

GOING FURTHER

FLORIDA KEYS MOSQUITO
CONTROL DISTRICT

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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FINANCIAL SECTION

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Independent Auditor's Report

**Board of Commissioners
Florida Keys Mosquito Control District
Marathon, 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 Florida Keys Mosquito Control District, (the "District") as of and for the year ended September 30, 2024, 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, 2024, and the respective changes in financial position, and the budgetary comparison schedule for the General Fund 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, 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 36 through 43 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2025, 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.



Bradenton, Florida
April 25, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CORE BUSINESS

The Florida Keys Mosquito Control District (the "District") is a unit of local government engaged solely in mosquito control in the Florida Keys. The District's stated business is defined in Florida Statute 388.0101 as ". . . maintain such levels of arthropod control as will protect human health and safety and foster the quality of life of the people, promote the economic development of the state, and facilitate the enjoyment of its natural attractions by reducing the number of pestiferous and disease-carrying arthropods."

Our discussion and analysis of the Florida Keys Mosquito Control District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the transmittal letter and the District's financial statements.

HIGHLIGHTS

District Highlights

- The District is an independent special taxing district established by Monroe County, Florida referendum on November 7th 1950. It was created by special act of the Florida Legislature and is governed by a five member Board of Commissioners.
- Operations are conducted in the Florida Keys and not in the mainland portion of Monroe County.
- At year-end, the District employed 71 full-time and 24 part time employees operating one airplane, five helicopters, 75 vehicles, two ATV's and five boats.
- The threat of dengue fever recurrence in Key West or the introduction of other mosquito borne diseases into the Florida Keys continues to pressure the scope of District operations.
- Due to environmental regulations and biological pressures (i.e. growing resistance of mosquitoes to particular insecticides), District operations have had to encompass a wider variety of abatement materials. This can create financial pressure with increasing costs of the various mosquito abatement materials required.
- In June 2019, the District entered into a lease agreement with Airbus Helicopters, Inc. to acquire two new H125 helicopters. These two helicopters, valued at nearly \$4 million each, will be leased over a 12-year period; ownership will transfer to the District at the end of the lease term. The District has an annual renewal option each year during the 12-year period, and there is no obligation to renew the lease annually. The two new helicopters will replace older District helicopters that were manufactured over 35 years ago.

Financial Highlights

- The District's fund balance increased by \$2,392,492 and net position increased by \$2,207,658.
- Based on the October 1, 2023 actuarial study for the District's other post-retirement employment benefits (OPEB), subsequent years' planning for funding and reporting continued.
- The District received a grant from the Centers for Disease Control and Prevention in the amount of \$955,636. This grant was awarded to protect public health and safety by detecting, responding, preventing and controlling infectious diseases.

USING THIS ANNUAL REPORT

This annual report consists of two parts: Management's Discussion and Analysis, and Financial Statements. The Financial Statements also include notes that explain in more detail some of the information presented in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). All of the current year's revenues and expenses are accounted for in the Statement of Activities. These statements measure the success of the District's operations over the past year and can be used to determine fiscal efficiency, credit worthiness and whether the District has successfully managed operations in a financially prudent manner for the benefit of the taxpayers of the Florida Keys.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The discussion and analysis provided by management is intended to concisely give the reader an overview and assessment of the District.

1. Has it met operational objectives efficiently and effectively.
2. Assess if it can meet its goals in the immediate future.
3. If it is viable as an ongoing business enterprise.

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District's operations in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of the District's net position (the difference between assets and liabilities) as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, population growth or loss, and new or changed legislation.

Changes in the District's net position can be determined by reviewing the following Net Position Analysis for the year (Table 1).

Table 1
Net Position Analysis

	2024	2023
Current and other assets	\$ 9,489,118	\$ 7,247,568
Capital assets, net of depreciation	23,102,981	22,992,334
Total assets	<u>\$ 32,592,099</u>	<u>\$ 30,239,902</u>
Deferred outflows	<u>\$ 6,570,438</u>	<u>\$ 5,785,230</u>
Current liabilities	175,835	326,100
Long-term liabilities	28,117,822	27,994,138
Total liabilities	<u>\$ 28,293,657</u>	<u>\$ 28,320,238</u>
Deferred inflows	<u>\$ 3,999,851</u>	<u>\$ 3,043,523</u>
Net position		
Net investment in capital assets	18,430,332	18,256,757
Unrestricted	<u>(11,561,303)</u>	<u>(13,595,386)</u>
Total net position	<u>\$ 6,869,029</u>	<u>\$ 4,661,371</u>

Changes in the District's fund balance can be determined by reviewing the following condensed Statement of Activities Analysis for the year (Table 2).

Table 2
Statement of Activities Analysis

	<u>2024</u>	<u>2023</u>
Revenues		
General revenues		
Property taxes	\$ 17,596,381	\$ 16,224,369
Unrestricted intergovernmental revenues	33,405	35,492
Unrestricted investment earnings	637,322	412,147
Insurance proceeds	477,562	306,185
Refunds	215,994	206,014
Gain on sale of capital assets	439,666	33,556
Miscellaneous revenue	23,370	26,748
Program revenues		
Capital grants and contributions	955,636	-
Charges for services	371,590	360,263
Total revenues	<u>20,750,926</u>	<u>17,604,774</u>
Expenses		
Mosquito control	18,543,268	16,779,770
Total expenses	<u>18,543,268</u>	<u>16,779,770</u>
Change in net position	2,207,658	825,004
Net position, beginning of year	4,661,371	3,836,367
Net position, end of year	<u>\$ 6,869,029</u>	<u>\$ 4,661,371</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of September 30, 2024 reflect an investment of \$23,102,981, net of accumulated depreciation.

The following table provides a summary of capital assets:

	<u>2024</u>	<u>2023</u>
Land	\$ 2,453,039	\$ 2,450,241
Construction in progress	18,891	3,516,974
Buildings/hangars	14,565,506	14,004,408
Right of use lease asset	904,170	892,924
Equipment		
Aircrafts	15,880,120	12,288,745
Aviation and other airport equipment	486,770	486,770
Autos, trucks and heavy equipment	944,213	1,080,465
Other equipment	1,568,980	1,540,024
Accumulated depreciation	(13,371,069)	(12,879,380)
Accumulated amortization	(347,639)	(388,837)
	<u>\$ 23,102,981</u>	<u>\$ 22,992,334</u>

For further information on capital assets please see Note 5 on page 26.

Debt

At the end of the current fiscal year, the District had long-term liabilities outstanding of \$xx, a decrease of \$3.3 million from the prior year.

	<u>2024</u>	<u>2023</u>
Financed purchase	\$ 4,106,948	\$ 4,735,577
Lease liability	565,701	510,983
Compensated absences	1,000,791	941,938
Net pension liability	5,983,230	6,317,806
Net OPEB liability	16,461,152	15,487,834
	<u>\$ 28,117,822</u>	<u>\$ 27,994,138</u>

For further information on long-term debt, please see Note 6 beginning on page 27.

ECONOMIC FACTORS AND NEXT YEARS BUDGET AND RATESECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The District continues mosquito control operational streamlining in previously excluded protected lands and offshore islands to protect citizens from mosquito migrations into populated areas using environmentally compatible materials. As in the past, the District continues to use a two-pronged approach to eradicate mosquitoes -- spraying adult mosquitoes (adulticiding operations) and eliminating larvae in water (larviciding operations).

After an 11-year absence, the reappearance of Dengue fever has increased the urgency of mosquito control operations in the city of Key West, and the Florida Keys. The District continued aggressive operations to combat the vector *Aedes aegypti* mosquito which transmits the disease.

In addition to the Dengue virus, the District is also faced with the looming threat of residents contracting the Zika or Chikungunya viruses. These viral diseases are very similar to Dengue, and they have become more pronounced in the western hemisphere. Zika, which has infected inhabitants of Miami and other U.S. cities, is also spread by the *Aedes aegypti* mosquito; it is likely one of many vector borne diseases that the District will be combating in the coming years. In order to avoid the reappearance, introduction, or spread of disease to other areas, the District tailored a ground inspection program and further increased aerial adult and larval mosquito control spraying missions over the city of Key West. These additional operations continue placing demands on District resources.

The District's management would like to earmark approximately \$1 million reserves annually in order to purchase another Airbus helicopter in the ongoing effort to modernize and homogenize the District's aerial fleet. Setting aside annual reserves will allow the District to purchase a new helicopter for cash in approximately four years. These reserves will allow the District to maintain current lease expenditure levels, which are limited by the District's enabling legislation. Establishing these reserves will necessitate the need for increased ad valorem revenues unless corresponding decreases in expenditures can be pinpointed.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Comptroller at 18 Aquamarine Drive, Key West, Florida, 33040, phone 305-292-7190.

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Florida Keys Mosquito Control District

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 7,683,482
Accounts receivable, net	29,239
Lease receivable	2,331
Inventory	604,745
Prepaid items	1,169,321
Capital assets	
Non-depreciable	2,471,930
Depreciable, net	20,631,051
Total assets	32,592,099
Deferred outflows of resources	
Deferred outflows - pension	1,368,872
Deferred outflows - OPEB	5,201,566
Total deferred outflows	6,570,438
Liabilities	
Accounts payable	76,797
Accrued wages and benefits payable	97,095
Accrued interest	1,943
Financed purchases due within one year	643,952
Financed purchases due in more than one year	3,462,996
Lease liability due within one year	182,863
Lease liability due in more than one year	382,838
Compensated absences - due within one year	460,364
Compensated absences due in more than one year	540,427
Net pension liability - due in more than one year	5,983,230
Total OPEB liability - due in more than one year	16,461,152
Total liabilities	28,293,657
Deferred inflows of resources	
Deferred inflows - leases	2,585
Deferred inflows - pension	601,454
Deferred inflows - OPEB	3,395,812
Total deferred inflows	3,999,851
Net position	
Investment in capital assets	18,430,332
Unrestricted	(11,561,303)
Total net position	\$ 6,869,029

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

Florida Keys Mosquito Control District

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/programs	Expenses	Program Revenues Charges for Services	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental activities				
Mosquito control	\$ 18,543,268	\$ 371,590	\$ 955,636	\$ (17,216,042)
Total governmental activities	<u>\$ 18,543,268</u>	<u>\$ 371,590</u>	<u>\$ 955,636</u>	<u>(17,216,042)</u>
General revenues				
Property taxes				17,596,381
Unrestricted intergovernmental				33,405
Unrestricted investment earnings				637,322
Insurance proceeds				477,562
Refunds				215,994
Rents & royalties				300
Gain on sale of capital assets				439,666
Miscellaneous revenue				23,070
Total general revenues				<u>19,423,700</u>
Change in net position				2,207,658
Net position, beginning of year				4,661,371
Net position, end of year				<u>\$ 6,869,029</u>

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

Florida Keys Mosquito Control District

BALANCE SHEET GOVERNMENTAL FUND SEPTEMBER 30, 2024

	General Fund
Assets	
Cash and cash equivalents	\$ 7,683,482
Accounts receivable	29,239
Lease	2,331
Inventory	604,745
Prepaid items	1,169,321
Total assets	<u>\$ 9,489,118</u>
Liabilities, deferred inflows of resources and fund balances	
Liabilities	
Accounts payable and accrued expenses	\$ 76,797
Accrued wages and benefits payable	97,095
Total liabilities	<u>173,892</u>
Deferred inflows of resources	
Leases	<u>2,585</u>
Fund balances	
Nonspendable:	
Inventory	604,745
Prepays	1,169,321
Unassigned	7,538,575
Total fund balance	<u>9,312,641</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 9,489,118</u>

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

Florida Keys Mosquito Control District

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Fund balance, total governmental fund		\$ 9,312,641
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund:</p>		
Governmental capital assets	\$ 36,821,689	
Accumulated depreciation	(13,718,708)	23,102,981
<p>Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:</p>		
Accrued interest	(1,943)	
Financed purchase	(4,106,948)	
Lease liability	(565,701)	
Compensated absences	(1,000,791)	(5,675,383)
<p>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:</p>		
Deferred outflows - pensions	1,368,872	
Deferred inflows - pensions	(601,454)	
Net pension liability	(5,983,230)	(5,215,812)
<p>Deferred outflows, deferred inflows, 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:</p>		
Deferred outflows - OPEB	5,201,566	
Deferred inflows - OPEB	(3,395,812)	
Net OPEB liability	(16,461,152)	(14,655,398)
Net position of governmental activities		\$ 6,869,029

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

Florida Keys Mosquito Control District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Fund
	<u> </u>
Revenues	
Property taxes	\$ 17,596,381
Intergovernmental	989,041
Charges for services	371,590
Investment earnings	637,322
Refunds	215,994
Rents and royalties	300
Miscellaneous	23,070
Total revenues	<u>19,833,698</u>
Expenditures	
Personnel services	5,637,269
Operating expenditures	10,786,984
Capital outlay	1,437,133
Debt service	744,059
Total expenditures	<u>18,605,445</u>
Excess of revenues over expenditures	<u>1,228,253</u>
Other financing sources	
Proceeds from lease issuance	247,011
Proceeds from the sale of capital assets	439,666
Insurance proceeds	477,562
Total other financing sources	<u>1,164,239</u>
Change in fund balance	2,392,492
Fund balance, beginning of year	<u>6,920,149</u>
Fund balance, end of year	<u><u>\$ 9,312,641</u></u>

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

Florida Keys 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, 2024

Net change in fund balance, General Fund	\$	2,392,492
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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		1,437,132
Depreciation expense		(1,326,485)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Lease issuance	\$ (247,011)	
Lease payments	192,293	
Financed purchase payments	628,629	
Change in accrued interest	(677)	573,234

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		(9,621)
OPEB expense		(800,241)
Change in compensated absences		(58,853)

Change in net position of governmental activities	\$	2,207,658
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The accompanying notes are an integral part of these financial statements.

Florida Keys 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, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 17,378,054	\$ 17,378,054	\$ 17,596,381	\$ 218,327
Intergovernmental	-	959,050	989,041	29,991
Charges for services	371,589	371,589	371,590	1
Investment earnings	302,500	596,000	637,322	41,322
Refunds	240,000	648,347	215,994	(432,353)
Rents and royalties	300	300	300	-
Miscellaneous	-	-	23,070	23,070
Total revenues	<u>18,292,443</u>	<u>19,953,340</u>	<u>19,833,698</u>	<u>(119,642)</u>
EXPENDITURES				
Human services				
Personnel services	5,702,869	5,702,869	5,637,269	65,600
Personnel service benefits	4,064,496	4,064,496	4,111,495	(46,999)
Operating expenditures	1,582,279	1,682,279	1,140,916	541,363
Travel and per diem	129,135	120,185	119,169	1,016
Communication services	100,100	100,100	93,478	6,622
Freight services	15,550	25,550	18,133	7,417
Utility services	142,800	145,800	102,395	43,405
Rental and leases	969,952	1,009,952	233,913	776,039
Insurance	1,102,280	1,102,280	1,142,378	(40,098)
Repair and maintenance	1,007,345	1,599,820	1,121,755	478,065
Printing and binding	11,910	11,910	10,718	1,192
Promotional activities	24,200	28,200	16,069	12,131
Other operating expenditures	13,125	13,125	17,312	(4,187)
Office supplies and materials	39,526	104,526	96,563	7,963
Gas, oil and lube	327,575	327,575	223,984	103,591
Chemicals	2,146,430	2,962,983	2,000,820	962,163
Clothing and wearing apparel	49,925	49,925	38,017	11,908
Miscellaneous supplies	182,293	188,293	122,348	65,945
Tools and small implements	29,603	30,603	20,233	10,370
Books and subscriptions	66,586	66,586	78,296	(11,710)
Training	168,764	167,129	78,992	88,137
Debt service - principal and interest	-	-	744,059	(744,059)
Capital outlay	2,148,143	2,156,943	1,437,133	719,810
Total expenditures	<u>20,024,886</u>	<u>21,661,129</u>	<u>18,605,445</u>	<u>3,055,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,732,443)</u>	<u>(1,707,789)</u>	<u>1,228,253</u>	<u>2,936,042</u>

(Continued)

Florida Keys 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, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
OTHER FINANCING SOURCES				
Proceeds from lease issuance	-	-	247,011	247,011
Proceeds from sale of capital assets	1,010,000	1,010,000	439,666	(570,334)
Insurance proceeds	-	-	477,562	477,562
Contingency	722,443	697,789	-	(697,789)
Total other financing sources	1,732,443	1,707,789	1,164,239	(543,550)
Change in fund balance	-	-	2,392,492	2,392,492
FUND BALANCE, beginning of year	6,920,149	6,920,149	6,920,149	-
FUND BALANCE, end of year	<u>\$ 6,920,149</u>	<u>\$ 6,920,149</u>	<u>\$ 9,312,641</u>	<u>\$ 2,392,492</u>

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

Florida Keys Mosquito Control District

STATEMENT OF FIDUCIARY NET POSITION OPEB TRUST FUND SEPTEMBER 30, 2024

	2024
Assets	
Cash and cash equivalents	\$ 10,435
Accrued interest	28,205
Investments at fair value	2,470,811
Total assets	<u>2,509,451</u>
Fiduciary net position	
Restricted for other post-employment benefits	<u>\$ 2,509,451</u>

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

Florida Keys Mosquito Control District

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION OPEB TRUST FUND FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024
Additions	
Contributions	
Employer	\$ 869,767
Investment income	243,099
Total additions	<u>1,112,866</u>
Deductions	
Benefit payments	869,767
Total deductions	<u>869,767</u>
Change in net position	243,099
Net position, beginning of year	2,266,352
Net position, end of year	<u>\$ 2,509,451</u>

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

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The State of Florida created the Monroe County Mosquito Control District (the "District"), a special taxing district, under the enabling act of Chapter 67-1726, Laws of Florida, Acts of 1967. The District was renamed the Florida Keys Mosquito Control District in 1998. The District operates under a Board of Commissioners consisting of five (5) members elected by the voters of Monroe County. Each member is elected for a term of four years and their terms are staggered so that an entirely new board will never be elected at one time.

For financial reporting purpose, the District is not included as a component unit of any other entity, nor does it include the financial statements of any other entity as a component unit. The District is not subject to oversight responsibility relative to any other unit of government. The manifestation of oversight responsibility includes financial interdependency, selection of governing body, ability to significantly influence operation, designation of management and accountability of fiscal matters, as well as the scope of services provided in the community. Although the District supplies mosquito control services to the residents of Monroe County, it is not considered a component unit of Monroe County as it is financially independent and has an independently elected Board of Commissioners, which is responsible for directing operations and designating management. The District has no accountability to Monroe County for its fiscal affairs.

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.

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.

NOTE 1.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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. Cash and Cash Equivalents

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

E. Investments

Pursuant to Section 218.415, Florida Statutes, the District limits its investments to an external investment pool, the Florida Liquid Assets Security System (FL CLASS), which is reported at fair value.

F. 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.

G. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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.

I. 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>
Buildings/hangers	5-40
Aircrafts	5-10
Aviation and other airport equipment	3-20
Autos, trucks and heavy equipment	3-20
Other equipment	3-20

J. 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.

K. Compensated Absences

District policy grants employees annual leave and sick leave in varying amounts. Upon termination of employment, employees can receive payment for accumulated annual leave. In general, sick leave payments are granted upon termination of employment to employees with ten years or more of credited service. The maximum payment is subject to a percentage and maximum hour limitations. The District accrues a liability for leave hours that meet the criteria for payment at the eligible employees' current rates of pay plus retirement benefits and employment taxes.

L. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Lease Liability

The District is a lessee for noncancellable leases of vehicles and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$1,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

N. 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.

O. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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.

Q. 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.

R. Future Pronouncements

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, 2024, and all reporting periods thereafter.

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

S. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 25, 2025, 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.

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. CASH AND INVESTMENTS

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, 2024, no separate written investment policy had been adopted, and therefore, the District is restricted to investments as authorized under Section 218.415(17), Florida Statutes. Investments authorized under this provision of the state statutes are limited to: the Florida Local Government Surplus Funds Trust Fund (SBA), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest bearing time deposits or savings accounts in state-certified qualified public depositories; and direct obligations of the U.S. Treasury. In addition, Florida Chapter 73-497(11), which was subsequently amended, allowed for the investment in life insurance.

1. Interest Rate Risk

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

2. Credit Risk

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

3. Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2024, 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.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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.

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, 2024.

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, 2024, 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				
Fixed income	\$ 2,470,811	\$ 581,394	\$ 1,049,824	\$ 839,593
Total OPEB trust fund	2,470,811	581,394	1,049,824	839,593
Total investments	\$ 2,470,811	\$ 581,394	\$ 1,049,824	\$ 839,593

NOTE 4. 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 Monroe County Property Appraiser and Monroe 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 Monroe County Property Appraiser incorporates the District millage into the total tax levy, which includes Monroe 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 Monroe County.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 2,450,241	\$ -	\$ -	\$ 2,798	\$ 2,453,039
Construction in progress	3,516,974	18,891	-	(3,516,974)	18,891
Total	<u>5,967,215</u>	<u>18,891</u>	<u>-</u>	<u>(3,514,176)</u>	<u>2,471,930</u>
Capital assets, being depreciated					
Buildings/hangars	14,004,408	-	-	561,098	14,565,506
Right to use lease asset	892,924	247,011	(235,765)	-	904,170
Equipment:					
Aircrafts	12,288,745	-	(535,731)	4,127,106	15,880,120
Aviation and other airport equipment	486,770	-	-	-	486,770
Autos, trucks and heavy equipment	1,080,465	1,171,230	(93,527)	(1,213,955)	944,213
Other equipment	1,540,024	-	(10,971)	39,927	1,568,980
Total	<u>30,293,336</u>	<u>1,418,241</u>	<u>(875,994)</u>	<u>3,514,176</u>	<u>34,349,759</u>
Less accumulated depreciation/amortization					
Accumulated depreciation	(12,879,380)	(1,131,918)	640,229	-	(13,371,069)
Accumulated amortization	(388,837)	(194,567)	235,765	-	(347,639)
Total	<u>(13,268,217)</u>	<u>(1,326,485)</u>	<u>875,994</u>	<u>-</u>	<u>(13,718,708)</u>
Total capital assets, being depreciated, net	<u>17,025,119</u>	<u>91,756</u>	<u>-</u>	<u>3,514,176</u>	<u>20,631,051</u>
Governmental activities capital assets, net	<u>\$ 22,992,334</u>	<u>\$ 110,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,102,981</u>

Depreciation and amortization expense of \$1,326,485 was charged to the mosquito control function.

NOTE 6. LONG TERM LIABILITIES

A. Financed Purchase

The District entered into a lease/purchase agreement for two new helicopters in June 2019. At September 30, 2024, total assets capitalized under the agreement are \$7,968,480, with accumulated depreciation of \$896,454. Eleven annual payments are due on October 1 in equal installments of \$744,059, including 2.4375% interest, maturing on October 1, 2030. At the end of the term, in which all payments are fulfilled, the District will acquire ownership.

B. Lease Liabilities

The District has entered into 33 five-year agreements for fleet vehicles with Enterprise Lease Management. Lease inception dates range from 2019 to 2024. Each vehicle is paid in equal monthly installments ranging from \$29 to \$729.

The District has four 36-month agreements for office equipment with Xerox and two, five-year agreements for a water cooler with Pure Water Technology. Lease inception dates range from years 2020 to 2024. Each agreement is paid in equal monthly installments ranging from \$70 to \$300.

C. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchase	\$ 4,735,577	\$ -	\$ (628,629)	\$ 4,106,948	\$ 643,952
Lease liability	510,983	247,011	(192,293)	565,701	182,863
Compensated absences	941,938	745,282	(686,429)	1,000,791	460,364
Net pension liability	6,317,806	574,379	(908,955)	5,983,230	-
Net OPEB obligation	15,487,834	3,125,132	(2,151,814)	16,461,152	-
Total long-term liabilities	<u>\$ 27,994,138</u>	<u>\$ 4,691,804</u>	<u>\$ (4,568,120)</u>	<u>\$ 28,117,822</u>	<u>\$ 1,287,179</u>

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

D. Future Maturities

Future minimum principal and interest payments for the financed purchases and lease liabilities as of September 30, 2024, were as follows:

	Financed Purchase		Lease Liability		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 643,952	\$ 100,107	\$ 182,863	\$ 8,991	\$ 826,815	\$ 109,098
2026	659,648	84,411	144,461	4,623	804,109	89,034
2027	675,727	68,332	127,257	2,089	802,984	70,421
2028	692,198	51,861	79,695	143	771,893	52,004
2029	709,070	34,988	31,425	-	740,495	34,988
Thereafter	726,353	17,705	-	-	726,353	17,705
Total	<u>\$ 4,106,948</u>	<u>\$ 357,404</u>	<u>\$ 565,701</u>	<u>\$ 15,846</u>	<u>\$ 4,672,649</u>	<u>\$ 373,250</u>

NOTE 7. DEFINED BENEFIT PENSION PLANS

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

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

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

A. Benefits Provided

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

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

B. Contributions

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

The employer's contribution rates as of September 30, 2024 were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular class	11.57%	2.00%
Special risk class	30.73%	2.00%
Senior management service class	32.46%	2.00%
Elected officials	60.91%	2.00%
DROP from FRS	19.13%	2.00%

The employer's contributions for the year ended September 30, 2024 were \$606,722 to the FRS Pension Plan and \$111,420 to the HIS Program.

NOTE 7. DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, 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, 2024. 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	\$ 4,047,504	\$ 1,935,726
Portion at:		
Current measurement date	0.010462803%	0.012903999%
Prior measurement date	0.010684605%	0.012972656%
Pension expense	\$ 650,251	\$ 77,611

D. Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 408,907	\$ -	\$ 18,691	\$ 3,717
Change of assumptions	554,747	-	34,258	229,165
Net difference between projected and actual earnings on pension plan investments	-	269,018	-	700
Changes in proportion and differences between District pension plan contributions and proportionate share of contributions	129,499	65,376	24,890	33,478
District pension plan contributions subsequent to the measurement date	167,719	-	30,161	-
Total	<u>\$ 1,260,872</u>	<u>\$ 334,394</u>	<u>\$ 108,000</u>	<u>\$ 267,060</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, 2025.

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

<u>Fiscal Year Ended September 30:</u>	<u>FRS</u>	<u>HIS</u>
2025	\$ (67,211)	\$ (30,698)
2026	730,144	(37,877)
2027	53,227	(55,177)
2028	2,518	(38,579)
2029	40,081	(21,020)
Thereafter	-	(5,870)
Total	<u>\$ 758,759</u>	<u>\$ (189,221)</u>

NOTE 7. 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, 2024. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2024. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024.

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	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.93%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2024:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation:

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100.0%</u>			
Assumed inflation - mean			2.4%	1.5%

⁽¹⁾ As outlined in the pension plan's investment policy

NOTE 7. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

G. Sensitivity Analysis

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

	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	\$ 7,119,418	\$ 4,047,504	\$ 1,474,125	\$ 2,203,575	\$ 1,935,726	\$ 1,713,368

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 8. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

The District's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees. The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under one of the District's retirement plans to continue medical, dental, vision, and life coverage as a participant in the District's plan.

B. Employees Covered by Benefit Terms

At October 1, 2023, the following employees were covered by the benefit terms:

Inactive plan members, dependent spouses, or beneficiaries currently receiving benefits	44
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	76
	120

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Benefits Provided

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the District are eligible to receive postemployment health care benefits. Coverage for retirees and their spouses and dependents is provided for life. The Trust was established with the intent to advance fund benefits provided under the Plan.

The District subsidizes the medical, dental, vision and life insurance benefits provided to retirees participating in the District's group insurance plans who were hired prior to September 21, 2010. For medical insurance, retirees pay a premium of \$50/month for single coverage, and \$281.66/month for spouse coverage. The District pays 100% of the active premium for dental, vision and life insurance benefits for retirees hired prior to September 21, 2010.

Retirees who were hired on or after September 21, 2010 and are participating in the District's group insurance plans are required to contribute 100% of the active premiums. An employer-provided implicit subsidy for the health plan will still exist for these participants. In future years, contributions for retirees hired on or after September 21, 2010 are assumed to increase at the same rate as total healthcare costs.

D. Contributions

The contributions made to the program are assumed to be at least the benefits paid to retirees (both on an explicit and implicit basis) and administrative expenses. There were no explicit contributions made during the year ended September 30, 2024.

E. Investment Policy

The following was the District's adopted asset allocation as of September 30, 2024:

<u>Asset class</u>	<u>Target allocation at measurement date</u>
Fixed income	99.5%
Cash and equivalents	0.5%

F. Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2023 using the following actuarial assumptions:

Employer's reporting date:	September 30, 2024
Measurement date:	September 30, 2024
Valuation date:	October 1, 2023

Actuarial Assumptions:

Discount rate:	3.70%
Inflation rate:	2.50%
Expected return on plan assets:	3.70%
Payroll growth rate:	Varies by service
Initial trend rate:	7.00%
Ultimate trend rate:	4.00%
Years to ultimate	51

All mortality rates were based on the Pub-2010 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2023 Florida Retirement System (FRS) valuation report. All tables fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2021.

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

G. Long-Term Expected Rate of Return

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 expenses 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation at measurement date</u>	<u>Long-term expected real rate of return</u>
Fixed income	99.5%	4.20%
Cash and equivalents	0.5%	3.00%

H. Discount Rate

The discount rate used to measure the Total OPEB Liability is 3.70%, which is equivalent to the expected rate of return on trust investments. This rate is used to discount all projected benefit payments.

The change in the net OPEB liability for the year ended September 30, 2024 were as follows:

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at September 30, 2023	\$ 17,754,186	\$ 2,266,352	\$ 15,487,834
Changes for the year:			
Service cost	238,611	-	238,611
Interest	719,768	-	719,768
Difference between expected and actual experience	1,891,337	-	1,891,337
Changes of assumptions	(1,031,242)	-	(1,031,242)
Employer contributions	-	869,767	(869,767)
Net investment income	-	243,099	(243,099)
Other deductions	267,710	-	267,710
Benefit payments	(869,767)	(869,767)	-
Administrative expenses	-	-	-
Net changes	1,216,417	243,099	973,318
Balance at September 30, 2024	<u>\$ 18,970,603</u>	<u>\$ 2,509,451</u>	<u>\$ 16,461,152</u>

I. 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 2.70%</u>	<u>Discount Rate 3.70%</u>	<u>1% Increase 4.70%</u>
Net OPEB liability	\$ 19,124,608	\$ 16,461,152	\$ 14,249,401

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

I. Sensitivity of Net OPEB Liability Using Alternative Rates (Continued)

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	\$ 13,820,300	\$ 16,461,152	\$ 19,773,574

J. Deferred Outflow and Inflow of Resources

On September 30, 2024, 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>
Differences between expected and actual experience	\$ 2,991,237	\$ -
Changes of assumptions	2,210,329	3,261,945
Net difference between projected and actual earnings on investments	-	133,867
Total	<u>\$ 5,201,566</u>	<u>\$ 3,395,812</u>

During the year ended September 30, 2024, the District reported OPEB expense of 1,670,008.

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>
2025	\$ 523,764
2026	527,245
2027	376,629
2028	216,618
2029	(185,086)
Thereafter	346,584
Total	<u>\$ 1,805,754</u>

NOTE 9. CONTINGENCIES

From time to time, the District receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management such disallowed claims, if any, will not have a material effect on the financial statements or the overall financial position of the District at September 30, 2024.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for all risks of loss except group insurance.

The District is self-insured for hospitalization and medical care. The plan is administered by an independent third party who processes the claims for payment. The plan administrator actuarially calculates a premium for which the District makes monthly payments. During the fiscal year, the District incurred expenses totaling \$2,825,667 for claims, administrative fees and premiums.

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REQUIRED SUPPLEMENTARY INFORMATION

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Florida Keys Mosquito Control District

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the FRS net pension liability	0.010462803%	0.010684605%	0.010270000%	0.010170000%	0.009750000%
District's proportionate share of the FRS net pension liability	\$ 4,047,504	\$ 4,257,477	\$ 3,820,146	\$ 768,201	\$ 4,225,251
District's covered - employee payroll	\$ 5,468,775	\$ 5,365,538	\$ 4,878,786	\$ 4,489,919	\$ 4,794,130
District's proportionate share of the FRS net pension liability as a percentage of its covered - employee payroll	74.01%	79.35%	78.30%	17.11%	88.13%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the FRS net pension liability	0.009960000%	0.009620000%	0.009800000%	0.010040000%	0.010940000%
District's proportionate share of the FRS net pension liability	\$ 3,428,870	\$ 2,896,825	\$ 2,899,270	\$ 2,534,137	\$ 1,412,939
District's covered - employee payroll	\$ 4,489,830	\$ 4,299,922	\$ 4,109,965	\$ 4,047,881	\$ 3,937,462
District's proportionate share of the FRS net pension liability as a percentage of its covered - employee payroll	76.37%	67.37%	70.54%	62.60%	35.88%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%

Notes to the Schedule:

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

Florida Keys Mosquito Control District

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

	2024	2023	2022	2021	2020
Contractually required FRS contribution	\$ 606,722	\$ 513,998	\$ 438,111	\$ 387,419	\$ 323,908
FRS contributions in relation to the contractually required FRS contribution	606,722	513,998	438,111	387,419	323,908
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$ 5,570,770	\$ 5,365,538	\$ 4,878,786	\$ 4,489,919	\$ 4,794,130
FRS contributions as a percentage of covered - employee payroll	10.89%	9.58%	8.98%	8.63%	6.76%
	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 308,722	\$ 274,089	\$ 255,074	\$ 244,748	\$ 266,706
FRS contributions in relation to the contractually required FRS contribution	308,722	274,089	255,074	244,748	266,706
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$ 4,489,830	\$ 4,299,922	\$ 4,109,965	\$ 4,047,881	\$ 3,937,462
FRS contributions as a percentage of covered - employee payroll	6.88%	6.37%	6.21%	6.05%	6.77%

Florida Keys Mosquito Control District

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the HIS net pension liability	0.012903999%	0.012972656%	0.012770000%	0.012740000%	0.013150000%
District's proportionate share of the HIS net pension liability	\$ 1,935,726	\$ 2,060,231	\$ 1,352,021	\$ 1,562,393	\$ 1,605,971
District's covered - employee payroll	\$ 5,468,775	\$ 5,365,538	\$ 4,878,786	\$ 4,489,919	\$ 4,794,130
District's proportionate share of the HIS net pension liability as a percentage of its covered - employee payroll	35.40%	38.40%	27.71%	34.80%	33.50%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the HIS net pension liability	0.013350000%	0.012960000%	0.012850000%	0.013110000%	0.012990000%
District's proportionate share of the HIS net pension liability	\$ 1,494,128	\$ 1,371,630	\$ 1,373,465	\$ 1,528,055	\$ 1,324,353
District's covered - employee payroll	\$ 4,489,830	\$ 4,299,922	\$ 4,109,965	\$ 4,047,881	\$ 3,937,462
District's proportionate share of the HIS net pension liability as a percentage of its covered - employee payroll	33.28%	31.90%	33.42%	37.75%	33.63%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	2.63%	2.15%	1.64%	0.97%	0.99%

Notes to the Schedule:

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

Florida Keys Mosquito Control District

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

	2024	2023	2022	2021	2020
Contractually required HIS contribution	\$ 111,420	\$ 85,336	\$ 77,239	\$ 74,869	\$ 75,795
HIS contributions in relation to the contractually required HIS contribution	111,420	85,336	77,239	74,869	75,795
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$ 5,570,770	\$ 5,365,538	\$ 4,878,786	\$ 4,489,919	\$ 4,794,130
HIS contributions as a percentage of covered - employee payroll	2.00%	1.59%	1.58%	1.67%	1.58%
	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 74,151	\$ 70,279	\$ 67,980	\$ 67,203	\$ 49,640
HIS contributions in relation to the contractually required HIS contribution	74,151	70,279	67,980	67,203	49,640
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$ 4,489,830	\$ 4,299,922	\$ 4,109,965	\$ 4,047,881	\$ 3,937,462
HIS contributions as a percentage of covered - employee payroll	1.65%	1.63%	1.65%	1.66%	1.26%

Florida Keys Mosquito Control District

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

Measurement year ended September 30,	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service cost	\$ 238,611	\$ 267,125	\$ 259,750	\$ 414,055	\$ 304,386	\$ 313,415	\$ 227,527	\$ 280,615
Interest on the total OPEB liability	719,768	630,701	623,860	431,007	584,549	584,118	469,998	423,996
Differences between actual and expected experience	1,891,337	-	1,389,387	-	544,547	-	637,972	-
Changes of assumptions	(1,031,242)	(481,964)	113,476	(3,546,762)	3,371,546	1,436,276	708,551	(1,272,780)
Other additions	267,710	-	-	-	-	-	-	-
Benefit payments	(869,767)	(822,097)	(796,154)	(718,133)	(583,559)	(447,474)	(413,190)	(379,686)
Net change in total OPEB liability	1,216,417	(406,235)	1,590,319	(3,419,833)	4,221,469	1,886,335	1,630,858	(947,855)
Total OPEB liability - beginning	17,754,186	18,160,421	16,570,102	19,989,935	15,768,466	13,882,131	12,251,273	13,199,128
Total OPEB liability - ending	\$ 18,970,603	\$ 17,754,186	\$ 18,160,421	\$ 16,570,102	\$ 19,989,935	\$ 15,768,466	\$ 13,882,131	\$ 12,251,273
Plan fiduciary net position								
Employer contributions	\$ 869,767	\$ 822,097	\$ 796,154	\$ 718,133	\$ 783,559	\$ 647,474	\$ 613,190	\$ 379,686
Net investment income	250,805	80,287	80,476	99,806	84,282	86,170	(171,391)	19,675
Other additions (deductions)	(7,706)	(337,443)	-	(10,593)	-	196,859	-	-
Benefit payments	(869,767)	(822,097)	(796,154)	(718,133)	(583,559)	(447,474)	(413,190)	(379,686)
Administrative expense	-	-	-	-	-	-	-	-
Net change in total OPEB liability	243,099	(257,156)	80,476	89,213	284,282	483,029	28,609	19,675
Plan fiduciary net position - beginning	2,266,352	2,523,508	2,443,032	2,353,819	2,069,537	1,586,508	1,557,899	1,538,224
Plan fiduciary net position - ending	\$ 2,509,451	\$ 2,266,352	\$ 2,523,508	\$ 2,443,032	\$ 2,353,819	\$ 2,069,537	\$ 1,586,508	\$ 1,557,899
Net OPEB liability - ending	\$ 16,461,152	\$ 15,487,834	\$ 15,636,913	\$ 14,127,070	\$ 17,636,116	\$ 13,698,929	\$ 12,295,623	\$ 10,693,374
Plan fiduciary net position as a percentage of the total OPEB liability	13.23%	12.77%	13.90%	14.74%	11.78%	13.12%	11.43%	12.72%
Covered-employee payroll	\$ 3,990,147	\$ 4,730,956	\$ 4,614,744	\$ 4,461,716	\$ 4,241,175	\$ 4,215,475	\$ 4,007,106	\$ 3,707,389
Net OPEB liability as a percentage of covered payroll	412.55%	327.37%	338.85%	316.63%	415.83%	324.97%	306.85%	288.43%

Notes to the Schedule:

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

Florida Keys Mosquito Control District

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Actuarially Determined Contributions	\$ 1,228,360	\$ 1,170,460	\$ 1,154,848	\$ 1,091,392	\$ 1,203,150	\$ 993,843	\$ 988,861	\$ 800,340
Contributions in relation to the Actuarially Determined Contributions	-	-	-	-	200,000	200,000	200,000	-
Contribution deficiency	\$ 1,228,360	\$ 1,170,460	\$ 1,154,848	\$ 1,091,392	\$ 1,003,150	\$ 793,843	\$ 788,861	\$ 800,340
District's covered - employee payroll	\$ 3,990,147	\$ 4,730,956	\$ 4,614,744	\$ 4,461,716	\$ 4,241,175	\$ 4,215,475	\$ 4,007,106	\$ 3,707,389
Contributions as a percentage of covered - employee payroll	0.00%	0.00%	0.00%	0.00%	4.72%	4.74%	4.99%	0.00%

Notes to the Schedule:

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

Actuarially determined contribution rates shown above are calculated as of September 30 for the plan/fiscal year in which contributions are reported.

Florida Keys Mosquito Control District

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS - OPEB

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Annual money-weighted rate of return, net of investment expenses	4.31%	3.70%	3.69%	3.57%	3.23%	2.88%	2.61%	1.28%

Notes to the Schedule:

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

Notes To Required Supplementary Information

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.

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*

**Board of Commissioners
Florida Keys Mosquito Control District
Marathon, 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 Florida Keys Mosquito Control District (the "District"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 25, 2025.

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.

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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida
April 25, 2025



Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by The Uniform Guidance

**Board of Commissioners
Florida Keys Mosquito Control District
Marathon, Florida**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Florida Keys Mosquito Control District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended September 30, 2024. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bradenton, Florida
April 25, 2025

Mauldin & Jenkins, LLC

Florida Keys Mosquito Control District

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Assistance Listing Number	Grant ID Number	Actual Expenditures	Passed Through to Subrecipients
Federal Awards				
U.S. Department of Health and Human Services				
<i>Passed through the Florida Department of Agriculture and Consumer Services</i>				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	85111704	\$ 955,636	\$ -
Total U.S. Department of Health and Human Services			<u>955,636</u>	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 955,636</u></u>	<u><u>\$ -</u></u>



Independent Auditor's Management Letter

**Board of Commissioners
Florida Keys Mosquito Control District
Vero Beach, Florida**

Report on the Financial Statements

We have audited the financial statements of Florida Keys Mosquito Control District (the "District"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 25, 2025.

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 April 25, 2025, 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.

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 Florida Keys Mosquito Control District reported:

- a. The total number of District employees compensated in the last pay period of the District's fiscal year as 73.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as: None.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$5,618,383.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$49,138.
- e. There were no construction projects 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.
- 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 15.

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 0.43440.
- b. The total ad valorem assessment collected by or on behalf of the District was \$17,596,381.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as \$0.

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.

Bradenton, Florida
April 25, 2025

Mauldin & Jenkins, LLC

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Florida Keys Mosquito Control District

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED SEPTEMBER 30, 2024

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 no

Significant deficiencies identified not considered to be material weaknesses?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal Control over major programs:
Material weaknesses identified?

Yes No

Significant deficiencies identified not considered to be material weaknesses?

Yes None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major program:

Assistance Listing Number

93.323

Name of Federal Program or Cluster

U.S. Department of Health and Human Services:

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

**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**

None reported.



Independent Accountant's Report

**Board of Commissioners
Florida Keys Mosquito Control District
Vero Beach, Florida**

We have examined the Florida Keys 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, 2024. 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, 2024.

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
April 25, 2025

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