3 years older than females.
Retirees - Actual spouse date of birth is used, if available.
Otherwise, males are assumed to be 3 years older than females.

Salary scale: Rates used are from the July 1, 2018 Florida Retirement System Pension Plan actuarial valuation.

Claims cost: Estimated monthly retiree medical claims costs as listed below

Plan 1	\$ 821
Plan 3	1,382

Assumption changes since the last valuation are as follows:

The discount rate was changed from 3.15% to 2.49% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates. The healthcare trend rates were reset to reflect updated cost increase expectations. The medical per capita claims costs were updated to reflect recent experience.

Indian River Mosquito Control District Notes to Financial Statements

Note 5: OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Determination of the Long-Term Expected Rate of Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Asset class	Target allocation at measurement date	Long-term expected real rate of return	Long-term expected nominal rate of return
Domestic equity	0%	4.95%	7.45%
International equity	0%	5.24%	7.74%
Fixed income	0%	1.99%	4.49%
Real estate and alternatives	0%	4.19%	6.69%
Cash and equivalents	100%	0.58%	3.08%
Net assumed investment return, weighted average, rounded to ¼%			3.25%

F. Sensitivity of Net OPEB Liability Using Alternative Rates

The following presents the Districts' OPEB liability as if it were calculated using a discount rate that is one percentage point lower or higher than the current discount rate.

	1% decrease 1.49%	Discount rate 2.49%	1% increase 3.49%
Net OPEB asset	\$ 206,088	\$ 164,654	\$ 127,000

The following presents the District's OPEB liability as if it were calculated using a trend rate that is one percentage-point lower or higher than the current discount rate.

	1% decrease in trend rate	Current trend rate	1% increase in trend rate
Net OPEB asset	\$ 107,634	\$ 164,654	\$ 234,797

Indian River Mosquito Control District Notes to Financial Statements

Note 5: OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Deferred Outflow and Inflow of Resources

On September 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Summary of deferred outflows/inflows	Outflows	Inflows
Net difference between expected and actual investment earnings	\$ 9,965	\$ -
Total	\$ 9,965	\$ -

During the year ended September 30, 2020 \$4,623 of deferred outflows were amortized and recognized in the total OPEB expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other post-employment benefit expense as follows:

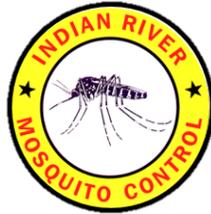
Year ended	Future Recognition
2021	\$ 4,623
2022	2,852
2023	1,519
2024	971
Total	\$ 9,965

Note 6: DEFINED CONTRIBUTION PLAN

During 1984, the District entered into a Section 457 deferred contribution plan for eligible employees of the District. Under the plan, participants can make voluntary pre-tax contributions to the plan. On June 1, 2011, the District adopted a Roth 457(b) amendment allowing participants to make after-tax contributions to the plan. The plan can be amended by the Board of Commissioners of the Indian River Mosquito Control District. All assets and income of the plan are held in trust for the exclusive benefit of participants. The District does not make contributions to the plan.

Note 7: CONTINGENCY

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic which is still going on. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the District. The occurrence and extent of such an impact will depend on future developments, including: (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



THIS PAGE IS INTENTIONALLY LEFT BLANK.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**



THIS PAGE IS INTENTIONALLY LEFT BLANK.

Indian River Mosquito Control District
Schedule of Revenues, Expenditures, and Changes in General Fund Balances -
Budget and Actual

Year ended September 30, 2020	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,554,752	\$ 4,559,848	\$ 4,467,920	\$ (91,928)
Grants and donations	1,585	199,937	198,352	(1,585)
Interest income	40,270	40,270	13,327	(26,943)
Miscellaneous	35	735	716	(19)
Total revenues	4,596,642	4,800,790	4,680,315	(120,475)
Expenditures				
Current:				
Physical environment	5,716,087	5,756,025	4,486,124	1,269,901
Capital outlay	683,700	683,700	419,193	264,507
Total expenditures	6,399,787	6,439,725	4,905,317	1,534,408
Other financing sources				
Proceeds from sale of capital assets	28,000	28,000	8,839	(19,161)
Net other financing sources	28,000	28,000	8,839	(19,161)
Excess (deficiency) of revenues over (under) expenditures	(1,775,145)	(1,610,935)	(216,163)	1,394,772
Fund balances, beginning of year	2,479,540	2,479,540	2,479,540	-
Fund balances, end of year	\$ 704,395	\$ 868,605	\$ 2,263,377	\$ 1,394,772

Indian River Mosquito Control District Notes to Required Supplementary Information

A. Budgetary Information

The District Commissioners adopt an annual operating budget prior to September 30 for the next ensuing fiscal year. Legal budgets are adopted by resolution for the General Fund. The budget is prepared on a modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

Budgetary control is legally maintained at aggregate expenditure level. Budget transfers are provided to the District Administrator as long as the total budget of the expenditures is not increased. Actions which increase the total aggregate expenses must be authorized by the District Commissioners.



THIS PAGE IS INTENTIONALLY LEFT BLANK.

**Indian River Mosquito Control District
Schedule of Proportionate Share of Net Pension Liability
Last Seven Years**

Florida Retirement System (FRS)	2020	2019	2018	2017
District's proportion of the net pension liability	0.0047%	0.0043%	0.0043%	0.0040%
District's proportionate share of the net pension liability	\$ 2,053,565	\$ 1,470,813	\$ 1,190,074	\$ 1,263,324
District's covered payroll	2,090,303	1,759,499	1,526,430	1,439,005
District's proportionate share of the pension liability as a percentage of its net covered payroll	98.24%	83.59%	77.96%	87.79%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%
Health Insurance Subsidy (HIS)				
	2020	2020	2018	2017
District's proportion of the net pension liability	0.0058%	0.0051%	0.0047%	0.0050%
District's proportionate share of the net pension liability	\$ 714,066	\$ 573,083	\$ 493,797	\$ 533,371
District's covered payroll	2,090,303	1,759,499	1,526,430	1,439,005
District's proportionate share of the net pension liability as a percentage of its covered payroll	34.16%	32.57%	32.35%	37.07%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only the years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4A of the Plan's Comprehensive Annual Financial Report.

Note 3: Amounts presented for each fiscal year were determined as of 6/30.

Note 4: GASB Statement No. 83, was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit actives, members in DROP, and investment plan members.

2016	2015	2014
0.0046%	0.0044%	0.0042%
\$ 1,156,038	\$ 570,148	\$ 254,075
1,409,340	1,224,039	1,127,471
82.03%	46.58%	22.53%
84.88%	92.00%	96.09%

2016	2016	2014
0.0053%	0.0048%	0.0046%
\$ 613,528	\$ 485,484	\$ 433,020
1,409,340	1,224,039	1,127,471
43.53%	39.66%	38.41%
0.97%	0.50%	0.99%

**Indian River Mosquito Control District
Schedule of Contributions
Last Seven Years**

Florida Retirement System (FRS)

	2020	2019	2018	2017
Contractually required contribution	\$ 186,330	\$ 144,149	\$ 114,231	\$ 108,540
Contributions in relation to the contractually required contribution	(186,330)	(144,149)	(114,231)	(108,540)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,192,942	\$ 1,838,003	\$ 1,523,819	\$ 1,424,670
Contributions as a percentage of covered payroll	8.50%	7.84%	7.50%	7.62%

Health Insurance Subsidy (HIS)

	2020	2019	2018	2017
Contractually required contribution	\$ 35,326	\$ 29,824	\$ 25,338	\$ 23,650
Contributions in relation to the contractually required contribution	\$ (35,326)	\$ (29,824)	\$ (25,338)	\$ (23,650)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,192,942	\$ 1,838,003	\$ 1,523,819	\$ 1,424,670
Contributions as a percentage of covered payroll	1.61%	1.62%	1.66%	1.66%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the presenting information for only the years for which information is available.

2016	2015	2014
\$ 103,826	\$ 102,474	\$ 91,043
(103,826)	(102,474)	(91,043)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,387,461	\$ 1,252,567	\$ 1,152,630
7.48%	8.18%	7.90%

2016	2015	2014
\$ 23,032	\$ 15,782	\$ 13,832
\$ (23,032)	\$ (37,938)	\$ (37,938)
<u>\$ -</u>	<u>\$ (22,156)</u>	<u>\$ (24,106)</u>
\$ 1,387,461	\$ 1,252,567	\$ 1,152,630
1.66%	1.26%	1.20%

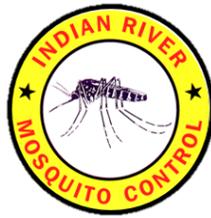
**Indian River Mosquito Control District
Schedule of Change in Net OPEB Liability (Asset) and Related Ratios –
Last Four Years**

Fiscal year ending September 30,	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 26,569	\$ 18,896	\$ 30,054	\$ 29,471
Interest	12,964	11,102	16,121	14,036
Differences between expected and actual experience	-	26,654	-	-
Changes of assumptions	8,128	119,256	(249,832)	(8,274)
Other additions	217	-	-	-
Benefit payments	(8,536)	(7,509)	644	(7,160)
Net changes in total OPEB liability	39,342	168,399	(203,013)	28,073
Total OPEB liability - beginning	389,040	220,641	424,942	396,869
Total OPEB liability - ending	\$ 428,382	\$ 389,040	\$ 220,641	\$ 424,942
Plan fiduciary net position				
Employer contributions	\$ 1,175	\$ 1,585	\$ 11,400	\$ 7,160
Net investment income	3,749	5,316	2,682	255
Other additions	161	-	-	-
Benefit payments	(8,536)	(7,509)	(644)	-
Administrative expense	(2,570)	(1,442)	(2,064)	(7,160)
Net changes in plan fiduciary net position	(6,021)	(2,050)	11,374	255
Plan fiduciary net position - beginning	269,749	271,799	260,425	260,170
Plan fiduciary net position - ending	\$ 263,728	\$ 269,749	\$ 271,799	\$ 260,425
Net OPEB liability (asset) - ending	\$ 164,654	\$ 119,291	\$ (51,158)	\$ 164,517
Plan fiduciary net position as a percentage of the total OPEB liability	61.6%	69.3%	123.2%	61.3%
Covered payroll for the measurement period	\$ 1,464,695	\$ 1,902,391	\$ 1,594,037	\$ 1,644,603
Net OPEB liability as a percentage of covered payroll (asset)	11.24%	6.27%	-3.21%	10.00%

Notes to the schedule:

The District implemented GASB 75 for the fiscal year ended September 30, 2017. As a result, this information is only available for the past 4 years.

**ADDITIONAL ELEMENTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS AND THE RULES OF THE AUDITOR GENERAL**



THIS PAGE IS INTENTIONALLY LEFT BLANK.

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*

To the District Commissioners
Indian River Mosquito Control District
Vero Beach, Florida

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 and major fund of the Indian River Mosquito Control District, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Indian River Mosquito Control District's internal control over financial reporting (internal control) as a basis for designing 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 the Indian River Mosquito Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Indian River Mosquito Control District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described below as SD 2020-001 to be a significant deficiency.

SD 2020-001

Condition: The compensated absences schedule provided in a prior period was not reviewed in sufficient detail to determine a rehired associate who was benefits eligible from previous employment was excluded from the calculation.

Cause of condition: The adjusted hire date was not used in the prior year schedule.

Potential effect of condition: The compensated absences as of September 30, 2018 was understated.

Recommendation: The District should review the hire dates of any new employees to ensure any previous service is accounted for properly in the compensated absences calculation.

Management's Response: The District will review the hire dates of any new employees to ensure any previous service is accounted for properly in the compensated absences calculation.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Indian River 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 financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Indian River Mosquito Control District's Response to Findings

The District's response to the findings identified in our audit were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Carly Riggs & Ingram, L.L.C.

Melbourne, Florida
February 26, 2021



Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT AUDITORS’ MANAGEMENT LETTER

To the District Commissioners
Indian River Mosquito Control District

Report on the Financial Statements

We have audited the financial statements of the Indian River Mosquito Control District, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 26, 2021.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 26, 2021 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action has been taken to address the finding and recommendation made in the preceding financial audit report as noted below:

Prior Year Management Letter Comments:	Status
MW 2018-001 JOURNAL ENTRIES	Corrected

Official Title and Legal Authority

Section 10.554(l)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the Indian River Mosquito Control District is disclosed in the footnotes. The District has no component units.

Financial Condition and Management

Section 10.554(l)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Indian River Mosquito Control District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Indian River Mosquito Control District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Indian River Mosquito Control District. It is management's responsibility to monitor the Indian River Mosquito Control District'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 same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendation.

D 2020-002

Condition: The healthcare insurance expense for a new retiree was not recorded in the same fund as the receivable for the retiree contributions.

Cause of condition: The incorrect fund was used to record the healthcare expense.

Potential effect of condition: Prior to audit adjustment, the fund expenses were overstated in the general fund and benefit payments were understated in the fiduciary fund.

Recommendation: The District should implement procedures to ensure expenses are properly recorded in each fund.

Management's Response: The District has implemented procedures to ensure expenses are properly recorded in each fund.

Additional Matters

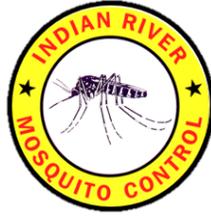
Section 10.554(l)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter 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, Federal and other granting agencies, applicable management and the Indian River Mosquito Control District's Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

Carly Riggs & Ingram, L.L.C.

Melbourne, Florida
February 26, 2021



THIS PAGE IS INTENTIONALLY LEFT BLANK.



Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the District Commissioners
Indian River Mosquito Control District
Vero Beach, Florida

We have examined the Indian River Mosquito Control District's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
February 26, 2021