

FORT MYERS BEACH MOSQUITO
CONTROL DISTRICT

September 30, 2025

BASIC FINANCIAL STATEMENTS,
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

Board of Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, Florida

Opinion

We have audited the accompanying financial statements of the governmental activities of the Fort Myers Beach 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.

In our opinion, the 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's net proportionate share of net pension liability - pension plan and health insurance subsidy plan, and schedules of District's contributions - pension plan and health insurance subsidy plan to 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.

Required Supplementary Information, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 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 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 consideration the District's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

June 19, 2026

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2025**

Our discussion and analysis of the Fort Myers Beach Mosquito Control District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2025 fiscal year by \$689,563.
- The District's total net position increased by \$131,674.
- As of the close of the fiscal year 2025, the District reported an ending fund balance of \$605,414, an increase of \$45,494 from the prior year that is available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This 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.

The Statement of Net Position (page 8) and the Statement of Activities (page 9) 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 governmental financial statements begin on page 10. 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 reconciliation on pages 11 and 13 that convert this data to an 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 resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. For purposes of these statements, only governmental type activities are measured and reported using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the District's assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2025**

THE FINANCIAL STATEMENTS, CONTINUED

Fund Financial Statements

A fund is a grouping of related accounts that is 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 provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 14.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition than in the prior year. The following is a condensed summary of net position for the District for fiscal years 2025 and 2024.

Summary of Net Position
Fiscal Year Ended September 30,

	2025	2024
ASSETS		
Current and Other Assets	\$ 608,180	\$ 574,535
Capital Assets	245,974	179,674
Total Assets	<u>854,154</u>	<u>754,209</u>
 Deferred Outflows of Resources	 41,759	 38,590
Total Assets and Deferred Outflows of Resources	<u>895,913</u>	<u>792,799</u>
 LIABILITIES		
Current and Other Liabilities	30,079	14,615
Long-Term Liabilities	121,966	177,939
Total Liabilities	<u>152,045</u>	<u>192,554</u>
 Deferred Inflows of Resources	 54,305	 42,356
Total Liabilities and Deferred Inflows of Resources	<u>206,350</u>	<u>234,910</u>
 NET POSITION		
Net investment in capital assets	245,974	179,674
Unrestricted	443,589	378,215
Total Net Position	<u><u>\$ 689,563</u></u>	<u><u>\$ 557,889</u></u>

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

Investment in capital assets totaled \$245,974, which represents 35.67 percent of total net position and is comprised of land, construction in progress, seawalls, buildings, machinery and equipment, and vehicles, net of accumulated depreciation.

The following schedule reports the revenues, expenses, and changes in net position for the District for the 2025 and 2024 fiscal years:

District's Changes in Net Position
Fiscal Year Ended September 30,

	<u>2025</u>	<u>2024</u>
REVENUES		
General Revenues		
Property Taxes	\$ 495,374	\$ 320,126
Interest Income	74	877
Miscellaneous Revenue	-	134,704
Total Revenues	<u>495,448</u>	<u>455,707</u>
EXPENSES		
Physical Environmental Services	<u>363,774</u>	<u>349,444</u>
Total Expenses	<u>363,774</u>	<u>349,444</u>
Increase in Net Position	131,674	106,263
Net Position – Beginning	<u>557,889</u>	<u>451,626</u>
Net Position – Ending	<u><u>\$ 689,563</u></u>	<u><u>\$ 557,889</u></u>

Total revenues increased \$39,741 or 8.72%, in comparison to the prior year primarily due to an increase in ad valorem revenue.

Total expenses increased in comparison to the prior year by \$14,330 or 4.10 percent, primarily due to a general increase in spending.

**Fort Myers Beach Mosquito Control District
Management's Discussion and Analysis
September 30, 2025**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The following table provides a summary of net capital assets.

	2025	2024
Land	\$ 5,000	\$ 5,000
Construction in progress	24,125	-
Buildings	44,721	28,741
Machinery & equipment	28,023	-
Seawall	122,702	122,702
Motor Vehicles	136,656	106,358
Total assets	361,227	262,801
Less: Accumulated depreciation	(115,253)	(83,127)
Total assets, net of depreciation	<u>\$ 245,974</u>	<u>\$ 179,674</u>

Long Term Liabilities

At September 30, 2025, the District's outstanding debt was comprised of accrued compensated absences in the amount of \$27,313 and net pension liability in the amount of \$121,966.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND MILLAGE RATE

The Fort Myers Beach Mosquito Control District relies on ad valorem taxes as its primary source of revenue. Taxable property value within the District is \$5,171,240,714 for 2025-2026.

The District's Board of Commissioners approved a budget maintaining the millage rate of 0.1123 mills which is estimated to result in \$590,460 in ad valorem revenue, a increase of \$89,711 over the 2024-2025 fiscal year. The unanimous decision supports the District's goal to fund the District's rebuilding efforts.

The District's Board of Commissioners approved a \$560,994 expenditures budget for the 2025-2026 fiscal year, an increase of \$60,194 over the prior year's budget.

As District taxable property values increase due to property improvements and structure replacement, the District is maintaining millage rates and directing incremental ad valorem revenue as capital outlay to support the reconstruction of a permanent facility while helping to defer the use of District reserves. The District continues to enforce contingency spending measures by closely monitoring operational expenses.

Request for Information

The District's financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about this report or need additional information, contact the District at 300 Lazy Way, Fort Myers Beach, Florida 33932-2837.

BASIC FINANCIAL STATEMENTS

Fort Myers Beach Mosquito Control District
Statement of Net Position
September 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:

Cash and cash equivalents	\$ 600,296
Accounts receivable	46
Due from other governments	2,955
Inventory of chemicals, at cost	4,883
Total current assets	<u>608,180</u>

Noncurrent assets:

Capital assets:

Land	5,000
Construction in progress	24,125
Building and improvements	44,721
Machinery & equipment	28,023
Seawall	122,702
Vehicles	136,656
Less accumulated depreciation	(115,253)
Total noncurrent assets (net)	<u>245,974</u>
Total assets	<u>854,154</u>

Deferred outflows of resources

Total assets and deferred outflows of resources	<u>41,759</u>
	<u>895,913</u>

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current liabilities:

Accounts payable	\$ 2,766
Accrued compensated absences	27,313
Total current liabilities	<u>30,079</u>

Noncurrent liabilities:

Net pension liability	121,966
Total noncurrent liabilities	<u>121,966</u>
Total liabilities	<u>152,045</u>

Deferred inflows of resources

Total liabilities and deferred inflows of resources	<u>54,305</u>
	<u>206,350</u>

NET POSITION

Net investment in capital assets	245,974
Unrestricted	443,589
Total net position	<u>\$ 689,563</u>

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

Fort Myers Beach Mosquito Control District
Statement of Activities
For the fiscal year ended September 30, 2025

EXPENSES

Governmental Activities	
Physical environment services	
Personnel services	\$ 156,516
Operating expenses	175,132
Depreciation	32,126
Total program expenses	<u>363,774</u>
General revenues	
Ad valorem taxes	495,374
Interest revenue	74
Total general revenues	<u>495,448</u>
Change in net position	131,674
Net position - beginning, October 1, 2024	<u>557,889</u>
Net position - ending, September 30, 2025	<u><u>\$ 689,563</u></u>

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

Fort Myers Beach Mosquito Control District
Balance Sheet
September 30, 2025

ASSETS

Assets:

Cash and cash equivalents	\$ 600,296
Accounts receivable	46
Due from other governments	2,955
Inventory of chemicals, at cost	<u>4,883</u>
 Total assets	 <u><u>\$ 608,180</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	<u>\$ 2,766</u>
 Total liabilities	 <u>2,766</u>

Fund Balance:

Nonspendable	4,883
Unassigned	<u>600,531</u>
 Total fund balance	 <u>605,414</u>
 Total liabilities and fund balance	 <u><u>\$ 608,180</u></u>

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

Fort Myers Beach Mosquito Control District
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2025

Fund Balance		\$	605,414
Deferred inflows and outflows related to pensions are reported on the Statement of Net Position, but do not require the use of current financial resources and are not reported on the fund financial statements.			(12,546)
Capital assets used in governmental activities are not financial resources and are therefore not reported on the balance sheet.			245,974
Liabilities that are not due within the current period are not reflected as liabilities on the fund financial statements, however, the following liabilities are reflected on the statement of net position:			
Compensated absences	\$	(27,313)	
Net pension liability		(121,966)	(149,279)
Net Position		\$	<u>689,563</u>

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

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30, 2025

Revenues:		
Ad Valorem taxes	\$	495,374
Interest earnings		74
Total revenues		<u>495,448</u>
Expenditures:		
Current		
Physical environment services		
Personal services		176,396
Operating expenditures		175,132
Capital outlay		98,426
Total expenditures		<u>449,954</u>
Net change in fund balance		45,494
Fund balance, October 1, 2024		<u>559,920</u>
Fund balance, September 30, 2025	\$	<u><u>605,414</u></u>

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

Fort Myers Beach Mosquito Control District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance to the Statement of Activities
For the fiscal year ended September 30, 2025

Net change in fund balance	\$	45,494
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, gains and losses on the disposition of capital assets are recorded on the statement of activities but not in the statement of revenues, expenditures and changes in fund balance.

Depreciation expense	\$	(32,126)	
Capital outlay expenditure		98,426	66,300

The decrease in pension expense is reported in the Statement of Activities, but does not require a use of current financial resources and is not reported as an expenditure in the fund financial statements.		31,668
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Increase in long-term compensated absences, reported as an expenditure in the Statement of Activities and excluded on the Statement of Revenues, Expenditures and Changes in Fund Balance		(11,788)
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Change in net position	\$	131,674
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The accompanying notes are an integral and essential part of these financial statements.

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting policies of the District:

Organization and Nature of Activities

The Fort Myers Beach Mosquito Control District (the "District") is an independent special district created by the Laws of Florida. The District was created by a referendum election on July 12, 1949, under Chapter 390, superseded by Chapter 388, to perform mosquito control and elimination on Fort Myers Beach, Florida. Codification was received on May 25, 2001, under Chapter 2001-335, House Bill 1041. The powers and duties of the District are set forth in Chapter 388, Florida Statutes. The business and affairs of the District are governed by a board of three commissioners who are elected for four year terms.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

Reporting Entity

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments. Statement 34 establishes standards for external financial reporting for all state and local governmental entities. This statement requires the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, there are no component units included in the District's financial statements.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies, Continued

Government-wide Financial Statements, Continued

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

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund is used by the District:

General Fund - The General Fund is the general operating fund of the District. All financial resources which are not specifically restricted or designated as to use are recorded in the General Fund. At present, the District utilizes only one fund.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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 and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual consist of ad valorem taxes. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided that they are collected in the current period or within sixty days thereafter.

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies, Continued

Measurement Focus and Basis of Accounting, Continued

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt, if any, which is recognized when due, and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

Capital Assets

Capital assets include land, construction in progress, buildings, improvements, vehicles, and equipment are reported in the government-wide financial statements in the Statement of Net Position. The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$1,000 or more and have a useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition cost on the date donated. Maintenance, repairs, and minor renovations are not capitalized. Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5 - 15
Machinery and equipment	7
Improvements, including seawalls	15
Vehicles	5

The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is reported as a gain or loss on disposal of capital assets.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as expended until then. The District presents deferred outflows associated with pensions to be expensed over future periods. Deferred inflows of resources are defined as acquisitions of net position applicable to a future reporting period. The District presents deferred inflows of resources related to pensions.

Inventories

Inventory consists of expendable chemicals used in operations and is valued at the lower of cost or market based on the first-in-first-out method (FIFO). Inventory is reported as nonspendable fund balance.

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies, Continued

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Compensated Absences

The District's employees accumulate compensated absences, including vacation and sick leave, based on the number of years of continuous service. Upon termination of employment, employees may receive payment for accumulated vacation leave. Sick leave does not vest and is not paid upon termination; therefore, it is recognized only to the extent it is more likely than not to be used for time off.

The maximum number of vacation hours for which an employee can be compensated upon termination is 200 hours, with excess vacation hours available to be taken as paid leave. As of September 30, 2025, the District's total liability for accumulated compensated absences was \$27,313.

Net Position:

Government-wide statements utilize an economic resources measurement focus and categorize net position among the following components:

Net Investment in Capital Assets: The portion of net position which represents the District's equity in capital assets, less the amount of related debt.

Unrestricted Net Position: The portion of net position which is available for general operations.

Fund Balance

In the fund financial statements, governmental funds report fund 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. The components of fund balance are:

Nonspendable Fund Balance: Include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The District considers inventory as part of this category.

Unassigned Fund Balance: 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, limited or assigned to specific purposes within the general fund.

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies, Continued

Budgets and Budgetary Accounting

The following procedures are used by the District in establishing the budgetary data reflected in the financial statements:

1. During the summer, the Director submits to the Board of Commissioners for their consideration a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is adopted through a resolution by the Board of Commissioners. The budget is then approved by the Florida Department of Agriculture and Consumer Services, Bureau of Entomology and Pest Control (the "Department") by October 31.
4. Budget transfers and amendments can be made throughout the year by approval of the Board of Commissioners and the Department.
5. Budget amounts, as shown in the Required Supplementary Information, are as originally adopted, and as amended by the Board of Commissioners and approved by the Department.
6. The budget for the general fund is adopted on the accrual basis, which is consistent with accounting principles generally accepted in the United States of America.
7. The level of control for appropriations is exercised at the activity level.

2. Cash and Investments

At September 30, 2025, the carrying amount of the District's deposits was \$600,296 and the bank balance was \$602,244. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The District's investment policy permits the investment in savings accounts and certificates of deposit with state-certified, qualified public depositories.

3. Property Taxes

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Lee County, Florida, Tax Collector's office bills and collects property taxes on behalf of the District. The tax rate levied upon all of the taxable property within the District for mosquito control for the fiscal year ended September 30, 2025 was \$0.1123 per \$1,000 of assessed taxable property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. On April 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the District.

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

4. Changes in Capital Assets

A summary of changes in capital assets follows:

	Balance Oct. 1, 2024	Additions	Deletions	Balance Sept. 30, 2025
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction in progress	-	24,125	-	24,125
Total capital assets not being depreciated:	5,000	24,125	-	29,125
Capital assets being depreciated:				
Buildings & improvements	28,741	15,980	-	44,721
Machinery & equipment	-	28,023	-	28,023
Seawall	122,702	-	-	122,702
Vehicles	106,358	30,298	-	136,656
Total capital assets being depreciated:	257,801	74,301	-	332,102
Less: Accumulated depreciation	(83,127)	(32,126)	-	(115,253)
Capital Assets, Net	<u>\$ 179,674</u>	<u>\$ 66,300</u>	<u>\$ -</u>	<u>\$ 245,974</u>

5. Changes in Long-Term Liabilities

The following is a summary of changes in the District's general long-term debt for the year ended September 30, 2025:

	Balance Oct. 1, 2024	Additions	Reductions	Balance Sept. 30, 2025	Due within One Year
Compensated absences	\$ 15,525	\$ 23,202	\$ (11,414)	\$ 27,313	\$ 27,313
Net pension liability - pension plan	128,741	10,034	(42,156)	96,619	-
Net pension liability - HIS plan	33,673	523	(8,849)	25,347	-
Total long-term liabilities	<u>\$ 177,939</u>	<u>\$ 33,759</u>	<u>\$ (62,419)</u>	<u>\$ 149,279</u>	<u>\$ 27,313</u>

6. Commitments and Contingencies

The Board purchases liability and casualty insurance coverage from commercial carriers with coverages and deductibles in amounts that the Board believes are adequate.

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

7. Postemployment Benefits Other Than Pensions (OPEB)

The District provides insurance (medical, dental and vision) benefits to its current full-time ALA accredited employees and offers all vested (vested is defined by the District's retirement plan) former employees the option of receiving these same benefits provided they pay 100% of the premium. Therefore, the District's only OPEB liability is for the implicit rate subsidy offered to the retiree. An implicit rate subsidy is the difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would be applicable to those retirees if that benefit was acquired for them as a separate group. As of September 30, 2025, there were no retirees receiving these benefits and only two active participants in the insurance benefit plan.

The District has decided to finance these benefits on a pay-as-you-go basis and recognize expenses in the year the premium is due. The District believes the implicit OPEB liability is immaterial. As such, there is no actuarially determined total OPEB liability as of September 30, 2025.

8. State of Florida Retirement Plans

Defined Benefit Plans

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

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

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

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

8. State of Florida Retirement Plans, Continued

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2025, were as follows:

	FRS	HIS
Regular class	14.03%	2.00%
Special risk class	35.19%	2.00%
Senior management service class	33.24%	2.00%
Elected officials	54.57%	2.00%

The District's contributions for the year ended September 30, 2025, were \$18,416 to the FRS Pension Plan and \$1,759 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2025. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 96,619	\$ 25,347
Proportion at:		
Current measurement date	0.000311%	0.000198%
Prior measurement date	0.000333%	0.000224%
Pension expense (benefit)	\$ (23,516)	\$ (4,248)

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

8. State of Florida Retirement Plans, Continued

Deferred Outflows/Inflows of Resources 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	\$ 10,320	\$ -	\$ 151	\$ 40
Change of assumptions	11,220	-	224	6,131
Net difference between projected and actual earnings on pension plan investments	-	16,131	-	21
Changes in proportion and differences between District contributions and proportionate share of contributions	635	18,562	181	13,420
District contributions subsequent to the measurement date	18,588	-	440	-
	<u>\$ 40,763</u>	<u>\$ 34,693</u>	<u>\$ 996</u>	<u>\$ 19,612</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2026. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal year ending September 30,</u>	FRS	HIS
2026	\$ 10,312	\$ (4,367)
2027	(8,502)	(4,576)
2028	(9,082)	(4,362)
2029	(5,246)	(3,883)
2030	-	(1,868)
Thereafter	-	-
	<u>\$ (12,518)</u>	<u>\$ (19,056)</u>

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

8. State of Florida Retirement Plans, Continued

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2025. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2025. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	5.20%

Mortality assumptions for both plans were based on the PUB-2010 with Projection Scale MP-2021.

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

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

	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	<u>100.0%</u>			
Assumed inflation - mean			2.4%	1.5%

Discount Rate

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

Fort Myers Beach Mosquito Control District
Notes to Financial Statements
September 30, 2025

8. State of Florida Retirement Plans, Continued

Discount Rate, Continued

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS		
	Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability	\$ 189,613	\$ 96,619	\$ 18,654

	HIS		
	Current		
	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
District's proportionate share of the net pension liability	\$ 28,583	\$ 25,347	\$ 22,633

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. FRS Investment Plan contributions for the fiscal year ended September 30, 2025 totaled \$847.

REQUIRED SUPPLEMENTARY
INFORMATION

Fort Myers Beach Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the fiscal year ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Ad Valorem taxes	\$ 500,749	\$ 500,749	\$ 495,374	\$ (5,375)
Interest	51	51	74	23
Subtotal - revenues	500,800	500,800	495,448	(5,352)
Cash brought forward	619,291	619,291	-	(619,291)
Total revenues	1,120,091	1,120,091	495,448	(624,643)
Expenditures:				
Current				
Physical environment services				
Personal services				
Salaries and wages	125,000	125,000	102,767	22,233
Payroll taxes and benefits	80,000	80,000	73,629	6,371
Operating expenditures				
Operating	150,000	150,000	117,399	32,601
Travel & per diem	4,000	4,000	2,004	1,996
Communication services	2,500	2,500	2,013	487
Freight	500	500	-	500
Utilities	4,800	4,800	3,580	1,220
Rentals	500	500	1,620	(1,120)
Insurance	20,000	20,000	16,215	3,785
Repairs and maintenance	9,500	9,500	6,377	3,123
Printing and binding	1,000	1,000	-	1,000
Promotional activities	3,000	3,000	224	2,776
Other charges	5,000	5,000	6,590	(1,590)
Office supplies	3,000	3,000	1,593	1,407
Gasoline, oil and lube	4,000	4,000	1,177	2,823
Chemicals	8,000	8,000	9,021	(1,021)
Protective clothing	2,000	2,000	835	1,165
Miscellaneous supplies	1,000	1,000	895	105
Tools and implements	1,500	1,500	1,159	341
Publications and dues	2,500	2,500	3,870	(1,370)
Training	3,000	3,000	560	2,440
Capital outlay	50,000	50,000	98,426	(48,426)
Contingency	20,000	20,000	-	20,000
Reserves	619,291	619,291	-	619,291
Total expenditures	1,120,091	1,120,091	449,954	670,137
Net change in fund balance	\$ -	\$ -	45,494	\$ 45,494
Fund balance, Oct. 1, 2024			559,920	
Fund balance, Sept. 30, 2025			\$ 605,414	

**Fort Myers Beach Mosquito Control District
Schedule of District Contributions
For the Fiscal Year Ended September 30, 2025**

Last Ten Fiscal Years

Florida Retirement System (FRS)										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 18,416	\$ 18,410	\$ 17,530	\$ 16,333	\$ 14,097	\$ 13,494	\$ 11,211	\$ 10,379	\$ 8,983	\$ 12,372
Contributions in relation to contractually require contribution	(18,416)	(18,410)	(17,530)	(16,333)	(14,097)	(13,494)	(11,211)	(10,379)	(8,983)	(12,372)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 80,754	\$ 79,954	\$ 83,154	\$ 87,154	\$ 83,563	\$ 81,712	\$ 80,547	\$ 77,848	\$ 66,067	\$ 109,633
Contributions as a percentage of covered-employee payroll	22.81%	23.03%	21.08%	18.74%	16.87%	16.51%	13.92%	13.33%	13.60%	11.28%
Health Insurance Subsidy Program (HIS)										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,759	\$ 1,746	\$ 2,071	\$ 1,957	\$ 1,867	\$ 1,824	\$ 1,791	\$ 1,733	\$ 1,524	\$ 2,062
Contributions in relation to contractually require contribution	(1,759)	(1,746)	(2,071)	(1,957)	(1,867)	(1,824)	(1,791)	(1,733)	(1,524)	(2,062)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 87,954	\$ 87,316	\$ 118,700	\$ 117,900	\$ 112,475	\$ 109,850	\$ 107,865	\$ 104,371	\$ 91,819	\$ 124,215
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

Fort Myers Beach Mosquito Control District
Schedule of the District's Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2025

For the Last Ten Fiscal Years Ended June 30

	Florida Retirement System (FRS)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.000311%	0.000333%	0.000384%	0.000408%	0.000403%	0.000397%	0.000393%	0.000389%	0.000375%	0.000550%
District's proportionate share of the net pension liability	\$ 96,619	\$ 128,741	\$ 152,869	\$ 151,990	\$ 30,462	\$ 172,021	\$ 135,439	\$ 117,296	\$ 110,823	\$ 13,886
District's covered-employee payroll	\$ 83,154	\$ 81,154	\$ 84,354	\$ 87,154	\$ 83,058	\$ 81,421	\$ 79,872	\$ 77,386	\$ 67,814	\$ 122,122
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	116.19%	158.64%	181.22%	174.39%	36.68%	211.27%	169.57%	151.57%	163.42%	11.37%
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)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.000198%	0.000224%	0.000300%	0.000319%	0.000316%	0.000315%	0.000320%	0.000318%	0.000293%	0.000423%
District's proportionate share of the net pension liability	\$ 25,347	\$ 33,673	\$ 47,582	\$ 33,830	\$ 38,721	\$ 38,468	\$ 35,794	\$ 33,609	\$ 31,323	\$ 49,250
District's covered-employee payroll	\$ 95,640	\$ 95,003	\$ 118,700	\$ 117,900	\$ 111,759	\$ 109,354	\$ 106,992	\$ 103,716	\$ 93,378	\$ 130,455
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	26.50%	35.44%	40.09%	28.69%	34.65%	35.18%	33.45%	32.40%	33.54%	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%

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Fort Myers Beach Mosquito Control District (the "District"), as of and for the fiscal 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 June 19, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 19, 2026

Independent Auditor's Management Letter

Board of Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Fort Myers Beach Mosquito Control District (the "District"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 19, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 19, 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 financial audit report. There were no recommendations in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District had no component units as of September 30, 2025.

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 met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the District is required to make a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the District's geographical boundaries during the fiscal year under audit.

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 that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year is 2.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is 0.
- c. All compensation earned by or awarded to employees in the last pay period, whether paid or accrued, regardless of contingency is \$3,682.
- d. All compensation earned by or awarded to nonemployee independent contractors in the last month of the District's fiscal year, whether paid or accrued, regardless of contingency is \$0.

Special District Component Units, continued

- e. Construction projects with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, 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, is located on page 25.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8., Rules of the Auditor General, the District reported:

- a. The millage rate or rates imposed by the District is 0.1123 mills.
- b. The total amount of ad valorem taxes collected by or on behalf of the District is \$495,374.
- c. The District does not have any bonds.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 19, 2026

Independent Accountant's Examination Report

Board of Commissioners
Fort Myers Beach Mosquito Control District
Fort Myers Beach, Florida

We have examined the Fort Myers Beach Mosquito Control District's (the "District") compliance with Section 218.415, Florida Statutes, in regards to investments for the year ended September 30, 2025.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

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

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

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

Ashley, Brown & Smith, CPAs
Punta Gorda, Florida
June 19, 2026