

**INDIAN RIVER MOSQUITO  
CONTROL DISTRICT**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

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**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**DISTRICT COMMISSIONERS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**DISTRICT COMMISSIONERS**

Janice Broda

Chair

Anna Kirkland

Vice Chair

Matt Erpenbeck

Secretary/Treasurer

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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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, the major fund, and the remaining fund information of the Indian River Mosquito Control District, (the "District") as of and for the year ended September 30, 2023, 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, the major fund, and the remaining fund information of the District, as of September 30, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 13, the budgetary comparison information on page 45 and 46, the schedule of the District's proportionate share of the net pension liability (FRS), schedule of District contributions (FRS), the schedule of the District's proportionate share of the net pension liability (HIS), schedule of District contributions (HIS), and the schedule of changes in the District's net OPEB liability on pages 47 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
January 31, 2024

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**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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Our discussion and analysis of the Indian River Mosquito Control District, Vero Beach, Florida (the "District") provides an overview of the District's financial activities for the fiscal year ending September 30, 2023. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending September 30, 2023. 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 31 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 the fiscal year ending September 30, 2023, the District aerially treated (=larvicided) 31,002 acres, which is approximately 4% of the 36-year historical total of 786,127 acres. This amount is approximately 16% more than the five-year average of 26,604 acres. The District ground treated (=larvicided) 1,009 acres which is 2% less than the five-year average of 1,036 acres.
- During fiscal year ending September 30, 2023, the District ground sprayed (=adulticided) 5,121 miles; the 36-year historical average is 8,792 miles. That mileage is approximately 15% less than the five-year average of 6,027 miles.
- During the fiscal year ending September 30, 2023, the District received 972 service requests from the public which is approximately 4% of the 36-year total of 27,389 requests. That number is 14% more than the five-year average of 835 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 \$4,828,414.
- The change in the District's total net position in comparison with the prior fiscal year was (\$100,302). The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2023, the District's governmental fund reported ending fund balances of \$4,087,266 an increase of \$563,696 in comparison with the prior fiscal year. A portion of the fund balance is non-spendable for inventory and 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.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**OVERVIEW OF FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

**Fund Financial Statements**

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

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

**Governmental Funds**

Governmental funds are used to account for 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.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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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**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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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:

	<b>2023</b>	2022
Current and other assets	<b>\$ 4,168,325</b>	\$ 3,609,436
Capital assets, net of depreciation	<b>3,117,821</b>	3,464,332
Total assets	<b>\$ 7,286,146</b>	\$ 7,073,768
Deferred outflows	<b>\$ 557,823</b>	\$ 644,574
Current liabilities	<b>199,486</b>	85,866
Long-term liabilities	<b>2,559,485</b>	2,382,366
Total liabilities	<b>\$ 2,758,971</b>	\$ 2,468,232
Deferred inflows	<b>\$ 256,584</b>	\$ 321,394
Net position		
Net investment in capital assets	<b>3,117,821</b>	3,464,332
Unrestricted	<b>1,710,593</b>	1,464,384
Total net position	<b>\$ 4,828,414</b>	\$ 4,928,716

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of current and long-term liabilities increased. Changes in long-term liabilities can be found in the detailed notes on all funds.



**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

	<b>2023</b>	<b>2022</b>
Revenues		
General revenues		
Property taxes	\$ 5,666,020	\$ 4,937,481
Unrestricted investment earnings	60,679	13,468
Gain on sale of capital assets	3,079	8,664
Miscellaneous revenue	14,854	41,341
Program revenues		
Operating grants and contributions	28,495	5,860
Charges for services	-	113,194
Total revenues	5,773,127	5,120,008
Expenses		
Physical environment	5,873,429	4,143,260
Total expenses	5,873,429	4,143,260
Change in net position	(100,302)	976,748
Net position, beginning of year	4,928,716	3,951,968
Net position, end of year	\$ 4,828,414	\$ 4,928,716

As noted above and in the statement of activities, the cost of all governmental activities during fiscal year ending September 30, 2023 was \$5,873,429. The costs of the District's activities were primarily funded by property taxes. Operating grants and contributions increased due to FEMA grant funding reimbursements for Hurricane Matthew. Expenses increased due to increases in chemical usage as compared to the previous fiscal year by approximately \$494,075, and contract aircraft services by \$263,825. These increases are attributed to an increase in mosquito production activity resulting from heavy rains and king tides. Property taxes increased due to higher property values for approximately \$728,539.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**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, 2023 was amended to increase expenditure accounts for Office Supplies, and Communication Services and decrease expenditure accounts for Contingency and Gasoline/Oil/Lube by \$22,600. The General Fund expenditures did not exceed appropriations for the fiscal year ending September 30, 2023.

**CAPITAL ASSETS**

At September 30, 2023, the District had \$8,240,552 invested in capital assets. In the government-wide statements depreciation of \$5,122,731 has been taken, which resulted in a net book value of \$3,117,821. 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 continuation of one capital improvement project: Vista Royal dike improvements (phase1), procurement of one Ford Explorer, F-150, and custom business signage. 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 2023-2024 fiscal year is at a millage rate of 0.2400.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 3,903,796
Accounts receivable, net	425
Inventory	260,114
Prepaid items	3,990
Capital assets	
Non-depreciable	555,359
Depreciable, net	2,562,462
<b>Total assets</b>	<b>7,286,146</b>
<b>Deferred outflows of resources</b>	
Deferred outflows - pension	549,924
Deferred outflows - OPEB	7,899
<b>Total deferred outflows</b>	<b>557,823</b>
<b>Liabilities</b>	
Accounts payable	32,963
Accrued liabilities	48,096
Compensated absences - due within one year	118,427
Net pension liability - due in more than one year	2,427,969
Total OPEB liability - due in more than one year	131,516
<b>Total liabilities</b>	<b>2,758,971</b>
<b>Deferred outflows of resources</b>	
Deferred inflows - pension	256,584
<b>Net position</b>	
Investment in capital assets	3,117,821
Unrestricted	1,710,593
<b>Total net position</b>	<b>\$ 4,828,414</b>

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

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<b>Functions/programs</b>	<u><b>Expenses</b></u>	<u><b>Program Revenues Operating Grants and Contributions</b></u>	<u><b>Net (Expense) Revenue and Changes in Net Position Governmental Activities</b></u>
Governmental activities			
Mosquito control	\$ 5,873,429	\$ 28,495	\$ (5,844,934)
Total governmental activities	<u>\$ 5,873,429</u>	<u>\$ 28,495</u>	<u>(5,844,934)</u>
General revenues			
Property taxes			5,666,020
Unrestricted investment earnings			60,679
Gain on sale of capital assets			3,079
Miscellaneous revenue			14,854
Total general revenues			<u>5,744,632</u>
Change in net position			(100,302)
Net position, beginning of year			4,928,716
Net position, end of year			<u>\$ 4,828,414</u>

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

INDIAN RIVER MOSQUITO CONTROL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2023

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	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 3,903,796
Accounts receivable	425
Inventory	260,114
Prepaid items	3,990
Total assets	<u>\$ 4,168,325</u>
<b>Liabilities and fund balances</b>	
Liabilities	
Accounts payable and accrued expenses	\$ 32,963
Accrued wages	48,096
Total liabilities	<u>81,059</u>
Fund balances	
Nonspendable:	
Inventory	260,114
Prepays	3,990
Assigned	
Subsequent year's expenditures	1,953,385
Reserve cash balance to be carried forward	583,211
Capital outlay	883,210
Compensated absences	72,526
Unassigned	330,830
Total fund balance	<u>4,087,266</u>
Total liabilities and fund balance	<u>\$ 4,168,325</u>

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

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**RECONCILIATION OF THE BALANCE SHEET –  
GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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<b>Fund balance, total governmental fund</b>		\$ 4,087,266
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund:

Governmental capital assets	\$ 8,240,552		
Accumulated depreciation	<u>(5,122,731)</u>		3,117,821

Compensated absences, are not due and payable in the current period and, therefore, are not reported in the fund.	(118,427)
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Deferred outflows, deferred inflows, and the net pension liability related to the District's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the fund:

Deferred outflows - pensions	549,924		
Deferred inflows - pensions	(256,584)		
Net pension liability	<u>(2,427,969)</u>		(2,134,629)

Deferred outflows and the Net OPEB liability related to the District's other post-employment benefit plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the fund:

Deferred outflows - OPEB	7,899		
Net OPEB liability	<u>(131,516)</u>		<u>(123,617)</u>

<b>Net position of governmental activities</b>		<b>\$ 4,828,414</b>
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**The accompanying notes are an integral part of these financial statements.**

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>General Fund</b>
<b>Revenues</b>	
Property taxes	\$ 5,666,020
Grants and donations	28,495
Interest income	60,679
Miscellaneous	14,854
Total revenues	5,770,048
<b>Expenditures</b>	
Physical environment	5,149,629
Capital outlay	78,447
Total expenditures	5,228,076
<b>Excess of revenues over expenditures</b>	541,972
<b>Other financing sources</b>	
Proceeds from the sale of capital assets	21,724
Total other financing sources	21,724
<b>Change in fund balance</b>	563,696
<b>Fund balance, beginning of year</b>	3,523,570
<b>Fund balance, end of year</b>	\$ 4,087,266

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

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TO  
THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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Net change in fund balance, General Fund \$ 563,696

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

The General Fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense was recorded in the current period:

Capital outlay	78,448
Depreciation expense	(406,314)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Disposal of capital assets	(18,645)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental fund:

Pension expense	(360,589)
OPEB expense	56,803
Change in compensated absences	(13,701)

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Change in net position of governmental activities	<u>\$ (100,302)</u>
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**The accompanying notes are an integral part of these financial statements.**



INDIAN RIVER MOSQUITO CONTROL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION  
OPEB TRUST FUND  
SEPTEMBER 30, 2023

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	<u>2023</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 38,876
Investments at fair value	<u>196,164</u>
Total assets	<u>235,040</u>
<b>Liabilities</b>	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
<b>Fiduciary net position</b>	
Restricted for other post-employment benefits	<u>\$ 235,040</u>

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

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**OPEB TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	2023
<b>Additions</b>	
Contributions	
Employer	\$ 23,297
Investment income	2,678
Total additions	25,975
<b>Deductions</b>	
Benefit payments	31,314
Administrative expenses	1,255
Total deductions	32,569
Change in net position	(6,594)
Net position, beginning of year	241,634
Net position, end of year	\$ 235,040

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

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### 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 95% 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 activities) 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

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are provided for the General Fund (a governmental fund) and the OPEB Trust Fund (a fiduciary fund) even though the fiduciary fund is excluded from the government-wide 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

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### 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 District'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.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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.

**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 assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### 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.

##### 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.

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### 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 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.

##### 14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 31, 2024, and determined there were no events that occurred that required disclosure.

### NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Information

Chapter 5E 13, *Florida Administrative Code, Mosquito Control Program Administration*, requires that no later than July 15th, the District must submit to the Department of Agriculture and Consumer Services, Bureau of Entomology and Pest Control (the "Bureau"), two copies of a tentative work plan and a tentative work plan budget for the fiscal year commencing the following October 1st. The Bureau reviews and returns one copy with written approval, or recommendations for use in preparation of the District's certified budget. The annual certified budget is approved by the Bureau. Budget amendments during the fiscal year have been approved by the Bureau. A monthly budget to actual comparison is submitted to the Bureau, no later than the end of the following month. All budget appropriations lapse at the end of the year.



# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 2      STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

#### **A. Budgetary Information (Continued)**

The legal level of budgetary control, the level at which expenditure 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. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An encumbrance system is not used.

### **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.

#### **B. Investments**

As of September 30, 2023, 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).

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### B. Investments (Continued)

##### 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, 2023, the District's investment in Certificates of Deposit are not subject to custodial credit risk. The District's investments are held by the District and not comingled with assets of other entities.

##### 4. Fair Value

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

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 or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities 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 measurement.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3      DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Investments (Continued)**

**4. Fair Value (Continued)**

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:

There have been no changes in the methodologies used at September 30, 2023.

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.

As of September 30, 2023, the District had the following investments and effective duration presented in terms of years:

Investment Type	Fair Value	Weighted Average Maturity (Years)		
		Less than 1	1-5	Over 6
OPEB trust fund				
Certificates of Deposit	\$ 196,164	\$ 196,164	\$ -	\$ -
Total OPEB trust fund	196,164	196,164	-	-
Total investments	\$ 196,164	\$ 196,164	\$ -	\$ -

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### 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 ten mills.

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

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

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)**

**5. Capital Assets**

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 549,359	\$ -	\$ -	\$ 549,359
Construction in progress	160,649	-	(154,649)	6,000
Total	710,008	-	(154,649)	555,359
Capital assets, being depreciated				
Buildings	1,688,377	143,410	-	1,831,787
Improvements other than buildings	2,471,458	89,687	(126,621)	2,434,524
Machinery and equipment	3,418,882	-	-	3,418,882
Total	7,578,717	233,097	(126,621)	7,685,193
Less accumulated depreciation for				
Buildings	(697,563)	(54,724)	-	(752,287)
Improvements other than buildings	(1,737,833)	(183,021)	107,976	(1,812,878)
Machinery and equipment	(2,388,997)	(168,569)	-	(2,557,566)
Total	(4,824,393)	(406,314)	107,976	(5,122,731)
Total capital assets, being depreciated, net	2,754,324	(173,217)	(18,645)	2,562,462
Governmental activities capital assets, net	\$ 3,464,332	\$ (173,217)	\$ (173,294)	\$ 3,117,821

Depreciation expense of \$406,314 was charged to the mosquito control function.

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### 6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 104,726	\$ 65,514	\$ (51,813)	\$ 118,427	\$ 118,427
Net pension liability	2,087,191	1,193,142	(852,364)	2,427,969	-
Net OPEB obligation	190,449	45,778	(104,711)	131,516	-
Total long-term liabilities	<u>\$ 2,382,366</u>	<u>\$ 1,304,434</u>	<u>\$ (1,008,888)</u>	<u>\$ 2,677,912</u>	<u>\$ 118,427</u>

For the governmental activities, the compensated absences, OPEB obligations, and Pension obligations are generally liquidated by the General Fund.

#### 7. Future Accounting Pronouncements

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

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.

#### 8. 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.

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### 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](http://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.

#### 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.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**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, 2023 were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular class	11.57%	1.66%
Special risk class	30.67%	1.66%
Senior management service class	32.52%	1.66%
Elected officials	56.68%	1.66%
DROP from FRS	19.13%	1.66%

The employer's contributions for the year ended September 30, 2023 were \$216,010 to the FRS Pension Plan and \$33,886 to the HIS Program.

**C. Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2023, 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, 2023. 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.

	<u>FRS</u>	<u>HIS</u>
Net pension liability	\$ 1,685,902	\$ 742,067
Portion at:		
Current measurement date	0.004230957%	0.004801810%
Prior measurement date	0.004242638%	0.004672573%
Pension expense	\$ 342,336	\$ 268,150



**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**

At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 158,292	\$ -	\$ 10,863	\$ 1,742
Change of assumptions	109,901	-	19,509	64,303
Net difference between projected and actual earnings on pension plan investments	70,408	-	383	-
Changes in proportion and differences between District pension plan contributions and proportionate share of contributions	57,140	98,343	48,946	92,196
District pension plan contributions subsequent to the measurement date	63,878	-	10,604	-
Total	<u>\$ 459,619</u>	<u>\$ 98,343</u>	<u>\$ 90,305</u>	<u>\$ 158,241</u>

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, 2024.

Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ended		
September 30:	FRS	HIS
2024	\$ 40,532	\$ (13,723)
2025	(16,058)	(8,320)
2026	243,208	(13,843)
2027	23,103	(27,153)
2028	6,613	(14,383)
Thereafter	-	(1,118)
Total	<u>\$ 297,398</u>	<u>\$ (78,540)</u>

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions**

The net pension liability for each of the defined benefit plans was measured as of June 30, 2023. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2023. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2023.

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

	<u>FRS</u>	<u>HIS</u>
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%	3.65%

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 2023:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.54% to 3.65%.

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.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

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 <sup>(1)</sup>	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.9%	2.9%
Fixed income	19.8%	4.5%	4.4%
Global equity	54.0%	8.7%	7.1%
Real estate	10.3%	7.6%	6.6%
Private equity	11.1%	11.9%	8.8%
Strategic investments	3.8%	6.3%	6.1%
Total	100.0%		
Assumed inflation - mean			2.4%

<sup>(1)</sup> 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 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**G. Sensitivity Analysis**

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

	FRS			HIS		
	Current			Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
District's proportionate share of the net pension liability	\$ 2,879,864	\$ 1,685,902	\$ 687,010	\$ 846,583	\$ 742,067	\$ 655,431

**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 POST-EMPLOYMENT 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

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### NOTE 5 OTHER POST-EMPLOYMENT 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, 2023, the District provides benefits for one 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, 2023, the District remitted \$2,025 to the OPEB Trust Fund. The District does not currently calculate an actuarially determined contribution.

#### D. Annual OPEB Cost and Net OPEB Liability

District's net OPEB liability is calculated using the Alternative Measurement Method permitted by GASB Codification P50, *Post-Employment 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 100 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 POST-EMPLOYMENT BENEFITS (CONTINUED)**

**D. Annual OPEB Cost and Net Liability (Continued)**

The components of the net OPEB liability (asset) at September 30, 2023 were as follows:

<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Funded Percentage</u>
\$ 366,556	\$ 235,040	\$ 131,516	64%

The change in the net OPEB liability for the year ended September 30, 2023 were as follows:

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<b>Balance at September 30, 2022</b>	\$ 432,083	\$ 241,634	\$ 190,449
<b>Changes for the year:</b>			
Service cost	25,859	-	25,859
Interest	18,664	-	18,664
Difference between expected and actual experience	(76,867)	-	(76,867)
Changes of assumptions	(1,869)	-	(1,869)
Employer contributions	-	23,297	(23,297)
Net investment income	-	2,678	(2,678)
Other deductions	-	-	-
Benefit payments	(31,314)	(31,314)	-
Administrative expenses	-	(1,255)	1,255
Net changes	<u>(65,527)</u>	<u>(6,594)</u>	<u>(58,933)</u>
<b>Balance at September 30, 2023</b>	<u>\$ 366,556</u>	<u>\$ 235,040</u>	<u>\$ 131,516</u>

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### D. Annual OPEB Cost and Net Liability (Continued)

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

Employer's reporting date:	September 30, 2023
Measurement date:	September 30, 2023
Valuation date:	September 30, 2023

Actuarial Assumptions:

Discount rate:	4.51%
Inflation rate:	2.50%
Expected return on plan assets:	3.25%
Payroll growth rate:	3.25%

Healthcare cost trend rate: 7.6% for fiscal year 2024, gradually decreasing over several decades to an ultimate rate of 3.9% in fiscal year 2076 and later years.

Withdrawal and Mortality: Rates are from the July 1, 2022 Florida Retirement System Pension Plan actuarial valuation.

Disabled: None.

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

Salary scale: Rates are from the July 1, 2022 Florida Retirement System Pension Plan actuarial valuation.

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

Plan 1	\$	1,259
Plan 3		1,618

Assumption changes since the last valuation are as follows:

The discount rate was changed from 4.22% to 4.51% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.

The long-term investment return assumption was changed from 2.00% to 3.25% based on updated capital market assumptions.

Healthcare trend rates were reset to reflect updated cost increase expectations.

Medical per capita claims costs were updated to reflect recent experience.

The inflation assumption was changed from 2.25% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 OTHER POST-EMPLOYMENT 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.

<u>Asset class</u>	<u>Target allocation at measurement date</u>	<u>Long-term expected real rate of return</u>	<u>Long-term expected nominal rate of return</u>
Domestic equity	0%	4.91%	7.41%
International equity	0%	5.32%	7.82%
Fixed income	0%	2.30%	4.80%
Real estate and alternatives	0%	3.79%	6.29%
Cash and equivalents	100%	0.77%	3.27%
Net assumed investment return, weighted average, rounded to 1/4%			3.25%

**F. Sensitivity of Net OPEB Liability Using Alternative Rates**

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

	<u>1% Decrease 3.51%</u>	<u>Discount Rate 4.51%</u>	<u>1% Increase 5.51%</u>
Net OPEB liability	\$ 164,078	\$ 131,516	\$ 101,864

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:

	<u>1% Decrease in Trend Rate</u>	<u>Current Trend Rate</u>	<u>1% Increase in Trend Rate</u>
Net OPEB liability	\$ 89,069	\$ 131,516	\$ 183,130



**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**G. Deferred Outflow and Inflow of Resources**

On September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Summary of deferred outflows/inflows</u>	<u>Outflows</u>	<u>Inflows</u>
Net difference between expected and actual		
Investment earnings	\$ 7,899	\$ -
Total	<u>\$ 7,899</u>	<u>\$ -</u>

During the year ended September 30, 2023, the District reported OPEB expense of (\$33,506).

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:

<u>Year Ended</u>	<u>Future Recognition</u>
2024	\$ 3,614
2025	2,645
2026	1,232
2027	408
Total	<u>\$ 7,899</u>

**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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 5,543,598	\$ 5,543,598	\$ 5,666,020	\$ 122,422
Grants and donations	6,600	6,600	28,495	21,895
Interest income	8,060	8,060	60,679	52,619
Miscellaneous	-	18,987	14,854	(4,133)
Total revenues	<u>5,558,258</u>	<u>5,577,245</u>	<u>5,770,048</u>	<u>192,803</u>
<b>EXPENDITURES</b>				
Current				
Physical environment	6,610,543	6,694,166	5,149,629	1,544,537
Capital outlay	425,510	476,510	78,447	398,063
Total expenditures	<u>7,036,053</u>	<u>7,170,676</u>	<u>5,228,076</u>	<u>1,942,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,477,795)</u>	<u>(1,593,431)</u>	<u>541,972</u>	<u>2,135,403</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	3,000	2,981	21,724	18,743
Contingency	1,474,795	1,590,724	-	(1,590,724)
Total other financing sources	<u>1,477,795</u>	<u>1,593,705</u>	<u>21,724</u>	<u>(1,571,981)</u>
Change in fund balance	-	274	563,696	563,422
<b>FUND BALANCE, beginning of year</b>	<u>3,523,570</u>	<u>3,523,570</u>	<u>3,523,570</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 3,523,570</u>	<u>\$ 3,523,844</u>	<u>\$ 4,087,266</u>	<u>\$ 563,422</u>

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

# INDIAN RIVER MOSQUITO CONTROL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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### **NOTE 1      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.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the FRS net pension liability	0.004230957%	0.004200000%	0.004800000%	0.004700000%	0.004300000%
District's proportionate share of the FRS net pension liability	\$ 1,685,902	\$ 1,578,602	\$ 360,313	\$ 2,053,565	\$ 1,470,813
District's covered - employee payroll	\$ 1,829,913	\$ 1,756,213	\$ 1,994,307	\$ 2,090,303	\$ 1,759,499
District's proportionate share of the FRS net pension liability as a percentage of its covered - employee payroll	92.13%	89.89%	18.07%	98.24%	83.59%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the FRS net pension liability	0.004300000%	0.004000000%	0.004600000%	0.004400000%	0.004200000%
District's proportionate share of the FRS net pension liability	\$ 1,190,074	\$ 1,263,324	\$ 1,156,038	\$ 570,148	\$ 254,075
District's covered - employee payroll	\$ 1,526,430	\$ 1,439,005	\$ 1,409,340	\$ 1,224,039	\$ 1,127,471
District's proportionate share of the FRS net pension liability as a percentage of its covered - employee payroll	77.96%	87.79%	82.03%	46.58%	22.53%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

**Notes to the Schedule:**

The amounts presented for each fiscal year were determined as of June 30. Ten years of data will be presented once it is accumulated.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required FRS contribution	\$ 216,010	\$ 193,506	\$ 191,000	\$ 186,330	\$ 144,149
FRS contributions in relation to the contractually required FRS contribution	<u>216,010</u>	<u>193,506</u>	<u>191,000</u>	<u>186,330</u>	<u>144,149</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$ 1,926,779	\$ 1,791,321	\$ 1,943,481	\$ 2,192,942	\$ 1,838,003
FRS contributions as a percentage of covered - employee payroll	11.21%	10.80%	9.83%	8.50%	7.84%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 114,231	\$ 108,540	\$ 103,826	\$ 102,474	\$ 91,043
FRS contributions in relation to the contractually required FRS contribution	<u>114,231</u>	<u>108,540</u>	<u>103,826</u>	<u>102,474</u>	<u>91,043</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$ 1,523,819	\$ 1,424,670	\$ 1,387,461	\$ 1,252,567	\$ 1,152,630
FRS contributions as a percentage of covered - employee payroll	7.50%	7.62%	7.48%	8.18%	7.90%

**Notes to the Schedule:**

The amounts presented for each fiscal year were determined as of June 30.



**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the HIS net pension liability	0.004672573%	0.004800000%	0.005400000%	0.005800000%	0.005100000%
District's proportionate share of the HIS net pension liability	\$ 742,067	\$ 508,588	\$ 664,776	\$ 714,066	\$ 573,083
District's covered - employee payroll	\$ 1,829,913	\$ 1,756,213	\$ 1,994,307	\$ 2,090,303	\$ 1,759,499
District's proportionate share of the HIS net pension liability as a percentage of its covered - employee payroll	40.55%	28.96%	33.33%	34.16%	32.57%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the HIS net pension liability	0.002951940%	0.002753177%	0.002753177%	0.002919119%	0.003201027%
District's proportionate share of the HIS net pension liability	\$ 312,434	\$ 310,472	\$ 320,871	\$ 297,704	\$ 299,304
District's covered - employee payroll	\$ 1,526,430	\$ 1,439,005	\$ 1,409,340	\$ 1,224,039	\$ 1,127,471
District's proportionate share of the HIS net pension liability as a percentage of its covered - employee payroll	20.47%	21.58%	22.77%	24.32%	26.55%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	2.15%	1.64%	0.97%	0.99%	0.50%

**Notes to the Schedule:**

The amounts presented for each fiscal year were determined as of June 30.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS -  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required HIS contribution	\$ 33,886	\$ 28,456	\$ 30,965	\$ 35,326	\$ 29,824
HIS contributions in relation to the contractually required HIS contribution	<u>33,886</u>	<u>28,456</u>	<u>30,965</u>	<u>35,326</u>	<u>29,824</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$ 1,926,779	\$ 1,791,321	\$ 1,943,481	\$ 2,192,942	\$ 1,838,003
HIS contributions as a percentage of covered - employee payroll	1.76%	1.59%	1.59%	1.61%	1.62%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 25,338	\$ 23,650	\$ 23,032	\$ 15,782	\$ 13,832
HIS contributions in relation to the contractually required HIS contribution	<u>25,338</u>	<u>23,650</u>	<u>23,032</u>	<u>37,938</u>	<u>37,938</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,156)</u>	<u>\$ (24,106)</u>
District's covered - employee payroll	\$ 1,523,819	\$ 1,424,670	\$ 1,387,461	\$ 1,252,567	\$ 1,152,630
HIS contributions as a percentage of covered - employee payroll	1.66%	1.66%	1.66%	3.03%	3.29%

**Notes to the Schedule:**

The amounts presented for each fiscal year were determined as of June 30.

**INDIAN RIVER MOSQUITO CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
NET OPEB LIABILITY AND RELATED RATIOS**

Measurement year ended September 30,	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>							
Service cost	\$ 25,859	\$ 36,460	\$ 29,883	\$ 26,569	\$ 18,896	\$ 30,054	\$ 29,471
Interest on the total OPEB liability	18,664	11,580	11,235	12,964	11,102	16,121	14,036
Differences between actual and expected experience	(76,867)	(14,846)	(46,573)	-	26,654	-	-
Changes of assumptions	(1,869)	(80,929)	100,854	8,128	119,256	(249,832)	(8,274)
Other additions	-	-	-	217	-	-	-
Benefit payments	(31,314)	(29,853)	(14,110)	(8,536)	(7,509)	(644)	(7,160)
<b>Net change in total OPEB liability</b>	<u>(65,527)</u>	<u>(77,588)</u>	<u>81,289</u>	<u>39,342</u>	<u>168,399</u>	<u>(204,301)</u>	<u>28,073</u>
<b>Total OPEB liability - beginning</b>	<u>432,083</u>	<u>509,671</u>	<u>428,382</u>	<u>389,040</u>	<u>220,641</u>	<u>424,942</u>	<u>396,869</u>
<b>Total OPEB liability - ending</b>	<u>\$ 366,556</u>	<u>\$ 432,083</u>	<u>\$ 509,671</u>	<u>\$ 428,382</u>	<u>\$ 389,040</u>	<u>\$ 220,641</u>	<u>\$ 424,942</u>
<b>Plan fiduciary net position</b>							
Employer contributions	\$ 23,297	\$ 22,089	\$ 2,477	\$ 1,175	\$ 1,585	\$ 11,400	\$ 7,160
Net investment income	2,678	773	1,275	3,749	5,316	2,682	255
Other additions (deductions)	-	-	(162)	161	-	-	-
Benefit payments	(31,314)	(29,853)	(14,110)	(8,536)	(7,509)	(644)	(7,160)
Administrative expense	(1,255)	(3,030)	(1,553)	(2,570)	(1,442)	(2,064)	-
<b>Net change in total OPEB liability</b>	<u>(6,594)</u>	<u>(10,021)</u>	<u>(12,073)</u>	<u>(6,021)</u>	<u>(2,050)</u>	<u>11,374</u>	<u>255</u>
<b>Plan fiduciary net position - beginning</b>	<u>241,634</u>	<u>251,655</u>	<u>263,728</u>	<u>269,749</u>	<u>271,799</u>	<u>260,425</u>	<u>260,170</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 235,040</u>	<u>\$ 241,634</u>	<u>\$ 251,655</u>	<u>\$ 263,728</u>	<u>\$ 269,749</u>	<u>\$ 271,799</u>	<u>\$ 260,425</u>
<b>Net OPEB liability (asset) - ending</b>	\$ 131,516	\$ 190,449	\$ 258,016	\$ 164,654	\$ 119,291	\$ (51,158)	\$ 164,517
<b>Plan fiduciary net position as a percentage of the total OPEB liability (asset)</b>	64.12%	55.92%	49.38%	61.56%	69.34%	123.19%	61.28%
<b>Covered-employee payroll</b>	\$ 1,357,786	\$ 1,311,777	\$ 1,943,481	\$ 2,192,942	\$ 1,902,391	\$ 1,594,037	\$ 1,644,603
<b>Net OPEB liability as a percentage of covered payroll</b>	9.69%	14.52%	13.28%	7.51%	6.27%	-3.21%	10.00%

**Notes to the Schedule:**

The schedule will present ten years of information once it is accumulated.

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## **COMPLIANCE SECTION**

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**INDEPENDENT AUDITOR'S 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**

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Board of 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, the major fund, and the remaining fund information of the Indian River Mosquito Control District (the "District"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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## Report on Compliance and Other Matters

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

### 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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
January 31, 2024





## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

### **Report on the Financial Statements**

We have audited the financial statements of Indian River Mosquito Control District (the "District"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated January 31, 2024.

### **Auditor's 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 Auditor's 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* and Independent Accountant's 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 and schedule, which are dated January 31, 2024, 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. There were no findings or recommendations made in the preceding financial report.

### **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. This information is disclosed in the notes to the financial statements.

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## Financial Condition and Management

Sections 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 District has 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 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 District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and 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 did not have any such recommendations.

## Specific Information

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 29.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as three.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$1,991,550.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$460,725.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as Vista Royal Dike Improvements (Phase 1) - \$96,844.
- 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 45.

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

- a. The millage rate imposed by the District was 0.2500.
- b. The total ad valorem assessment collected by or on behalf of the District was \$5,666,020.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as \$0.

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**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, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Bradenton, Florida  
January 31, 2024

INDIAN RIVER MOSQUITO CONTROL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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SECTION I  
SUMMARY OF AUDIT RESULTS

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:  
Material weaknesses identified?

\_\_\_ yes    X no

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_ yes    X none reported

Noncompliance material to financial statements noted?

\_\_\_ yes    X no

**Federal Programs and State Financial Assistance Projects**

There was not an audit of major federal award programs or state financial assistance projects as of September 30, 2023 due to the total amount expended being less than \$750,000.

SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III  
FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV  
PRIOR YEAR FINDINGS AND RECOMMENDATIONS

**Finding 2022-001 – Netting Revenue and Expenditures (Material Weakness)**

**Condition:** Revenue is 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.

**Auditee Response/Status:** Resolved.



## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Indian River Mosquito Control District's (the "District") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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 aforementioned requirements during the year ended September 30, 2023.

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
January 31, 2024

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