

**Indian River Mosquito
Control District**
FINANCIAL STATEMENTS
Year Ended September 30, 2022

Indian River Mosquito Control District
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As of September 30, 2022



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**Indian River Mosquito Control District
District Commissioners
As of September 30, 2022**

District Commissioners

Janice Broda Chair

Matt Erpenbeck Vice Chair

Thomas S. Lowther Secretary/Treasurer



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Indian River Mosquito Control District, (the "District") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the aggregate remaining fund information of the Indian River Mosquito Control District, as of September 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Indian River Mosquito Control District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Indian River Mosquito Control District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Indian River Mosquito Control District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the required budgetary comparison information and the other postemployment benefits and net pension liability supplementary information, as listed in the table of contents, 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.

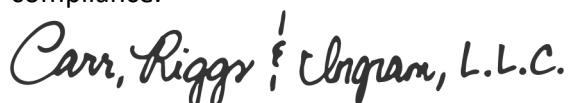
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023 on our consideration of the Indian River Mosquito Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Indian River Mosquito Control 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 Indian River Mosquito Control District's internal control over financial reporting and compliance.



Melbourne, Florida
February 13, 2023



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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 ending September 30, 2022. Please read it in conjunction with the District's Independent Auditors' 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 ending September 30, 2022. This overview and analysis are 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 28 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 41st 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 ending September 30, 2022, the District aerially treated (=larvicided) 15,803 acres, which is approximately 86% of the 36-year historical average of 18,329 acres. This amount is approximately 62% less than the 5-year average of 25,654 acres. The District ground treated (=larvicided) 691 acres which is 33% less than the 5-year average of 1,036 acres.
- During fiscal year ending September 30, 2022, the District ground sprayed (=adulticided) 4,082 miles, which is approximately 57% of the 36-year historical average of 7,159 miles. That mileage is approximately 24% less than the 5-year average of 5,435 miles.
- During fiscal year ending September 30, 2022, the District received 615 service requests from the public which is approximately 67% of the 36-year total of 918 requests. That number is 15% less than the 5-year average of 725 requests.

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 \$4,928,716.
- The change in the District's total net position in comparison with the prior fiscal year was \$976,748. 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.

Indian River Mosquito Control District Management's Discussion and Analysis

- At September 30, 2022, the District's governmental fund reported ending fund balances of \$3,523,570, an increase of \$942,748 in comparison with the prior fiscal year. A portion of the fund balance is non-spendable for prepaid items, 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 are 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.

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.

Indian River Mosquito Control District Management's Discussion and Analysis

Governmental Funds

Governmental funds are used to account for 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

Fiduciary 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.

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.

Indian River Mosquito Control District Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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		2022	2021
SEPTEMBER 30,		2022	2021
	Current and other assets	\$ 3,609,436	\$ 2,682,945
	Capital assets, net of depreciation	3,464,332	3,440,513
	Total assets	<u>7,073,768</u>	<u>6,123,458</u>
	Deferred outflows of resources	644,574	667,322
	Total assets and deferred outflows	<u>7,718,342</u>	<u>6,790,780</u>
	Current liabilities	85,866	102,123
	Long-term liabilities	2,382,366	1,357,138
	Total liabilities	<u>2,468,232</u>	<u>1,459,261</u>
	Deferred inflows of resources	321,394	1,379,551
	Total liabilities and deferred inflows	<u>2,789,626</u>	<u>2,838,812</u>
	Net position		
	Investment in capital assets	3,464,332	3,440,513
	Unrestricted	1,464,384	511,455
	Total net position	<u>\$ 4,928,716</u>	<u>\$ 3,951,968</u>

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which the cost of operations and depreciation expenses (net of current year program revenues) did not exceed 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:	2022	2021
Program revenues:		
Operating grants and contributions	\$ 5,860	\$ 51,634
Charges for services	113,194	-
General revenues:		
Property taxes	4,937,481	4,700,890
Unrestricted investment earnings	13,468	3,870
Miscellaneous	41,341	7,009
Gain on disposal of capital assets	8,664	25,069
Total revenues	5,120,008	4,788,472
Expenses:		
Physical environment	4,143,260	4,376,670
Total expenses	4,143,260	4,376,670
Change in net position	976,748	411,802
Net position - beginning	3,951,968	3,540,166
Net position - ending	\$ 4,928,716	\$ 3,951,968

As noted above and in the statement of activities, the cost of all governmental activities during fiscal year ending September 30, 2022 was \$4,143,260. The costs of the District's activities were primarily funded by property taxes. Operating grants and contributions decreased due to a decrease in inventory donations. Expenses declined due to a decrease in chemical usage for approximately \$233,000, the reduction in chemical usage is attributed to Indian River County experiencing a dry summer in comparison to the previous fiscal year. Property taxes increased due to higher property values for approximately \$236,000.

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 fiscal year ending September 30, 2022 was amended to increase revenues by \$117,805 and increase appropriations by \$613,138. Actual general fund expenditures did not exceed appropriations for fiscal year ending September 30, 2022.

Indian River Mosquito Control District Management's Discussion and Analysis

CAPITAL ASSETS

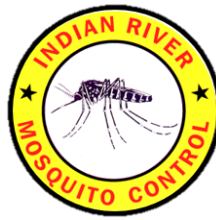
At September 30, 2022, the District had \$8,288,725 invested in capital assets. In the government-wide statements depreciation of \$4,824,393 has been taken, which resulted in a net book value of \$3,464,332. More detailed information about the District's capital assets is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND OTHER EVENTS

The District is planning one capital improvement project: Vista Royal dike improvements (phase1), as well as procurement of a diesel portable pump. In addition, it is anticipated that the general operations of the District will remain fairly constant. Current trends in the local real estate values have increased which is expected to continue. The District's budget for the 2022-2023 fiscal year is at a millage rate of 0.2500.

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,



BASIC FINANCIAL STATEMENTS



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Indian River Mosquito Control District
Statement of Net Position

<i>September 30, 2022</i>	Primary Government
ASSETS	
Cash and cash equivalents	\$ 3,275,737
Receivables	425
Investments	30,875
Inventories	295,122
Prepaid items	7,277
Capital assets:	
Nondepreciable	710,008
Depreciable, net	2,754,324
Total assets	7,073,768
DEFERRED OUTFLOWS OF RESOURCES	
FRS pension	634,545
OPEB trust	10,029
Total deferred outflows of resources	644,574
LIABILITIES	
Accounts payable and accrued expenses	45,198
Accrued wages	40,668
Noncurrent liabilities:	
Compensated absences	104,726
Net pension liability	2,087,191
Net OPEB liability	190,449
Total liabilities	2,468,232
DEFERRED INFLOWS OF RESOURCES	
FRS pension	321,394
Total deferred inflows of resources	321,394
NET POSITION	
Net investment in capital assets	3,464,332
Unrestricted	1,464,384
Total net position	\$ 4,928,716

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

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

<i>Year ended September 30, 2022</i>					Primary Government
Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Physical environment	\$ 4,143,260	\$ 113,194	\$ 5,860	\$ -	\$ (4,024,206)
Total governmental activities	\$ 4,143,260	\$ 113,194	\$ 5,860	\$ -	\$ (4,024,206)
General revenues					
					4,937,481
					13,468
					41,341
					8,664
					5,000,954
					976,748
					3,951,968
					\$ 4,928,716

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

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

<i>September 30, 2022</i>	General	Total Governmental Fund
ASSETS		
Cash and cash equivalents	\$ 3,275,737	\$ 3,275,737
Receivables	425	425
Investments	30,875	30,875
Inventories	295,122	295,122
Prepaid items	7,277	7,277
Total assets	\$ 3,609,436	\$ 3,609,436
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accrued expenses	\$ 45,198	\$ 45,198
Accrued wages	40,668	40,668
Total liabilities	85,866	85,866
Fund balances:		
Nonspendable for:		
Prepays and inventory	302,399	302,399
Assigned:		
Subsequent year's expenditures	2,245,974	2,245,974
Capital outlay	600,000	600,000
Compensated absences	69,000	69,000
Unassigned	306,197	306,197
Total fund balances	3,523,570	3,523,570
Total liabilities and fund balances	\$ 3,609,436	\$ 3,609,436

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**

Total fund balances - governmental funds		\$ 3,523,570
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,464,332
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.		644,574
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.		(321,394)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds		
Compensated absences	(104,726)	
Net pension liability	(2,087,191)	
Net OPEB liability	(190,449)	(2,382,366)
Net position of governmental activities		\$ 4,928,716

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, 2022</i>	General	Total Governmental Fund
Revenues		
Property taxes	\$ 4,937,481	\$ 4,937,481
Charges for services	113,194	113,194
Interest income	13,468	13,468
Grants and donations	5,860	5,860
Miscellaneous revenue	41,341	41,341
Total revenues	5,111,344	5,111,344
Expenditures		
Current:		
Physical environment	3,772,340	3,772,340
Capital outlay	404,920	404,920
Total expenditures	4,177,260	4,177,260
Excess of revenues over expenditures	934,084	934,084
Other financing sources		
Proceeds from sale of capital assets	8,664	8,664
Net other financing sources	8,664	8,664
Net changes in fund balance	942,748	942,748
Fund balance, beginning of year	2,580,822	2,580,822
Fund balance, end of year	\$ 3,523,570	\$ 3,523,570

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, 2022

Net change in fund balances - total governmental funds	\$	942,748
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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	\$ 404,920	
Less: current year depreciation	<u>(381,101)</u>	23,819

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale (\$8,664). In the statement of activities, a gain or (loss) is recorded for the disposals of \$8,664.

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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	\$ (30,693)	
Other postemployment benefits liability	66,598	
Net pension liability	<u>(25,724)</u>	10,181

Change in net position of governmental activities	\$	<u>976,748</u>
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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, 2022</i>	OPEB Trust Fund
ASSETS	
Cash and cash equivalents	\$ 38,114
Investments	203,520
Total assets	241,634
LIABILITIES	
	-
NET POSITION	
Net position restricted for other post employment benefits	\$ 241,634

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, 2022</i>	OPEB Trust Fund
ADDITIONS:	
Contributions:	
Employer	\$ 1,800
Investment income	773
Total additions	2,573
DEDUCTIONS:	
Benefit payments	9,564
Administrative expenses	3,030
Total deductions	12,594
Change in net position	(10,021)
Net position restricted for other post employment benefits, beginning of year	251,655
Net position restricted for other post employment benefits, end of year	\$ 241,634

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

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 \$5,000 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 (OPEB). 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 13, 2023, 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 49.

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, 2022, 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, 2022, 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 commingled 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 (L2): liabilities 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, 2022.

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, 2022, the District had the following investments and effective duration presented in terms of years:

<u>Governmental Funds</u>	<u>Weighted Average Maturity (Years)</u>				Rating	Agency	Level
Investment Type	Fair Value	Less than 1	1-5	Over 6			
Life insurance contract	\$ 30,875	\$ 30,875	\$ -	\$ -	Unrated	-	L3
Total governmental funds	30,875	30,875	-	-			
<hr/>							
<u>OPEB Trust fund</u>							
Certificates of Deposit	203,520	203,520	-	-			
Total OPEB trust fund	203,520	203,520	-	-			
Total investments	\$ 234,395	\$ 234,395	\$ -	\$ -			

C. Property Taxes

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 mils.

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.

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.

**Indian River Mosquito Control District
Notes to Financial Statements**

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 549,359	\$ -	\$ -	\$ 549,359
Construction in process	236,577	147,915	(223,843)	160,649
Total capital assets not being depreciated	785,936	147,915	(223,843)	710,008
Capital assets, being depreciated/amortized:				
Buildings and improvements	1,688,377	-	-	1,688,377
Equipment	2,124,085	378,427	(31,054)	2,471,458
Infrastructure	3,316,461	102,421	-	3,418,882
Total capital assets being depreciated	7,128,923	480,848	(31,054)	7,578,717
Less accumulated depreciation for:				
Buildings and improvements	650,010	47,553	-	697,563
Equipment	1,599,743	169,144	(31,054)	1,737,833
Infrastructure	2,224,593	164,404	-	2,388,997
Total accumulated depreciation	4,474,346	381,101	(31,054)	4,824,393
Total capital assets, being depreciated, net	2,654,577	99,747	-	2,754,324
Governmental activities capital assets, net	\$ 3,440,513	\$ 247,662	\$ (223,843)	\$ 3,464,332

Depreciation expense of \$381,101 was charged to the physical environment function.

E. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences payable					
	\$ 74,033	\$ 85,153	\$ (54,460)	\$ 104,726	\$ -
Net pension liability	1,025,089	1,062,102	-	2,087,191	-
Net OPEB obligation	258,016	(67,567)	-	190,449	-
Total long-term liabilities	\$ 1,357,138	\$ 1,079,688	\$ (54,460)	\$ 2,382,366	\$ -

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.

Indian River Mosquito Control District Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

F. Future Accounting Pronouncements

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

GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*, 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 reporting periods beginning after June 15, 2022.

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.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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)

G. 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, 2022, were as follows:

	FRS	HIS
Regular class	10.25%	1.66%
Special risk class	26.17%	1.66%
Senior management service class	29.91%	1.66%
Elected officials	55.34%	1.66%
DROP from FRS	16.94%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$193,506 to the FRS Pension Plan and \$28,456 to the HIS Program.

C. Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, 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, 2022. 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.

**Indian River Mosquito Control District
Notes to Financial Statements**

Note 4: DEFINED BENEFIT PENSION PLANS (Continued)

	FRS	HIS
Net Pension Liability	\$ 1,578,602	\$ 508,588
Proportion at:		
Current measurement date	0.0042%	0.0048%
Prior measurement date	0.0048%	0.0054%
Pension expense	\$ 212,443	\$ 23,807

D. Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, 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	\$ 74,974	\$ -	\$ 15,437	\$ (2,238)
Change of assumptions	194,411	-	29,153	(78,678)
Net difference between projected and actual earnings on pension plan investments	104,235	-	736	-
Changes in proportion and differences between District pension plan contributions and proportionate share of contributions	89,129	(133,853)	67,611	(106,625)
District pension plan contribution subsequent to the measurement date	51,404	-	7,455	-
Total	\$ 514,153	\$ (133,853)	\$ 120,392	\$ (187,541)

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, 2023.

**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)

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	
2023	\$	79,539	\$	(17,866)
2024		30,014		(9,634)
2025		(26,861)		(4,405)
2026		233,706		(9,751)
2027		12,498		(22,633)
Thereafter		-		(10,315)
Total	\$	328,896	\$	(74,604)

E. Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2022.

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	6.70%	N/A
Discount rate	6.70%	3.54%

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.

The following changes in key actuarial assumptions occurred in 2022:

FRS: The discount rate used to determine the total pension liability decreased from 6.80% to 6.70%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%.

Indian River Mosquito Control District Notes to Financial Statements

Note 4: DEFINED BENEFIT PENSION PLANS (Continued)

E. Actuarial Assumptions (continued)

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%	2.6%	2.6%
Fixed income	19.8%	4.4%	4.4%
Global equity	54.0%	8.8%	7.3%
Real estate	10.3%	7.4%	6.3%
Private equity	11.1%	12.0%	8.9%
Strategic investments	3.8%	6.2%	5.9%
Total	<u>100%</u>		

Assumed Inflation - Mean

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

F. Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. 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 3.54% 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.

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.

**Indian River Mosquito Control District
Notes to Financial Statements**

Note 4: DEFINED BENEFIT PENSION PLANS (Continued)

G. Sensitivity Analysis (Continued)

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
September 30, 2022	5.70%	6.70%	7.70%	2.54%	3.54%	4.54%
District's proportionate share of the net pension liability	\$ 2,730,084	\$ 1,578,602	\$ 615,826	\$ 696,991	\$ 508,588	\$ 447,952

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.

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.

Indian River Mosquito Control District Notes to Financial Statements

Note 5: OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Benefits Provided (continued)

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, 2022, 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, 2022, the District remitted \$1,800 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.

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.

**Indian River Mosquito Control District
Notes to Financial Statements**

Note 5: OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The components of the net OPEB liability (asset) at September 30, 2022 were as follows:

Total OPEB liability	Fiduciary net position	Net OPEB liability	Funded percentage
\$ 432,083	\$ 241,634	\$ 190,449	56%

The change in the net OPEB liability (asset) for the year ended September 30, 2022 were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balance as of September 30, 2021	\$ 509,671	\$ 251,655	\$ 258,016
Service Cost	36,460	-	36,460
Interest	11,580	-	11,580
Difference between expected and actual experience	(14,846)	-	(14,846)
Changes of assumptions	(80,929)	-	(80,929)
Employer contributions	-	22,089	(22,089)
Net investment income	-	773	(773)
Other deductions	-	-	-
Benefit payments	(29,853)	(29,853)	-
Administrative expenses	-	(3,030)	3,030
Balance as of September 30, 2022	\$ 432,083	\$ 241,634	\$ 190,449

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

Employer's reporting date:	September 30, 2022
Measurement date:	September 30, 2022
Valuation date:	September 30, 2021

Actuarial Assumptions:

Discount rate:	4.22%
Inflation rate:	2.25%
Expected return on plan assets:	2.00%
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: 6.3% for FY2021, gradually decreasing over several decades to an ultimate rate of 3.8% in FY2075 and later years.

Withdrawal: Rates are from the July 1, 2020 Florida Retirement System Pension Plan actuarial valuation.

Mortality basis: Rates are from the Pub-2010 headcount weighted mortality table with scale MP-2018 project scale, adjusted with male ages set back

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, 2020 Florida Retirement System Pension Plan actuarial valuation.

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

Plan 1	\$ 1,397
Plan 3	1,583

Assumption changes since the last valuation are as follows:

The discount rate was changed from 2.18% to 4.22% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.

**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%	4.42%	6.67%
International equity	0%	4.91%	7.16%
Fixed income	0%	1.00%	3.25%
Real estate and alternatives	0%	3.98%	6.23%
Cash and equivalents	100%	-0.33%	1.92%
Net assumed investment return, weighted average, rounded to ¼%			2.00%

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 3.22%	Discount rate 4.22%	1% increase 5.22%
Net OPEB liability	\$ 228,308	\$ 190,449	\$ 156,107

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 liability	\$ 138,766	\$ 190,449	\$ 254,081

**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, 2022, 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	\$	10,029	\$	-
Total	\$	10,029	\$	-

During the year ended September 30, 2022 \$6,034 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	
2023	\$	3,756
2024		3,208
2025		2,239
2026		826
Total	\$	10,029

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.

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



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

Year ended September 30, 2022	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,915,276	\$ 5,014,192	\$ 4,937,481	\$ (76,711)
Charges for services	-	-	113,194	113,194
Grants and donations	1,635	1,635	5,860	4,225
Interest income	28,660	31,660	13,468	(18,192)
Miscellaneous	2	15,891	41,341	25,450
Total revenues	4,945,573	5,063,378	5,111,344	47,966
Expenditures				
Current:				
Physical environment	5,868,931	6,348,696	3,772,340	2,576,356
Capital outlay	467,250	600,623	404,920	195,703
Total expenditures	6,336,181	6,949,319	4,177,260	2,772,059
Other financing sources				
Proceeds from sale of capital assets	1,000	1,002	8,664	7,662
Net other financing sources	1,000	1,002	8,664	7,662
Excess (deficiency) of revenues over (under) expenditures	(1,389,608)	(1,884,939)	942,748	2,827,687
Fund balances, beginning of year	2,580,822	2,580,822	2,580,822	-
Fund balances, end of year	\$ 1,191,214	\$ 695,883	\$ 3,523,570	\$ 2,827,687

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.



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Indian River Mosquito Control District Schedule of Proportionate Share of Net Pension Liability

Florida Retirement System (FRS)	2022	2021	2020	2019
District's proportion of the net pension liability	0.0042%	0.0048%	0.0047%	0.0043%
District's proportionate share of the net pension liability	\$ 1,578,602	\$ 360,313	\$ 2,053,565	\$ 1,470,813
District's covered payroll	\$ 1,756,213	\$ 1,994,307	\$ 2,090,303	\$ 1,759,499
District's proportionate share of the pension liability as a percentage of its net covered payroll	89.89%	18.07%	98.24%	83.59%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%
Health Insurance Subsidy (HIS)				
	2022	2021	2020	2019
District's proportion of the net pension liability	0.0048%	0.0054%	0.0058%	0.0051%
District's proportionate share of the net pension liability	\$ 508,588	\$ 664,776	\$ 714,066	\$ 573,083
District's covered payroll	\$ 1,756,213	\$ 1,994,307	\$ 2,090,303	\$ 1,759,499
District's proportionate share of the net pension liability as a percentage of its covered payroll	28.96%	33.33%	34.16%	32.57%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%

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.

2018	2017	2016	2015	2014
0.0043%	0.0040%	0.0046%	0.0044%	0.0042%
\$ 1,190,074	\$ 1,263,324	\$ 1,156,038	\$ 570,148	\$ 254,075
\$ 1,526,430	\$ 1,439,005	\$ 1,409,340	\$ 1,224,039	\$ 1,127,471
77.96%	87.79%	82.03%	46.58%	22.53%
84.26%	83.89%	84.88%	92.00%	96.09%
2018	2017	2016	2018	2014
0.0047%	0.0050%	0.0053%	0.0048%	0.0046%
\$ 493,797	\$ 533,371	\$ 613,528	\$ 485,484	\$ 433,020
\$ 1,526,430	\$ 1,439,005	\$ 1,409,340	\$ 1,224,039	\$ 1,127,471
32.35%	37.07%	43.53%	39.66%	38.41%
2.15%	1.64%	0.97%	0.50%	0.99%

**Indian River Mosquito Control District
Schedule of Contributions**

Florida Retirement System (FRS)

	2022	2021	2020	2019
Contractually required contribution	\$ 193,506	\$ 191,000	\$ 186,330	\$ 144,149
Contributions in relation to the contractually required contribution	(193,506)	(191,000)	(186,330)	(144,149)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$1,791,321	\$1,943,481	\$2,192,942	\$1,838,003
Contributions as a percentage of covered payroll	10.80%	9.83%	8.50%	7.84%

Health Insurance Subsidy (HIS)

	2022	2021	2020	2019
Contractually required contribution	\$ 28,456	\$ 30,965	\$ 35,326	\$ 29,824
Contributions in relation to the contractually required contribution	(28,456)	(30,965)	(35,326)	(29,824)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$1,791,321	\$1,943,481	\$2,192,942	\$1,838,003
Contributions as a percentage of covered payroll	1.59%	1.59%	1.61%	1.62%

2018	2017	2016	2015	2014
\$ 114,231	\$ 108,540	\$ 103,826	\$ 102,474	\$ 91,043
(114,231)	(108,540)	(103,826)	(102,474)	(91,043)
\$ -	\$ -	\$ -	\$ -	\$ -
\$1,523,819	\$1,424,670	\$1,387,461	\$ 1,252,567	\$ 1,152,630
7.50%	7.62%	7.48%	8.18%	7.90%

2018	2017	2016	2015	2014
\$ 25,338	\$ 23,650	\$ 23,032	\$ 15,782	\$ 13,832
\$ (25,338)	\$ (23,650)	\$ (23,032)	\$ (37,938)	\$ (37,938)
\$ -	\$ -	\$ -	\$ (22,156)	\$ (24,106)
\$1,523,819	\$1,424,670	\$1,387,461	\$ 1,252,567	\$ 1,152,630
1.66%	1.66%	1.66%	1.26%	1.20%

Indian River Mosquito Control District Schedule of Change in Net OPEB Liability (Asset) and Related Ratios

Fiscal year ending September 30,	2022	2021	2020
Total OPEB liability			
Service cost	\$ 36,460	\$ 29,883	\$ 26,569
Interest	11,580	11,235	12,964
Differences between expected and actual experience	(14,846)	(46,573)	-
Changes of assumptions	(80,929)	100,854	8,128
Other additions	-	-	217
Benefit payments	(29,853)	(14,110)	(8,536)
Net changes in total OPEB liability	(77,588)	81,289	39,342
Total OPEB liability - beginning	509,671	428,382	389,040
Total OPEB liability - ending	\$ 432,083	\$ 509,671	\$ 428,382
Plan fiduciary net position			
Employer contributions	\$ 22,089	\$ 2,477	\$ 1,175
Net investment income	773	1,275	3,749
Other additions (deduction)	-	(162)	161
Benefit payments	(29,853)	(14,110)	(8,536)
Administrative expense	(3,030)	(1,553)	(2,570)
Net changes in plan fiduciary net position	(10,021)	(12,073)	(6,021)
Plan fiduciary net position - beginning	251,655	263,728	269,749
Plan fiduciary net position - ending	\$ 241,634	\$ 251,655	\$ 263,728
Net OPEB liability (asset) - ending	\$ 190,449	\$ 258,016	\$ 164,654
Plan fiduciary net position as a percentage of the total OPEB liability	55.9%	49.4%	61.6%
Covered payroll for the measurement period	\$ 1,311,777	\$ 1,943,481	\$ 2,192,942
Net OPEB liability as a percentage of covered payroll (asset)	14.50%	13.28%	7.51%

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 6 years.

	2019	2018	2017
\$	18,896	\$ 30,054	\$ 29,471
	11,102	16,121	14,036
	26,654	-	-
	119,256	(249,832)	(8,274)
	-	-	-
	(7,509)	644	(7,160)
	<u>168,399</u>	<u>(203,013)</u>	<u>28,073</u>
	<u>220,641</u>	<u>424,942</u>	<u>396,869</u>
\$	<u><u>389,040</u></u>	<u><u>220,641</u></u>	<u><u>424,942</u></u>

\$	1,585	\$ 11,400	\$ 7,160
	5,316	2,682	255
	-	-	-
	(7,509)	(644)	-
	(1,442)	(2,064)	(7,160)
	<u>(2,050)</u>	<u>11,374</u>	<u>255</u>
	<u>271,799</u>	<u>260,425</u>	<u>260,170</u>
\$	<u><u>269,749</u></u>	<u><u>271,799</u></u>	<u><u>260,425</u></u>

\$ 119,291 \$ (51,158) \$ 164,517

69.3% 123.2% 61.3%

\$ 1,902,391 \$ 1,594,037 \$1,644,603

6.27% -3.21% 10.00%



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



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 13, 2023.

Report on 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 MW 2022-001 that we consider to be a material weakness.

MW 2022-001 Netting Revenue and Expenditures

Condition: Revenue as netted against related expenditures.

Criteria: In accordance with GASB Codification Section 1800, revenues and expenditures need to be presented separately and not netted against each other.

Cause: The District has previously netted expenses for other reimbursements for similar immaterial transactions. This is the first time a project of this value has occurred.

Potential effect of condition: Capital outlay was understated by approximately \$109,000, physical environment expenses was understated by approximately \$37,000, charges for services was understated by approximately \$113,000 and miscellaneous revenue was understated by approximately \$33,000.

Recommendation: Revenues and expenses should be reported at their gross amounts.

Management's Response: GASB codification Section 1800 standards have been reviewed and implemented by staff. Revenue will not be used to off-set expenditure account codes, reimbursements for services and insurance proceeds will be recorded as revenue using the appropriate account code.

Report on 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

Government Auditing Standards requires the auditor to perform limited procedures of the District's response to the finding identified in our audit, as described above. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

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

Melbourne, Florida

February 13, 2023



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 386.336.4189 (fax)
 CRIsipa.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, 2022, and have issued our report thereon dated February 13, 2023.

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 13, 2023 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 actions have been taken to address findings and recommendations made in the preceding financial audit report as noted below:

Prior Year Management Letter Comments:	Status
SD 2021-001 INVENTORY	Corrected
SD 2021-002 CAPITAL ASSETS	Corrected

Official Title and Legal Authority

Section 10.554(1)(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(1)(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 no such recommendations.

Specific Information (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Indian River Mosquito Control District reported the schedule below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Indian River Mosquito Control District reported:

- | | |
|---|---------------------|
| a. The total number of District employees compensated in the last pay period of the District's fiscal year as | 27 |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as | 2 |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. | \$ 1,768,747 |

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. \$ 169,205
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects. \$ 1 project,
96,010
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes.: See Page 49

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Indian River Mosquito Control District reported:

- a. The millage rate or rates imposed by the District. 0.2515
- b. The total amount of ad valorem taxes collected by or on behalf of the district. \$ 4,937,481
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as. None

Information required by Section 218.39(3)(c) Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, does not apply as the Indian River Mosquito Control District does not impose any special assessments.

Additional Matters

Section 10.554(1)(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.

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

Melbourne, Florida
February 13, 2023



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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, 2022. 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, 2022.

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 13, 2023