

EAST FLAGLER MOSQUITO CONTROL DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
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SEPTEMBER 30, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners,
East Flagler Mosquito Control District:

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities and general fund of the East Flagler Mosquito Control District (the District), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Unmodified Opinions on the General Fund and Capital Project Fund

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund and Capital Project Fund of the District as of September 30, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinions section, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Matter Giving Risk to Qualified Opinion on Governmental Activities

As discussed in Note (9) to the financial statements, the District has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in the governmental activities. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities has not been determined.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *GAS* 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 GAAS and *GAS*, 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 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.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

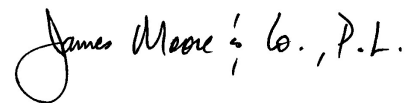
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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.

Management has omitted the schedule of changes in the District's total OPEB liability and related ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Daytona Beach, Florida
May 11, 2026

**East Flagler Mosquito Control District
Management Discussion and Analysis
For the Year Ended September 30, 2025**

Our discussion and analysis of the East Flagler Mosquito Control District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

Mosquito populations are driven by rainfall and tides and may vary widely from year to year. That fact, coupled with the seasonal presence/absence of mosquito-borne diseases, requires that the District annually plan for an exceptional mosquito season and fund the budget accordingly. In subtropical Florida we monitor year-round for mosquito activity and can conduct control missions at any time as needed.

At the beginning of the fiscal year, in October, the mosquito population reached the highest numbers for the year. Hurricane Milton impacted the area on 10/10/2024, with the District responding with aerial spraying to reduce the population quickly in late October (week 43). The Flagler EOC requested aerial spraying through the State in response to widespread flooding following the hurricane once the storm had passed, but contracted planes did not arrive until November, completing county-wide spraying on the fourth. The District is self-sufficient in controlling mosquito population in our geographical area, but we do not possess the capacity to treat the entirety of the County. The significant delay in the arrival of contracted planes to reduce the population of mosquitoes following natural disasters increases the risk of mosquito-borne disease transmission, as the more time the mosquitoes persist in high numbers the more likely they are to become infected and transmit diseases to humans.

Spring began with low temperatures, low humidity and low rainfall. Elevated fire danger was a bigger concern than mosquitoes. The first week of April saw some emergence of *Coquillettidia perturbans*, but this species never increased to its typical population size because of the permanent water sites it breeds in over winter dried-down due to drought.

The first larvicide pre-treatments in the saltmarsh began in mid-April. This is typical timing, but these treatments can begin as early as the second week of March (2024). When the saltmarsh is in a dry-down phase we can prevent the emergence of saltmarsh mosquitoes from potential floodwaters by treating mosquito breeding sites. Once these saltmarsh breeding sites flood, they immediately activate dormant eggs laid in the soil and mosquito production can occur uninterrupted unless treatments are conducted within three days of the flood event. Since the window of time to conduct treatments is limited, treating in advance is preferred.

A few areas began to flood by the end of April followed by a major flood in late May. The flood status of mosquito breeding sites then oscillated between wet and dry, which is ideal for mosquito production in the saltmarsh. By August the saltmarsh was mostly flooded and remained so. Flooded sites prevent certain species of mosquitoes from laying their eggs in dry soil, thus interrupting the lifecycle.

Week 19, at the start of May, significant rainfall was received and by week 21, Mid-May, limited spraying by truck was conducted weekly until week 30, Late-July, when sufficient mosquitoes were present to justify widespread adulticide treatments. Significant rainfall at the end of August lead to a level of mosquito activity similar to the aftermath of a hurricane by September. However, no hurricanes directly impacted the area this year.

Rainfall is the main driver of floodwater mosquito production outside of the saltmarsh. Mosquito production is reasonably well predicted by rainfall accumulation. Due to extended drought during Spring and most of Summer, the mosquito population remained low for an extended portion of the season.

**East Flagler Mosquito Control District
Management Discussion and Analysis
For the Year Ended September 30, 2025**

Accomplishments

Last year services were expanded to include the newly added areas to the District. The Flagler County Board of Commissioners formally approved expansion of district boundaries in December of 2022. The County had requested the District expand to developing areas to aid in economic growth of the County. The cost of serving the expanded areas will exceed collected revenues at the beginning, but over time it will likely contribute more to the tax base.

An additional field technician was added in 2023 to complete training ahead of the start of services. A second pilot was brought on this season as well. However, the total number of staff has decreased by leaving vacant all 4 seasonal spray technician positions, 2 seasonal field technician positions and the surveillance coordinator position. This was made possible by the adoption of remote field monitoring equipment that expedites field surveillance and allows more efficient use of employee time. Additionally, a more complete picture of conditions in the field is immediately available for analysis aiding mosquito management decisions.

Mosquito control can operate with a small number of employees because it makes use of specialized equipment to treat large areas quickly in response to the verified presence of mosquitoes. The main treatment vehicle remains the helicopter. However, mosquito control has for years used UAS's (Unmanned Aerial Systems) commonly referred to as "drones" to pretreat areas that breed mosquitoes. The District received a new treatment drone that replaces a unit that is no longer allowed for use by Florida law, FS 934.50 (7), over concerns of Chinese terrorism. The American made and compliant with Sections 848 & 889 NDAA Hyllo AG-230 will be ready for service next season.

Finally, a long-term project that is more mundane but is critical to effective operations, is the ongoing replacement of trucks. The District began replacing its fleet of trucks in 2017 on a replacement schedule of two or three trucks every year. Previously, we had some vehicles that were over twenty years old, and this hindered operations as they were unreliable. Mosquito control operations are time sensitive and not having reliable equipment can delay spray operations. The last outdated truck was 14 years old and was surplused this year. We now have completed the transition to a "one truck" fleet where equipment can be swapped out quickly for multiple mission sets on the same vehicle, reducing the total number of vehicles needed.

District revenues were \$5,323,289, while expenses totaled \$4,122,363. Ad valorem taxes provided \$5,016,570; a \$594,829 increase over the preceding year. Net position increased by \$1,200,296 (Statement of Activities).

At the conclusion of the fiscal year, September 30, 2025, the District had assets totaling \$13,757,481, deferred outflows of \$210,349, liabilities of \$5,929,441, deferred inflows of \$157,599 and net position of \$7,880,790, (Statement of Net Position).

The District implemented GASB 68 in fiscal year 2015, which impacts the government-wide net position due to the recording of net pension liability and deferred outflows and inflows of resources. The net pension liability is \$721,811 government-wide, deferred outflows and inflows related to pensions are \$210,349 and (\$157,599) respectively. See Note 8 for further information regarding the details of the District's pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**East Flagler Mosquito Control District
Management Discussion and Analysis
For the Year Ended September 30, 2025**

The Statement of Net Position (page 12) and the Statement of Activities (page 13) provide information about the activities of the District and present a longer-term view of the District's finances. The statements are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The Fund Financial Statements begin on page 14. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliations on pages 15 and 17 that convert this data to the economic resources measurement focus and the accrual basis of accounting for use in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

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

Fund Financial Statements

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

Notes to the Financial Statements

The Notes to the Financial Statements provide information that is essential to understanding the financial information presented in the Government-wide Financial Statements and the Fund Financial Statements. The notes can be found beginning on page 18.

Required Supplementary Information

Generally accepted accounting principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and the accompanying footnotes.

**East Flagler Mosquito Control District
Management Discussion and Analysis
For the Year Ended September 30, 2025**

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position as of September 30,

| | Governmental Activities | |
|----------------------------------|-------------------------|----------------------|
| | 2025 | 2024 |
| Current and Other Assets | \$ 5,968,985 | \$ 5,226,966 |
| Capital Assets, net | 7,788,496 | 8,129,011 |
| Total Assets | <u>\$ 13,757,481</u> | <u>\$ 13,355,977</u> |
| Deferred Outflows of Resources | <u>210,349</u> | <u>238,766</u> |
| Current Liabilities | 852,582 | 1,018,714 |
| Non-Current Liabilities | 5,076,859 | 5,802,345 |
| Total Liabilities | <u>5,929,441</u> | <u>6,821,059</u> |
| Deferred Inflows of Resources | <u>157,599</u> | <u>93,820</u> |
| Net Position: | | |
| Net Investment in Capital Assets | 2,897,367 | 2,617,720 |
| Unrestricted | 4,983,423 | 4,062,144 |
| Total Net Position | <u>\$ 7,880,790</u> | <u>\$ 6,679,864</u> |

Condensed Statement of Changes in Net Position for the Fiscal Year Ended September 30,

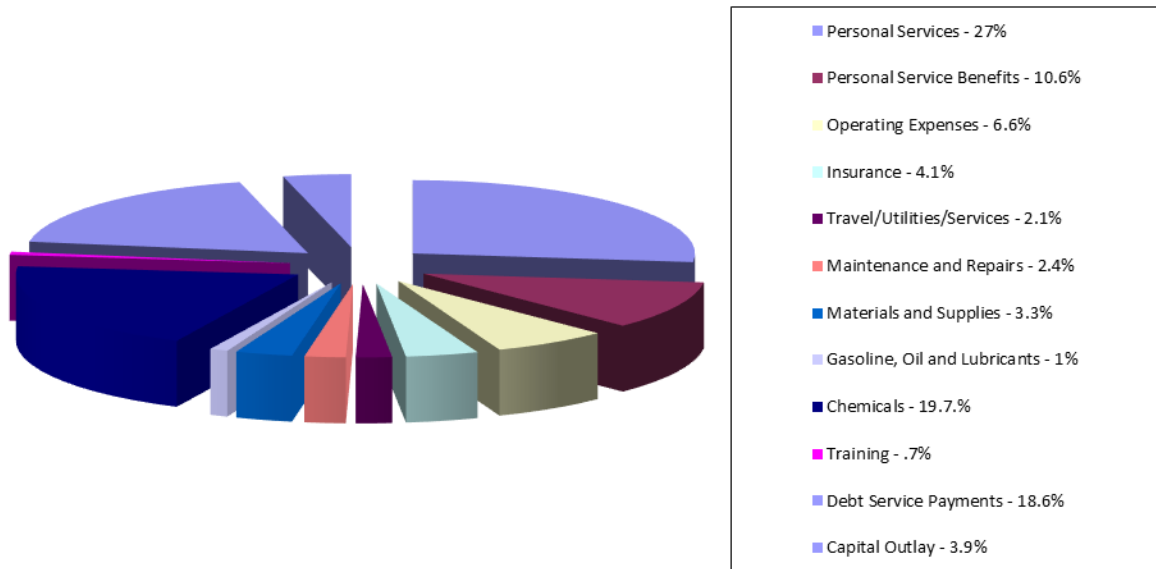
| | 2025 | 2024 |
|-----------------------------|---------------------|---------------------|
| General Revenues: | | |
| Property Taxes | \$ 5,016,570 | \$ 4,421,741 |
| Interest Income | 244,945 | 257,099 |
| Other | 61,774 | 854,723 |
| Total General Revenues | <u>5,323,289</u> | <u>5,533,563</u> |
| Expenses - Mosquito Control | | |
| Personal Services | 1,179,831 | 1,158,419 |
| Personal Service Benefits | 466,856 | 446,158 |
| Operating Expenses | 1,976,640 | 1,905,626 |
| Depreciation Expense | 499,036 | 327,361 |
| Total Expenses | <u>4,122,363</u> | <u>3,837,564</u> |
| Change in Net Position | 1,200,926 | 1,695,999 |
| Beginning Net Position | 6,679,864 | 4,983,865 |
| Ending Net Position | <u>\$ 7,880,790</u> | <u>\$ 6,679,864</u> |

**East Flagler Mosquito Control District
Management Discussion and Analysis
For the Year Ended September 30, 2025**

An Analysis of the District’s overall Financial Position and Results of Operations

As of September 30, 2025, the District’s cash and investments totaled \$5,286,525, representing 38% of total assets. Current cash and investments exceeded total current liabilities by \$5,116,403. Net position on September 30, 2025 was \$7,880,790 an increase of \$1,200,926 over the preceding year.

The following chart represents expenditures of the fund financial statements by percentage:



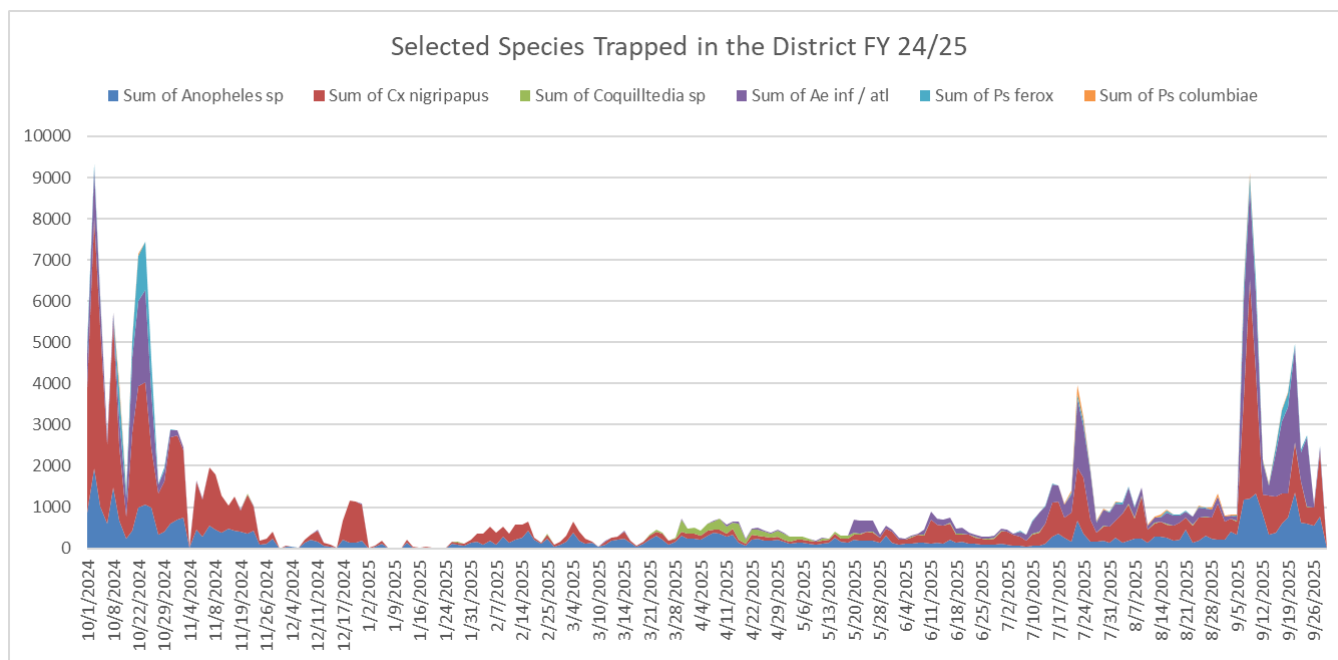
An Analysis of the District’s overall Financial Position and Results of Operations (continued)

Summary of Operations:

- The Board of Commissioners adopted a millage rate of .3250 for the 2024/2025 fiscal year, which exceeded the rolled back millage rate by 6.8%.

Mosquito populations are weather dependent, mild weather will produce fewer mosquitos than extreme weather events or repeated oscillations of wet and dry producing a new generation of flood-water mosquitoes with each dry-wet phase.

**East Flagler Mosquito Control District
Management Discussion and Analysis
For the Year Ended September 30, 2025**



- There were no vector borne disease concerns within the District for the year

An Analysis of Balances in the Governmental Funds (The General Fund and Capital Projects Fund)

The governmental funds for the District are the General Fund and the Capital Project Fund. Fund balance (as presented on the balance sheet on page 14) increased after transfers by \$205,799 for the general fund and \$731,533 for the capital projects fund, for the year ended September 30, 2025.

The District collected \$5,016,570 in property taxes and all revenues totaled \$5,300,076. Expenditures totaled \$4,386,119 and were exceeded by revenues by \$913,957.

The District transferred \$592,256 from the general fund to the capital projects fund for future capital outlay.

An Analysis of Significant Variations in the Budget

The District’s budget is shown on the Statement of Revenue, Expenditures and Changes in Fund Balance-Budget (Budgetary Basis) and Actual-General Fund (page 32). There were significant variations between the final budget amounts and actual budget results. The following is a summary of the significant variations and reasons for the variations:

Personal Services

Actual expenditures were \$81,962 under budget after a budget amendment that increased the budget by \$68,390. The District budgeted salaries for a second pilot that were not utilized for the entire year.

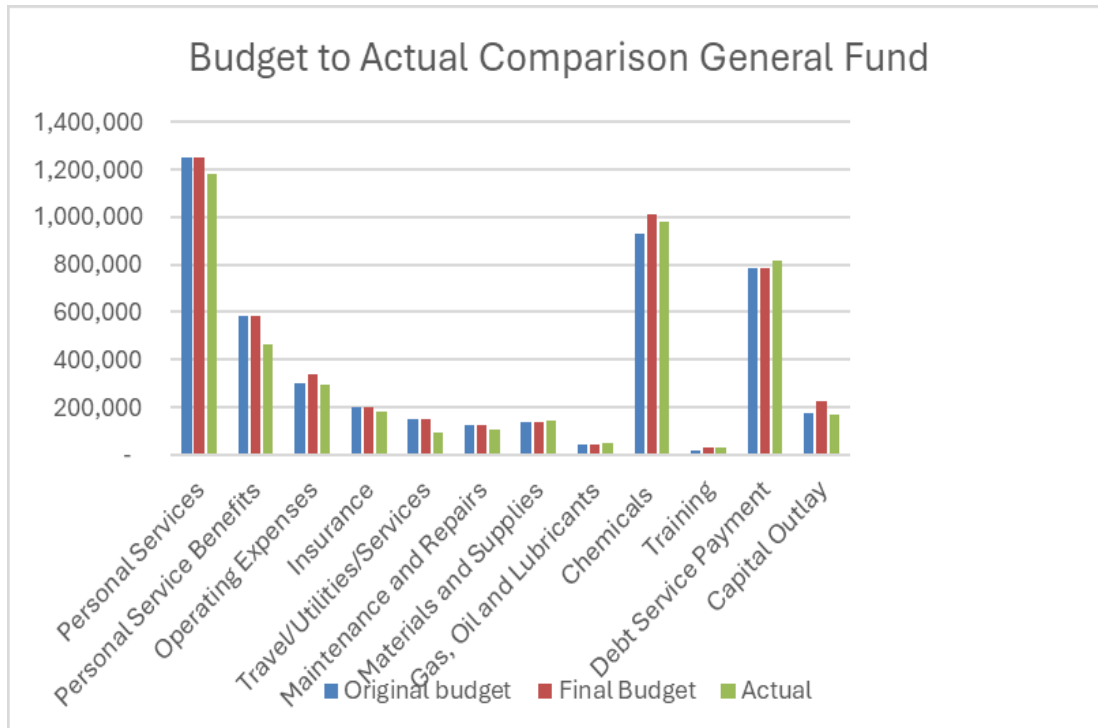
**East Flagler Mosquito Control District
Management Discussion and Analysis
For the Year Ended September 30, 2025**

Personal Service Benefits

Actual expenditures were \$67,052 under budget. This is related to the benefits for the second pilot that was not employed for the entire year.

Chemicals

Actual expenditures were \$31,574 under budget after budget amendments which increased the budget by \$85,250. The budget is based on purchases.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District’s capital assets as of September 30, 2025 reflect a total investment of \$6,717,173, net of accumulated depreciation. Capital outlays during the fiscal year consisted of the following purchases:

- Two Trucks \$ 105,102
- Equipment for Helicopter \$ 49,227
- Lawn Mower \$ 9,930
- Brush Cutter Attachment ATV \$ 6,506

**East Flagler Mosquito Control District
Management Discussion and Analysis
For the Year Ended September 30, 2025**

Leased Capital Assets

The District leases the land on which its facility is constructed from Flagler County. The land is capitalized and a liability is recognized for the present value of the future lease payments. The amortization of the leased land asset is recorded at the rate the liability is being reduced. See Note 10. The net investment in the land as of September 30, 2025 is \$1,071,323.

Long Term Debt

The District financed the purchase of a new helicopter last year. The total amount financed was \$3,819,806. The lease is payable in 14 semiannual payments of \$371,070 including interest at 4.07%. The balance of the helicopter lease payable as of September 30, 2025 is \$4,427,886.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

The District's principal source of income is property tax revenue generated from property assessments within the District. Property taxes provide 95% of the District's total revenue. Taxable Value of the District in 2025 for the 2026 budget was \$16.8 billion, a \$742,422,609 increase over 2024. As a result, the millage rate is .350 per thousand of taxable value, which is 12.54% over the rolled back rate.

Expectations are that property values will continue to increase less than previous years and the District Boundaries have expanded. The Board enters the 2026 year with budgeted tax revenues of \$5,841,452, 17.2% higher than 2025 actual.

REQUEST FOR INFORMATION

The District's general purpose external financial statements (the basic financial statements and required supplementary information) are designed to provide a financial overview of the District's finances. Requests for additional information or questions concerning the financial information contained in this report should be addressed to the Director of the East Flagler Mosquito Control District, 210 Fin Way, Palm Coast, FL 32164.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

| | Governmental Activities |
|---------------------------------------|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 326,842 |
| Investments | 4,959,683 |
| Receivables, net | 4,467 |
| Due from other governments | 16,845 |
| Inventory | 443,969 |
| Prepaid expenses | 217,179 |
| Capital assets: | |
| Non-depreciable | 31,150 |
| Depreciable, net | 6,686,023 |
| Leased land, net | 1,071,323 |
| Total assets | \$ 13,757,481 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pensions | \$ 210,349 |
| LIABILITIES | |
| Accounts payable | \$ 38,953 |
| Accrued liabilities | 57,487 |
| Accrued interest payable | 71,970 |
| Noncurrent liabilities: | |
| Due within one year: | |
| Lease liability | 646,081 |
| Compensated absences | 38,091 |
| Due in more than one year: | |
| Lease liability | 4,245,048 |
| Compensated absences | 110,000 |
| Net pension liability | 721,811 |
| Total liabilities | \$ 5,929,441 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to pensions | \$ 157,599 |
| NET POSITION | |
| Net investment in capital assets | \$ 2,897,367 |
| Unrestricted | 4,983,423 |
| Total net position | \$ 7,880,790 |

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

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> | |
|--|-----------------|---------------------------------|---|--|------------------------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> |
| Governmental activities: Human services | \$ 4,122,363 | \$ 25,035 | \$ - | \$ - | \$ (4,097,328) |
| General revenues: | | | | | |
| Property taxes | | | | | 5,016,570 |
| Investment earnings (loss) | | | | | 244,945 |
| Gain on disposal of capital assets | | | | | 23,375 |
| Miscellaneous | | | | | 13,364 |
| Total general revenues | | | | | <u>5,298,254</u> |
| Change in net position | | | | | 1,200,926 |
| Net position - beginning | | | | | <u>6,679,864</u> |
| Net position - ending | | | | | <u>\$ 7,880,790</u> |

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

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

| | <u>General</u> | <u>Capital Projects</u> | <u>Governmental Funds</u> |
|--|----------------------------|-----------------------------|-------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 326,842 | \$ - | \$ 326,842 |
| Investments | 1,402,790 | 3,556,893 | 4,959,683 |
| Accounts receivable | 4,467 | - | 4,467 |
| Due from other governments | 16,845 | - | 16,845 |
| Inventory | 443,969 | - | 443,969 |
| Prepaid items | 217,179 | - | 217,179 |
| Total assets | <u>\$ 2,412,092</u> | <u>\$ 3,556,893</u> | <u>\$ 5,968,985</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 38,953 | \$ - | \$ 38,953 |
| Accrued liabilities | 57,487 | - | 57,487 |
| Total liabilities | <u>96,440</u> | <u>-</u> | <u>96,440</u> |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Inventory and prepaid items | 661,148 | - | 661,148 |
| Committed to: | | | |
| Future capital outlay | - | 3,556,893 | 3,556,893 |
| Assigned to: | | | |
| Future capital outlay/contingencies | 151,330 | - | 151,330 |
| Subsequent year's budget | 289,585 | - | 289,585 |
| Unassigned | 1,213,589 | - | 1,213,589 |
| Total fund balances | <u>2,315,652</u> | <u>3,556,893</u> | <u>5,872,545</u> |
| Total liabilities and fund balances | <u><u>\$ 2,412,092</u></u> | <u><u>\$ 3,556,893</u></u> | <u><u>\$ 5,968,985</u></u> |

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

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

| | | |
|---|--------------------|-----------------------------------|
| Fund balance - governmental fund | | \$ 5,872,545 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund | | |
| Total governmental capital assets | 9,843,110 | |
| Less: accumulated depreciation/amortization | <u>(2,054,614)</u> | 7,788,496 |
| On the governmental fund statement, a net pension liability is not recorded until an amount is due and payable for payment of those benefits. On the Statement of Net Position, the District's net pension liability of the FRS plan is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported. | | |
| Net pension liability | (721,811) | |
| Deferred outflows related to pensions | 210,349 | |
| Deferred inflows related to pensions | <u>(157,599)</u> | (669,061) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These long-term liabilities consist of the following: | | |
| Leases payable | | (4,891,129) |
| Accrued interest payable | | (71,970) |
| Compensated absences | | (148,091) |
| Net position of governmental activities | | <u><u>\$ 7,880,790</u></u> |

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

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | <u>General</u> | <u>Capital Projects</u> | <u>Governmental Funds</u> |
|--|---------------------|-----------------------------|-------------------------------|
| Revenues | | | |
| Taxes | \$ 5,016,570 | \$ - | \$ 5,016,570 |
| Interest income | 105,668 | 139,277 | 244,945 |
| Miscellaneous | 38,561 | - | 38,561 |
| Total revenues | <u>5,160,799</u> | <u>139,277</u> | <u>5,300,076</u> |
| Expenditures | | | |
| Current: | | | |
| Human services: | | | |
| Personal services | 1,179,831 | - | 1,179,831 |
| Personal service benefits | 466,856 | - | 466,856 |
| Operating expenses | 291,160 | - | 291,160 |
| Insurance | 182,207 | - | 182,207 |
| Travel/utilities/services | 90,676 | - | 90,676 |
| Maintenance and repair | 102,894 | - | 102,894 |
| Material and supplies | 143,242 | - | 143,242 |
| Gasoline, oil, and lubricants | 45,777 | - | 45,777 |
| Chemicals | 865,862 | - | 865,862 |
| Training | 31,069 | - | 31,069 |
| Capital outlay | 170,765 | - | 170,765 |
| Debt service | | | |
| Principal | 620,162 | - | 620,162 |
| Interest | 195,618 | - | 195,618 |
| Total expenditures | <u>4,386,119</u> | <u>-</u> | <u>4,386,119</u> |
| Excess (deficiency) of revenues over expenditures | <u>774,680</u> | <u>139,277</u> | <u>913,957</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | 592,256 | 592,256 |
| Transfers out | (592,256) | - | (592,256) |
| Proceeds from sale of capital assets | 23,375 | - | 23,375 |
| Total other financing sources (uses) | <u>(568,881)</u> | <u>592,256</u> | <u>23,375</u> |
| Net change in fund balance | <u>205,799</u> | <u>731,533</u> | <u>937,332</u> |
| Fund balance, beginning of year | 2,109,853 | 2,825,360 | 4,935,213 |
| Fund balance, end of year | <u>\$ 2,315,652</u> | <u>\$ 3,556,893</u> | <u>\$ 5,872,545</u> |

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

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | | |
|--|-----------|---------------------|
| Net change in fund balance - governmental fund | | \$ 937,332 |
| Differences in amounts reported for governmental activities in the statement of activities are: | | |
| Governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. | | |
| Capital outlay expenditures | 170,765 | |
| Depreciation/amortization expense | (511,118) | (340,353) |
| In the statement of activities, only the gain/loss on sale/disposal of capital assets is reported. However, in governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed. | | |
| | | (162) |
| Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but These amounts are as follows: | | |
| Principal repayment of general long-term debt | | 620,162 |
| Under the modified accrual basis of accounting used in the governmental fund, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows: | | |
| Change in net pension liability and deferred inflows/outflows related to pensions | 20,208 | |
| Change in accrued interest on long-term debt | 4,830 | |
| Change in compensated absences liability | (41,091) | (16,053) |
| Change in net position of governmental activities | | \$ 1,200,926 |

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

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(1) Summary of Significant Accounting Policies:

The financial statements of the East Flagler Mosquito Control District (the District), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the District has adopted the GASB Codification. The following is a summary of the District's significant accounting policies:

(a) **Reporting entity**—The East Flagler Mosquito Control District (the District) is an independent special district legally created by the laws of Florida on July 21, 1952. The District operates under the provisions of Chapter 388, Florida Statutes, and Rule SE-13 of the Florida Department of Agriculture and Consumer Services, Bureau of Entomology and Pest Control. The District is governed by a three-member commission, each elected at-large for four-year terms. The powers of this commission are regulated by ordinances and resolutions of the District, Flagler County and the statutes of the State of Florida.

The accompanying financial statements present the financial position and results of operations of the applicable fund governed by the Commission of the District, the reporting entity of government for which the District Commission is considered to be financially accountable. In evaluating the District as a reporting entity, management has addressed all potential component units that may or may not fall within the District's oversight and control, and thus, be included in the District's financial statements. No such entities or component units have been identified.

(b) **Government-wide and fund financial statements**—The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide statement of net position, the governmental activities are reflected, on a full accrual, economic resource basis, which incorporates long term assets and receivables as well as long term debt and obligations.

The government-wide statement of activities reflects both the gross and net costs per functional category (general government, human services, etc.), which are otherwise being supported by general revenues (property taxes, investment revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by the related program revenues, charges for services, and other income. The program revenues must be directly associated with the function or a business-type activity.

The net cost (by function or business-type activity) is normally covered by general revenue (property taxes, investment revenue, etc.). This government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements emphasize the major funds in either the governmental or business-type categories.

The governmental fund's major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which this fund is normally budgeted. This presentation is deemed most appropriate to demonstrate legal compliance and demonstrate how the District's actual experience conforms to the budgeted fiscal plan.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(1) **Summary of Significant Accounting Policies:** (Continued)

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following the Governmental Fund – Balance Sheet and the Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

(c) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

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.

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

Taxes, investment revenue, and other revenues 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.

(d) **Financial statement presentation**—The financial transactions of the District are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB Codification sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The District reports the following major governmental funds:

The **General Fund** accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the District are financed through revenues received by the General Fund.

The **Capital Projects Fund** was established in 2022 to account for financial resources accumulated to replace the helicopter when needed, and to accumulate the funds necessary for future expansion.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(1) **Summary of Significant Accounting Policies:** (Continued)

- (e) **Budgets and budgetary accounting**—The District follows these procedures in establishing the budgetary data reflected in the financial statements:
- (i) A Detailed Work Plan Budget (using DACS format) for the District is presented to the Board of Commissioners for their review and approval.
 - (ii) The Annual Certified Budget (using DACS format) is due to the Board of Commissioners no later than September 30th of each year for approval.
 - (iii) Prior to October 1st, the budget is legally enacted through passage of a resolution.
 - (iv) Budget amendments are approved by the Board of Commissioners. During the fiscal year, there were six budget amendments; one to adjust DACS fund balance to the audited financial statements and others to cover shortfalls where they may have occurred, i.e., training, travel related to trainings, salaries, and items for surveillance.
 - (v) The budgeted revenue and expenditures shown in these financial statements include all budget amendments approved at the District’s Board of Commissioners.
 - (vi) The level of classification detail at which expenditures may not legally exceed appropriations is within budgetary accounts by fund.
 - (vii) Appropriations lapse at the end of each year. An appropriation for capital or other programs shall be re-budgeted on an annual basis until the purpose for which it was made has been accomplished or abandoned.
 - (viii) The budget for the General Fund that was either adopted or amended during the year by the Board of Commissioners was prepared on the same basis of accounting as used for financial reporting purposes, with the exception of inventory and other immaterial items. Under the budgetary basis, the District accounts for inventory of chemicals and fuels by the purchase method, whereby these items are recorded as expenditures when purchased.
- (f) **Property tax calendar**—Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

| | |
|-----------------|------------|
| Lien date | January 1 |
| Levy date | November 1 |
| Due date | November 1 |
| Delinquent date | April 1 |

(g) **Cash deposits and investments**—The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District’s investments in external investment pools are reported at amortized cost.

(h) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(1) **Summary of Significant Accounting Policies:** (Continued)

(i) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. All unpaid property taxes receivable at year end are at least 180 days past due, at which time the applicable property is subject to lien, and penalties and interest are assessed; therefore, these amounts are fully allowed for and no provision for taxes receivable has been made on the District’s financial statements.

(j) **Capital assets**—Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets, including donations are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

| Assets | Years |
|-----------------------------------|---------------|
| Buildings | 20 – 40 years |
| Improvements other than buildings | 10 – 40 years |
| Equipment | 5 – 20 years |

(k) **Compensated absences**— A liability for unused vacation and sick time for employees is calculated and reported in the government-wide financial statements. A liability for unused sick leave is accrued only to the extent that the leave will result in cash payments upon termination. A liability for these amounts is reported in governmental funds only if they have matured, due to employee retirement or resignation.

(l) **Long-term obligations**—In the government-wide financial statements, long-term debt obligations are reported as liabilities, net of any outstanding premiums or discounts. Debt issuance costs are expensed when paid.

(m) **Inventory and prepaids**— Inventory is valued at cost on the first-in-first-out method (FIFO). Inventory is recorded under the consumption method. Cost is recorded as an expenditure at the time inventory is used. The inventory balance, as reported in the fund financial statements, is offset by a fund balance reserve account in the General Fund to indicate it is not available for appropriation and not an expendable available financial resource of the General Fund. 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.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources.

This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note (8).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note (8).

(o) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts.

Restricted – Restricted fund balance classification includes amounts that can be spent only by the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Committed – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the Board of Commissioners are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. Assignments can be made by the Board of Commissioners or the District Administrator.

Unassigned – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

For spendable resources, it is the District’s policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unrestricted.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(1) **Summary of Significant Accounting Policies:** (Continued)

(p) **Net position flow assumption**—Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the District’s policy to consider restricted net position to have been used before unrestricted net position is applied.

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – governmental fund and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities**— Following the governmental fund statement of revenues, expenditures, and changes in fund balance, there is a reconciliation between net changes in fund balance - governmental fund and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Cash Deposits and Investments:**

The District maintains cash and investment accounts for various other purposes or to segregate cash balances for amounts which are restricted or held on behalf of others. The District’s investment policy authorizes the District to invest excess funds in time deposits, mutual funds, obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, repurchase agreements, intergovernmental investment pools, and/or the State Board of Administration (SBA) Local-Government Surplus Trust Fund Investment Pool (Florida PRIME).

As of September 30, 2025, all District cash deposits were held in qualified public depositories pursuant to Chapter 280, Florida Statutes, the Florida Security for Public Deposits Act (the Act), and, accordingly, are entirely insured by Federal Depository Insurance Corporation (FDIC) insurance or collateralized pursuant to the Act. The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to 125%, may be required if deemed necessary. 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. Under the Act, the District is authorized to deposit funds only in qualified public depositories.

The SBA established the Florida PRIME whereby participants own a share of the pool and not the underlying securities.

The Florida PRIME (formerly known as Pool or Fund A) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in the Florida PRIME at amortized cost. Therefore, the Authority's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool's shares. The Florida PRIME is rated by Standard and Poor's and is currently rated AAAM. At September 30, 2025, the weighted average days to maturity (WAM) is 47 days, and the weighted average life (WAL) is 73 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The Authority’s carrying value of Florida PRIME investments at September 30, 2025 was \$4,959,683.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(3) Cash Deposits and Investments: (Continued)

The Florida PRIME did not participate in a securities lending program during the year ended September 30, 2025, nor was it exposed to any foreign currency risk. The SBA provides separate financial statements for the Florida PRIME (audited) as of and for the period ending June 30, which can be obtained at prime.sbafla.com. It does not issue financial statements as of and for the period ending September 30.

At September 30, 2025, there were no redemption fees or maximum transfer amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account balance. With regard to liquidity fees, the SBA has the authority to impose penalties for early withdrawal but has not made any required disclosures relating to these fees. The SBA also has the authority to limit contributions or withdrawals for up to 48 hours in the event of an occurrence or event that has a material impact on the liquidity of the Florida PRIME. No such limitation took place during the year ended September 30, 2025.

(4) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2025, is as follows:

| Governmental activities: | Balance 9/30/2024 | Increases | Decreases | Balance 9/30/2025 |
|---|------------------------------|---------------------|------------------|------------------------------|
| Capital assets not being depreciated/amortized: | | | | |
| Land | \$ 31,150 | \$ - | \$ - | \$ 31,150 |
| Total assets not being depreciated/amortized | <u>31,150</u> | <u>-</u> | <u>-</u> | <u>31,150</u> |
| Capital assets being depreciated/amortized: | | | | |
| Buildings and Improvements | 2,293,662 | - | - | 2,293,662 |
| Machinery and Equipment | 6,263,250 | 170,765 | (61,307) | 6,372,708 |
| Leased Land | 1,145,590 | - | - | 1,145,590 |
| Total assets being depreciated/amortized | <u>9,702,502</u> | <u>170,765</u> | <u>(61,307)</u> | <u>9,811,960</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings and Improvements | (554,253) | (76,458) | - | (630,711) |
| Machinery and Equipment | (988,203) | (422,578) | 61,145 | (1,349,636) |
| Leased Land | (62,185) | (12,082) | - | (74,267) |
| Less: accumulated depreciation/amortization | <u>(1,604,641)</u> | <u>(511,118)</u> | <u>61,145</u> | <u>(2,054,614)</u> |
| Total capital assets being depreciated/amortized, net | <u>8,097,861</u> | <u>(340,353)</u> | <u>(162)</u> | <u>7,757,346</u> |
| Governmental activities capital assets, net | <u>\$ 8,129,011</u> | <u>\$ (340,353)</u> | <u>\$ (162)</u> | <u>\$ 7,788,496</u> |

Depreciation and amortization expense of \$511,118 was charged to the human services function of governmental activities for the year ended September 30, 2025.

(5) Long-term Liabilities:

Long-term liability activity for the year ended September 30, 2025, was as follows:

| Governmental activities: | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---------------------------------|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| Compensated absences | \$ 107,000 | \$ 41,091 | \$ - | \$ 148,091 | \$ 38,091 |
| Lease payable - helicopter | 4,427,886 | - | (608,080) | 3,819,806 | 633,076 |
| Lease payable - land | 1,083,405 | - | (12,082) | 1,071,323 | 13,005 |
| Total | <u>\$ 5,618,291</u> | <u>\$ 41,091</u> | <u>\$ (620,162)</u> | <u>\$ 5,039,220</u> | <u>\$ 684,172</u> |

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(6) **Leases:**

On July 7, 2014, the District entered into a lease agreement with the Flagler County Airport to rent the land on which the operational facility is located. Under the terms of the lease the District rents the property for a period of thirty years with two 5 year extensions after that. The current rental rate is \$2,775 a month, due on the first day of the month. The rental rate is adjusted annually on October 1st, based on the change in the Consumer Price Index-All Products, as published by the United States Department of Labor, Bureau of Labor Statistics. The District negotiated with the Flagler County Airport and received a reduction in monthly rental payments in exchange for the hangar constructed by the District at the airport for the first 60 months. As of September 30, 2025, the remaining lease liability obligation was \$1,071,323.

On October 27, 2023, the District entered into a master equipment lease/purchase agreement with Banc of America Public Capital Corp. to lease a helicopter for one year with 6 consecutive renewal extensions after that concluding on October 27, 2030. Based on terms in the agreement, the semi-annual payments began on April 27, 2024 and October 27, 2024. As of September 30, 2025, the remaining lease liability obligation was \$3,819,806.

Aggregate maturities of leases payable are as follows:

| <u>Year Ending September 30,</u> | <u>Business-Type Activities</u> | | |
|--------------------------------------|---------------------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2026 | \$ 646,081 | \$ 170,372 | 816,453 |
| 2027 | 673,060 | 144,079 | 817,139 |
| 2028 | 701,141 | 116,698 | 817,839 |
| 2029 | 730,371 | 88,181 | 818,552 |
| 2030 | 760,795 | 58,485 | 819,280 |
| 2031 – 2035 | 485,565 | 102,651 | 588,216 |
| 2036 – 2040 | 134,589 | 83,078 | 217,667 |
| 2041 - 2045 | 172,512 | 67,804 | 240,316 |
| 2046 - 2050 | 216,908 | 48,427 | 265,335 |
| 2051 - 2055 | 268,697 | 24,255 | 292,952 |
| 2056 - 2057 | 101,410 | 1,766 | 103,176 |
| Total future minimum lease payments | <u>\$ 4,891,129</u> | <u>\$ 905,796</u> | <u>\$ 5,796,925</u> |

(7) **Interfund Transfers:**

For the year ended September 30, 2025, interfund transfers consisted of the following:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------|---------------------|----------------------|
| Governmental Activities: | | |
| General Fund | \$ - | \$ 592,256 |
| Capital Projects Fund | 592,256 | - |
| Total – All Funds | <u>\$ 592,256</u> | <u>\$ 592,256</u> |

The transfer from the general fund to the capital projects fund represents support for capital acquisitions.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(8) **Florida Retirement System:**

Plan Description and Administration

The District participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the District's eligible employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS 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. Eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the 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.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(8) **Florida Retirement System:** (Continued)

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State’s Annual Comprehensive Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department’s Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The entity participates in certain classes of FRS membership. Each class has descriptions and employer contribution rates in effect during the year ended September 30, 2025, as follows (contribution rates are in agreement with the actuarially determined rates):

| FRS Membership Plan & Class | Through June 30, 2025 | After June 30, 2025 |
|--------------------------------|--------------------------|------------------------|
| Regular Class | 13.63% | 14.03% |
| Special Risk Class | 32.79% | 35.19% |
| Senior Management Class (SMSC) | 34.52% | 33.24% |
| DROP from FRS | 21.13% | 22.02% |

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll, which are included in the above rates.

For the plan year ended June 30, 2025, actual contributions made for employees participating in FRS and HIS were as follows:

| | |
|------------------------------|-----------|
| District Contributions – FRS | \$ 80,765 |
| District Contributions – HIS | 21,059 |
| Employee Contributions – FRS | 31,588 |

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(8) **Florida Retirement System:** (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At September 30, 2025, the entity reported a liability related to FRS and HIS as follows:

| <u>Plan</u> | <u>Net Pension Liability</u> |
|-------------|------------------------------|
| FRS | \$ 419,809 |
| HIS | 302,002 |
| Total | <u>\$ 721,811</u> |

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2025 and June 30, 2024, the District's proportionate share of the FRS and HIS net pension liabilities were as follows:

| <u>Plan</u> | <u>2025</u> | <u>2024</u> |
|-------------|--------------|--------------|
| FRS | 0.001352690% | 0.001245136% |
| HIS | 0.002356183% | 0.002350112% |

For the plan year ended June 30, 2025, pension expense was recognized related to the FRS and HIS plans as follows:

| | |
|-------|------------------|
| FRS | \$ 62,487 |
| HIS | 20,001 |
| Total | <u>\$ 82,488</u> |

Deferred outflows/inflows related to pensions:

At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | FRS | | HIS | |
|---|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 44,840 | \$ - | \$ 1,803 | \$ (479) |
| Changes of assumptions | 48,751 | - | 2,673 | (73,047) |
| Net difference between projected and actual investment earnings | - | (70,091) | - | (251) |
| Change in proportionate share | 41,528 | (13,699) | 47,300 | (32) |
| Contributions subsequent to measurement date | 18,691 | - | 4,763 | - |
| Total | <u>\$ 153,810</u> | <u>\$ (83,790)</u> | <u>\$ 56,539</u> | <u>\$ (73,809)</u> |

The above amounts for deferred outflows of resources for contributions related to pensions resulting from entity contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2026.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(8) **Florida Retirement System:** (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

| | FRS | HIS | Total |
|------|-----------|-------------|-----------|
| 2026 | \$ 82,217 | \$ 133 | \$ 82,350 |
| 2027 | (6,023) | (4,218) | (10,241) |
| 2028 | (14,396) | (4,970) | (19,366) |
| 2029 | (10,469) | (6,520) | (16,989) |
| 2030 | - | (6,458) | (6,458) |
| | \$ 51,329 | \$ (22,033) | \$ 29,296 |

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2024 for the period July 1, 2018 through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.93%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2025, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(8) **Florida Retirement System:** (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Annual Arithmetic Expected Rate of Return</u> |
|-----------------------|--------------------------|--|
| Cash | 1.0% | 3.2% |
| Fixed income | 29.0% | 5.5% |
| Global equities | 45.0% | 8.5% |
| Real estate | 12.0% | 8.4% |
| Private equity | 11.0% | 12.4% |
| Strategic investments | 2.0% | 6.5% |
| Total | <u>100.0%</u> | |

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the District calculated using the current discount rates, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| <u>Plan</u> | <u>Current Discount Rate</u> | <u>NPL with 1% Decrease</u> | <u>NPL at Current Discount Rate</u> | <u>NPL with 1% Increase</u> |
|-------------|------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| FRS | 6.70% | \$ 823,869 | \$ 419,809 | \$ 81,051 |
| HIS | 5.20% | 340,556 | 302,002 | 269,668 |

(9) **Other Postemployment Benefits:**

The District provides other postemployment benefits (OPEB) to its employees by providing retirement healthcare benefits.

The District has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and required supplementary information.

(10) **Commitments and Contingencies:**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(11) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the District’s financial statements:

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 104 requires governments to provide detailed information about certain types of capital assets, including lease assets, intangible right-to-use assets, and subscription assets, in the notes to financial statements. The provisions for GASB 104 are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 4,984,015 | \$ 5,016,570 | \$ 5,016,570 | \$ - |
| Interest income | 56,250 | 96,405 | 105,668 | 9,263 |
| Miscellaneous | 4,500 | 44,470 | 38,561 | (5,909) |
| Total revenues | <u>5,044,765</u> | <u>5,157,445</u> | <u>5,160,799</u> | <u>3,354</u> |
| Expenditures | | | | |
| Current: | | | | |
| Human services: | | | | |
| Personnel services | 1,248,603 | 1,248,603 | 1,179,831 | 68,772 |
| Personal service benefits | 583,080 | 583,079 | 466,856 | 116,223 |
| Operating expenses | 296,129 | 338,634 | 291,160 | 47,474 |
| Insurance | 200,000 | 200,000 | 182,207 | 17,793 |
| Travel/utilities/services | 151,110 | 151,110 | 90,676 | 60,434 |
| Maintenance and repair | 123,800 | 123,800 | 102,894 | 20,906 |
| Material and supplies | 137,074 | 139,836 | 143,242 | (3,406) |
| Gasoline, oil, and lubricants | 45,400 | 45,400 | 45,777 | (377) |
| Chemicals | 927,850 | 1,013,100 | 981,526 | 31,574 |
| Training | 18,200 | 30,200 | 31,069 | (869) |
| Capital outlay | 175,500 | 224,500 | 170,765 | 53,735 |
| Debt service | | | | |
| Principal | 608,080 | 608,080 | 620,162 | (12,082) |
| Interest | 174,062 | 174,062 | 195,618 | (21,556) |
| Total expenditures | <u>4,688,888</u> | <u>4,880,404</u> | <u>4,501,783</u> | <u>378,621</u> |
| Excess (deficiency) of revenues over expenditures | <u>355,877</u> | <u>277,041</u> | <u>659,016</u> | <u>381,975</u> |
| Other financing sources (uses) | | | | |
| Transfers out | (261,877) | (592,256) | (592,256) | - |
| Proceeds from sale of capital assets | 6,000 | 23,375 | 23,375 | - |
| Total other financing sources (uses) | <u>(255,877)</u> | <u>(568,881)</u> | <u>(568,881)</u> | <u>-</u> |
| Net change in fund balance | <u>100,000</u> | <u>(291,840)</u> | <u>90,135</u> | <u>381,975</u> |
| Fund balance, beginning of year | 2,109,853 | 2,109,853 | 2,109,853 | - |
| Difference GAAP vs. budgetary basis | - | - | 115,664 | 115,664 |
| Fund balance, end of year | <u>\$ 2,209,853</u> | <u>\$ 1,818,013</u> | <u>\$ 2,315,652</u> | <u>\$ 497,639</u> |

EAST FLAGLER MOSQUITO CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS
(UNAUDITED)

| | As of the Plan Year Ended June 30, | | | | | | | | | |
|---|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Florida Retirement System (FRS) | | | | | | | | | | |
| Proportion of the net pension liability | 0.001352690% | 0.001245136% | 0.001314228% | 0.001282384% | 0.001235235% | 0.001054393% | 0.001013757% | 0.001001608% | 0.001210081% | 0.001224428% |
| Proportionate share of the net pension liability | \$ 419,809 | \$ 481,676 | \$ 523,679 | \$ 477,150 | \$ 93,308 | \$ 456,989 | \$ 349,124 | \$ 301,690 | \$ 357,935 | \$ 309,169 |
| Covered payroll | 1,052,934 | 1,013,049 | 894,499 | 736,122 | 629,332 | 560,477 | 573,388 | 482,797 | 641,595 | 624,807 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 39.87% | 47.55% | 58.54% | 64.82% | 14.83% | 81.54% | 60.89% | 62.49% | 55.79% | 49.48% |
| Plan fiduciary net position as a percentage of the total pension liability | 87.26% | 83.70% | 82.38% | 82.89% | 96.40% | 78.85% | 82.61% | 84.26% | 83.89% | 84.88% |
| Health Insurance Subsidy Program (HIS) | | | | | | | | | | |
| Proportion of the net pension liability | 0.002356183% | 0.002350112% | 0.002179072% | 0.001967580% | 0.001694049% | 0.001605964% | 0.001567956% | 0.001579128% | 0.002012873% | 0.002023962% |
| Proportionate share of the net pension liability | \$ 302,002 | \$ 352,539 | \$ 346,064 | \$ 208,398 | \$ 207,801 | \$ 196,086 | \$ 175,439 | \$ 167,137 | \$ 215,226 | \$ 235,884 |
| Covered payroll | 1,052,934 | 1,013,049 | 894,499 | 736,122 | 629,332 | 560,477 | 573,388 | 482,797 | 641,595 | 624,807 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 28.68% | 34.80% | 38.69% | 28.31% | 33.02% | 34.99% | 30.60% | 34.62% | 33.55% | 37.75% |
| Plan fiduciary net position as a percentage of the total pension liability | 6.36% | 4.80% | 4.12% | 4.81% | 3.56% | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% |

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

| | For the Fiscal Year Ended September 30, | | | | | | | | | |
|--|---|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Florida Retirement System (FRS) | | | | | | | | | | |
| Contractually required contribution | \$ 81,513 | \$ 124,125 | \$ 101,722 | \$ 75,523 | \$ 60,978 | \$ 47,240 | \$ 40,349 | \$ 36,313 | \$ 43,081 | \$ 42,532 |
| Contributions in relation to the contractually required contribution | 81,513 | 124,125 | 101,722 | 75,523 | 60,978 | 47,240 | 40,349 | 36,313 | 43,081 | 42,532 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 1,059,189 | \$ 1,013,049 | \$ 894,499 | \$ 736,122 | \$ 629,332 | \$ 560,477 | \$ 573,388 | \$ 482,797 | \$ 636,085 | \$ 661,374 |
| Contributions as a percentage of covered payroll | 7.70% | 12.25% | 11.37% | 10.26% | 9.69% | 8.43% | 7.04% | 7.52% | 6.77% | 6.43% |
| Health Insurance Subsidy Program (HIS) | | | | | | | | | | |
| Contractually required contribution | \$ 21,184 | \$ 20,261 | \$ 14,849 | \$ 12,220 | \$ 10,447 | \$ 9,304 | \$ 9,518 | \$ 8,014 | \$ 10,559 | \$ 10,979 |
| Contributions in relation to the contractually required contribution | 21,184 | 20,261 | 14,849 | 12,220 | 10,447 | 9,304 | 9,518 | 8,014 | 10,559 | 10,979 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 1,059,189 | \$ 1,013,049 | \$ 894,499 | \$ 736,122 | \$ 629,332 | \$ 560,477 | \$ 573,388 | \$ 482,797 | \$ 636,085 | \$ 661,374 |
| Contributions as a percentage of covered payroll | 2.00% | 2.00% | 1.66% | 1.66% | 1.66% | 1.66% | 1.66% | 1.66% | 1.66% | 1.66% |

**EAST FLAGLER MOSQUITO CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025**

(1) **Budgetary-GAAP Reporting Reconciliation:**

The Statement of Revenue, Expenditures, and Changes in Fund Balance--Budget (Budgetary Basis) and Actual--General Fund, as shown in the required supplementary information, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because the accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis, timing, perspective, and entity differences in the excess (deficiency) of revenue and other sources of financial resources over expenditures and other uses of financial resources for the year ended September 30, 2025 is presented below:

| | General Fund |
|--|---------------------|
| Excess of revenues over expenditures (budgetary basis) | \$ 659,016 |
| Adjustments – Increase / (Decrease): | |
| To adjust expenditures for reserve for inventory | 115,664 |
| Excess of revenues over expenditures (GAAP basis) | \$ 774,680 |

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

To the Board of Commissioners,
East Flagler Mosquito Control District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the East Flagler Mosquito Control District (the District) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 11, 2026.

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 opinion 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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.

James Moore & Co., P.L.

Daytona, Florida
May 11, 2026

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA,
OFFICE OF THE AUDITOR GENERAL**

To the Board of Commissioners,
East Flagler Mosquito Control District:

Report on the Financial Statements

We have audited the financial statements of the East Flagler Mosquito Control District (the District), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated, May 11, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; and Chapter 10.550, Rules of the Auditor General; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 11, 2026, 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. The following summarizes the status of prior year findings and recommendations.

2024-01 Budget Amendments: Corrective action taken.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government of the reporting entity is disclosed in Note 1 of the basic 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 had no such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Specific Special District Information – East Flagler Mosquito Control District

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: 14
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 3
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$1,222,831
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$129,797
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: None

- 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, as follows:

| | | |
|------------------|----|-----------|
| Original budget: | \$ | 4,688,888 |
| Amendments: | | 191,516 |
| Final budget: | | 4,880,404 |

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 the following unaudited data:

- a) The millage rate or rates imposed by the district: 0.3250.
- b) The total amount of ad valorem taxes collected by or on behalf of the district: \$5,016,570.
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds: None.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to address noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not 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, and applicable management and the Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Daytona, Florida
May 11, 2026



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

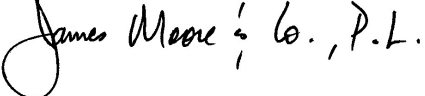
To the Board of Commissioners,
East Flagler Mosquito Control District:

We have examined the East Flagler Mosquito Control District's (the District) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating against the aforementioned statutes and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating against the aforementioned statutes during the year ended September 30, 2025 and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of District's compliance during the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that were not in accordance with those requirements in all material respects, 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 of the District, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the engagement.

In our opinion, for the year ended September 30, 2025, the District complied with the Statute in all material respects.


James Moore & Co., P.L.

Daytona, Florida
May 11, 2026