



Lee County Mosquito Control District

FINANCIAL STATEMENTS

Year Ended September 30, 2025



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FINANCIAL STATEMENTS

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REPORT





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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lee County Mosquito Control District
Fort Myers, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Lee County 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 and major fund, of the District, as of September 30, 2025, and the respective changes in financial position and the respective budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

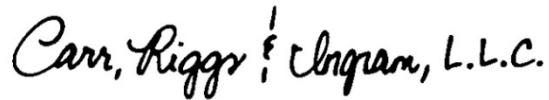
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 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 District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC
Tampa, Florida
June 25, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS



Lee County Mosquito Control District Management's Discussion and Analysis

We, as management of the Lee County Mosquito Control District (the District), offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2025. The information presented in this MD&A should be considered in conjunction with the accompanying financial statements.

District Highlights:

- The Lee County Mosquito Control District is an independent special district, which operates under Chapter 388, Florida Statutes, and is governed by a seven member Board of Commissioners. The commissioners are elected for a four-year term.
- The District employs 92 full-time employees and numerous part-time employees.
- The primary location for operations is at the Lee County Mosquito Control District Headquarters at the old Buckingham Army Airfield with seven separate heliports located throughout the county. The District and its operations are located in Lee County, which is located on the southwest coast of Florida.
- Ground and aerial mosquito control services were provided to residents and the public at large within the District's boundary in Lee County during the fiscal year ended September 30, 2025.

Financial Highlights:

- The District's assets exceed its liabilities at the close of the fiscal year by \$52,675,349 (net position).
- Included in total net position is an unrestricted balance of \$10,473,852.
- The District's total net position increased by \$6,888,164. This increase is discussed further in the government-wide financial analysis.
- Total liabilities decreased by \$3,204,156 during the fiscal year. The net pension liability assigned to the District by the Florida Retirement System decreased by \$2,075,716, and the net OPEB liability of the District decreased by \$1,190,560.
- At the close of the current fiscal year, the ending fund balance was \$25,974,256 a decrease of \$1,404,544 or 5.3% from 2024 ending fund balance of \$26,462,684.
- Of this balance, \$3,773,539 is non-spendable, consisting of prepaid expenditures and inventories, and \$4,112,766 is assigned for the fiscal year end September 30, 2026, budgeted decrease in fund balance. The remaining \$17,171,835 is available for spending at the District's discretion (unassigned fund balance). The District is required per its adopted fund balance policy to maintain a minimum of 25% of budgeted operating expenditures before other financing uses in its unassigned fund balance as a reserve for economic uncertainties. The total for this policy from the 2025 budget is \$4,112,766.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Most revenue is collected via ad valorem taxes, and the basic financial statements are comprised of the following components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Financial Statements. The District provides aerial mosquito control services for Fort Myers Beach Mosquito Control. The District has no proprietary activities.

Government-Wide Financial Statements:

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.

The *Statement of Net Position* (Page 13) presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. The District's capital assets (property, plant, and equipment) are included in this statement and reported net of their accumulated depreciation.

The *Statement of Activities* (Page 14) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when cost is incurred).

Fund Financial Statements:

The District accounts for its services in a *general governmental fund*. 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. Governmental funds are used to account for the sources, uses, and balances of a government's expendable general government financial resources (and the related current liabilities). The main focus is on how money flows into and out of those funds and the balances left at year-end that are available for spending.

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Fund Financial Statements begin on page 15 and provide a more detailed look at the District's most significant activities. An accounting method called modified accrual accounting is utilized to measure cash and all other financial assets that can readily be converted to cash. These statements provide a detailed short-term view of the general government operations and the basic services provided. You will find reconciliations on pages 16 and 18 that convert the data to an economic resource measurement focus and the accrual basis of accounting for use in the government-wide financial statements.

Notes to Financial Statements:

The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 20. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis:

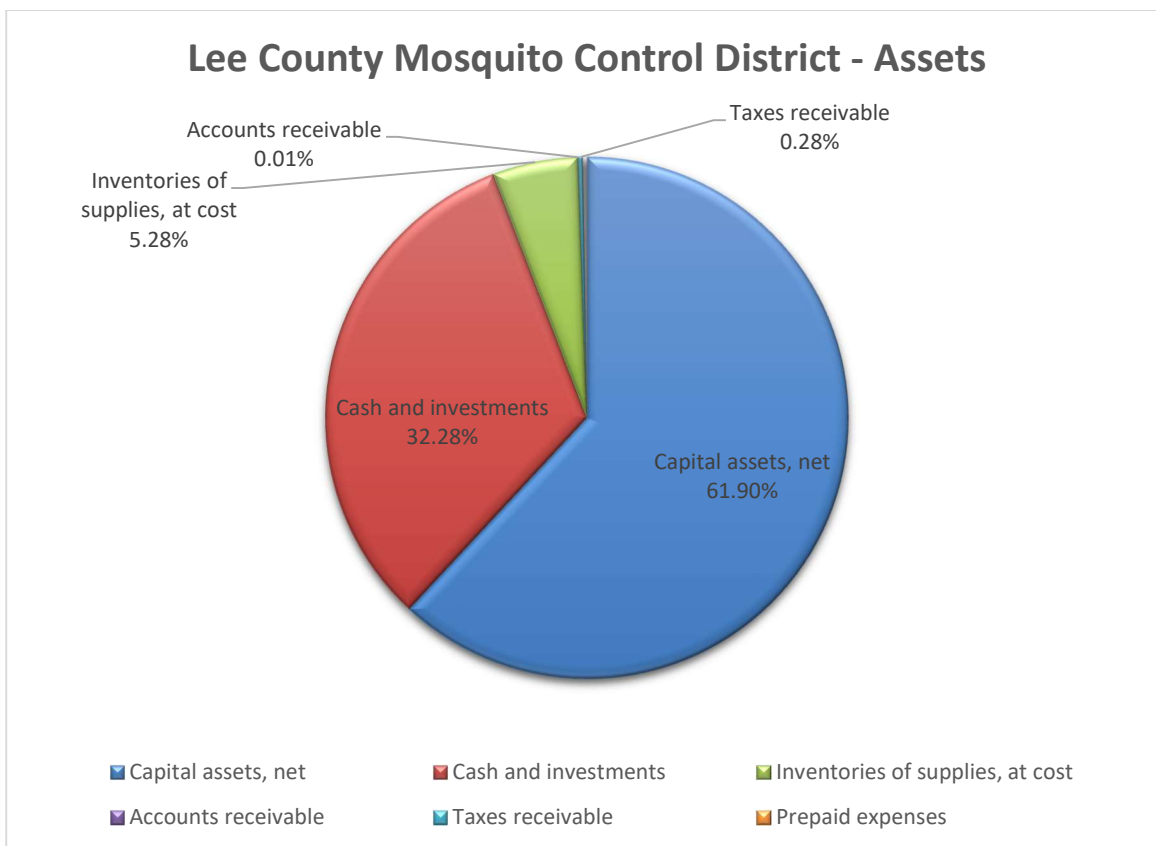
Net position may serve as a useful indicator of an agency's financial position. The District's net position as of September 30, 2025 was \$52,675,349. Its revenues, which include property taxes, insurance recovery, interest on investments, and miscellaneous income, totaled \$30,820,070 (general revenue plus program revenue). Total program expenses were \$24,035,027.

Sixty two percent of the District's assets represent its investment in capital assets, chemicals, and aircraft, auto and equipment parts inventory. The District utilizes and consumes these assets in order to safely provide effective mosquito control to the citizens within the District boundaries. All cash and investments are invested pursuant to F.S. 218.415 (17) in deposit accounts with banks designated by the Florida Chief Financial Officer as qualified public depositories.

Summary of Net Position

	09/30/25	09/30/24	Difference
Current and Other Assets	\$ 25,974,256	\$ 27,349,086	\$ (1,374,830)
Capital Assets	42,201,498	35,515,240	6,686,258
Total Assets	68,175,754	62,864,326	5,311,428
Deferred Outflows	2,144,500	2,559,102	(414,602)
Current and Other Liabilities	916,116	911,946	4,170
Long-Term Liabilities	12,920,177	16,128,503	(3,208,326)
Total Liabilities	13,836,293	17,040,449	(3,204,156)
Deferred Inflows	3,808,611	2,595,794	1,212,817
Net Position			
Invested in Capital Assets	42,201,498	35,515,240	6,686,258
Unrestricted (deficit)	10,473,852	10,271,945	201,907
Total Net Position	52,675,350	45,787,185	6,888,165
Restatement	-	103,121	(103,121)
Total Net Position	\$ 52,675,350	\$ 45,890,306	\$ 6,785,044

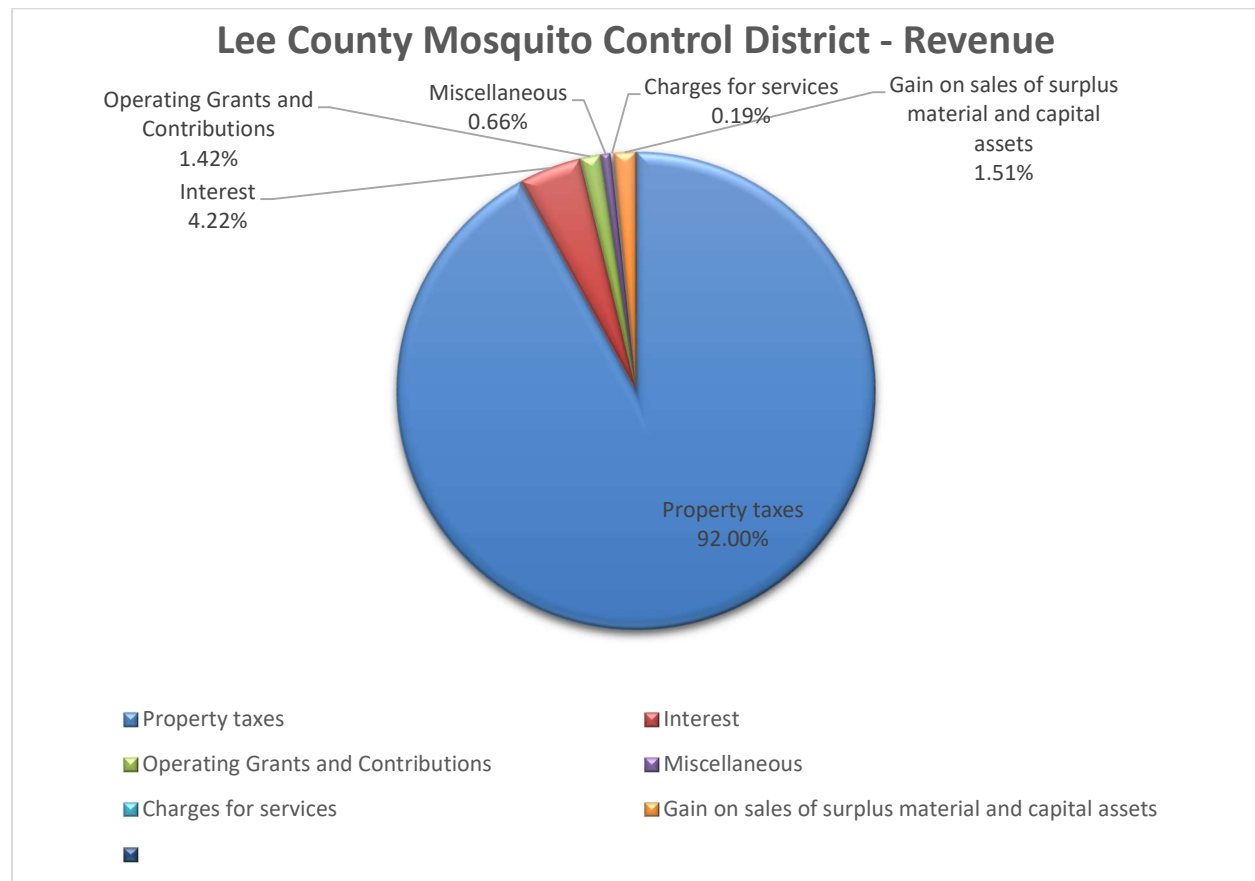
Summary of Net Position (Continued)



During the past year, total assets increased by \$5,311,427 and total liabilities decreased by \$3,204,156. Deferred outflows decreased by \$414,602 and deferred inflows increased by \$1,212,817. Net position increased by \$6,888,164. The change in Net Position is due to a variety of factors including an increase in ad valorem receipts of \$2,263,409 in fiscal year 2025. The District also purchased a replacement King Air airplane to replace the one that was damaged on landing in the prior fiscal year. In addition, the District had various budgeted construction projects under way that were not completed in fiscal year 2025 including the construction of a new Airbus helicopter. In 2025 the District also contributed \$500,000 to the Retiree Health Insurance Trust Fund. In fiscal year 2025, total program expenses increased by \$353,985 from 2024. The increase was due primarily to changes in expenses for Florida Retirement System and the Other Post-Employment Benefits based on actuarial estimates. In fiscal year 2025, the District spent an additional \$433,000 on chemicals and spent \$676,000 less on repairs and maintenance over the prior year. The balance in cash and investments decreased by \$935,533. The decrease was caused by the planned purchase of a King Air airplane and a new Airbus H-125 helicopter.

Summary Changes in Net Position

	09/30/25	09/30/24	Difference
Revenues			
Program revenues:			
Charges for services	\$ 60,000	\$ 60,000	\$ -
Operating Grants and Contributions	436,878	964,920	(528,042)
Capital Grants and Contributions	-	612,802	(612,802)
General revenues:			
Property taxes	28,361,042	26,097,633	2,263,409
Interest	1,300,899	1,358,719	(57,820)
Miscellaneous	195,039	211,946	(16,907)
Gain on sales of surplus material and capital assets	466,212	49,242	416,970
Total revenues	<u>30,820,070</u>	<u>29,355,262</u>	<u>1,464,808</u>
Expenses			
Health services	<u>24,035,026</u>	<u>23,681,042</u>	<u>353,984</u>
Total program expenses	<u>24,035,026</u>	<u>23,681,042</u>	<u>353,984</u>
Increase in Net Position	6,785,044	5,674,220	1,110,824
Net position - beginning of year (as previously reported)	45,787,185	40,112,965	5,674,220
Adjustments and restatements	103,121	-	103,121
Net position - beginning (as restated)	<u>45,890,306</u>	<u>40,112,965</u>	<u>5,777,341</u>
Net position end of year	<u>\$ 52,675,350</u>	<u>\$ 45,787,185</u>	<u>\$ 6,888,165</u>

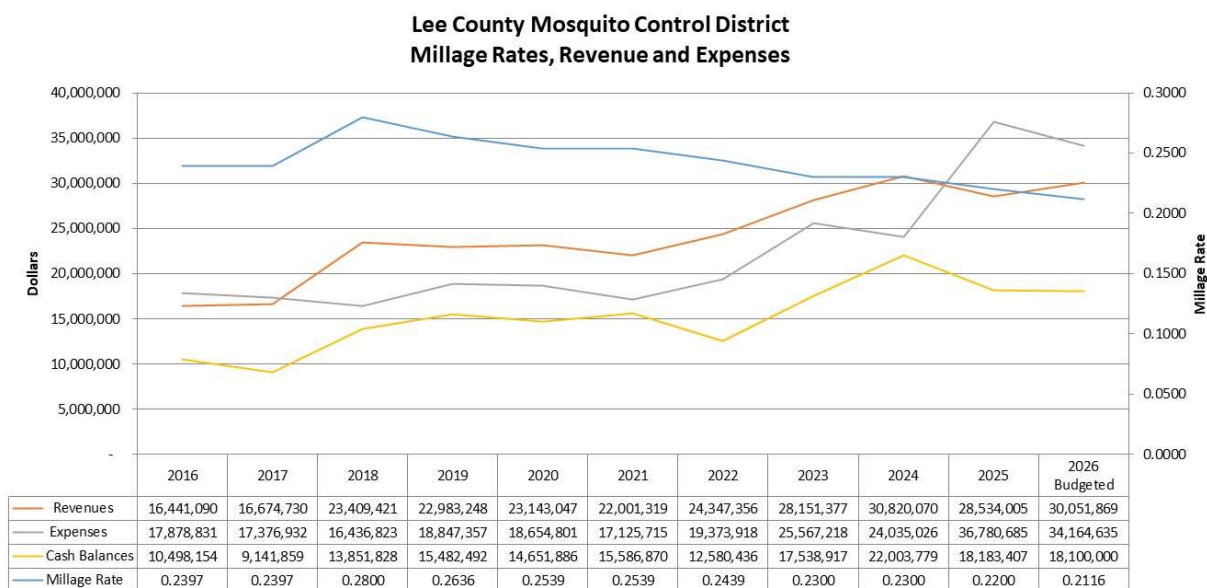


Summary Changes in Net Position (Continued)

Total revenue increased by \$1,464,808. Property taxes totaled \$28,361,042 in 2025 and represented 92.02% of the District's revenues. Ad Valorem tax revenue increased \$2,263,409 due to property taxes related to growth in Lee County and Interest revenue decreased \$57,820, due to lower interest rates and cash balances. The District recorded grant revenues related to Hurricane Ian totaling \$436,878. Total expenses increased by \$353,985. The increase was due to a combination of changes. Employee payroll and benefit expenses decreased due to lower adjustments related to the District's share of the Florida Retirement System and the District's OPEB liability adjustments and expenditures for chemical usage increased. Net position increased \$6,785,043 at the end of the fiscal year. Revenues exceed expenses on the Statement of Activities by a different amount than revenues exceed expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance. This is because the District budgets and collects revenues based on the modified accrual basis of accounting on the Statement of Revenues, Expenditures, and Changes in Fund Balance. The Statement of Activities is based on full accrual accounting. Reconciliations that show the differences between the accounting methods are on pages 16 and 18.

Notable expenses for 2025 that were capitalized include the completion of the new Fleet Storage Building, the downpayment to begin construction of the new Airbus helicopter, the purchase of the new King Air B200GT airplane, and a new X-Ray Radiation machine for the Sterile Insect Technique program. In addition, the District also made payments on a contract with Florida Gulf Coast University for a study of West Nile Virus mosquitoes using statistical modeling.

The chart below reflects revenues, expenses, and millage rates for the past ten years and projections for the upcoming fiscal year (FY 2025-2026). For more information on the 2026 budgeted revenues and expenditures, refer to the "Economic Factors and Next Year's Budget and Rates" section on page 12.



Budgetary Highlights:

The District adopts an annual budget on the modified accrual basis of accounting. The budget incorporates input from the Board of Commissioners, District staff, and citizens within the District regarding what services to provide and how to pay for them.

The budget also authorizes the District to obtain funds from identified sources to finance these current period activities. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund is provided on page 19 and denotes changes in the budget from the original to the final budget. The comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the original legal budget document.

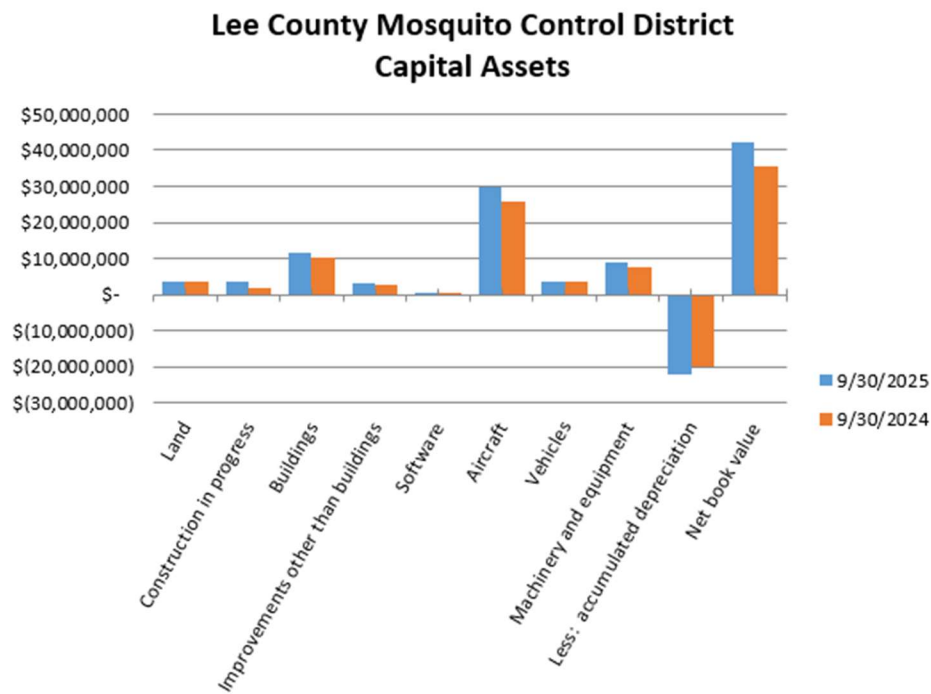
Variances from the original budget as compared to the final budget are depicted on page 19. The difference between the final amended budgeted expenditures and actual expenditures represents a positive variance of \$7,984,813. The variance is due primarily to lower than budgeted costs for personnel services and benefits, operating expenses, repairs and maintenance, fuel, chemicals, contingency (for emergency chemical purchase or major aircraft repair), and capital outlay expenditures.

Capital Asset and Debt Administration

The District's investment in capital assets at year-end is \$42,201,497 (net of accumulated depreciation) which includes property, plant, and equipment with a threshold of \$5,000 and an estimated useful life of more than one year. Assets are recorded at the lesser of cost when purchased or constructed and at fair value at the date of donation and are depreciated utilizing the straight-line method. Maintenance and repairs of aircraft are not capitalized.

At September 30, 2025, the District's long-term liabilities were comprised of accrued compensated absences, net OPEB obligation payables, and a net pension obligation. For more information on the accrued compensated absences, postemployment benefits other than pensions, and the net pension obligation, please see Note 2 on page 32, of the Notes to Financial Statements. For more information on Capital assets, please see Note 2 on page 32, of the Notes to Financial Statements. For more information on the State of Florida Pension Plan, please see Note 3 on page 33, of the Notes to Financial Statements.

Capital Asset and Debt Administration (Continued)



	09/30/25	09/30/24
Land	\$ 3,500,253	\$ 3,631,761
Construction in progress	3,573,459	1,764,190
Software in progress	19,564	-
Buildings	11,353,914	10,028,624
Improvements other than buildings	3,091,081	2,609,362
Software	613,176	613,176
Aircraft	29,926,557	25,629,406
Vehicles	3,684,727	3,451,479
Machinery and equipment	8,694,835	7,782,652
Total assets	64,457,566	55,510,650
Less: accumulated depreciation	(22,256,068)	(19,995,410)
Net book value	\$ 42,201,498	\$ 35,515,240

Economic Factors and Next Year's Budget and Rates:

In September of 2025, the Board of Commissioners approved total budgeted revenues of \$30,051,869 for fiscal year 2026. The adopted millage rate of .2116 mills per thousand produced budgeted ad valorem taxes in the amount of \$29,346,869, an increase of \$1,497,864 over the prior year. Property taxes are the largest source of revenue for the Lee County Mosquito Control District.

Budgeted revenues remained stable for the 2025-2026 fiscal year and increased by \$1,517,864 over the 2025 budget. Expenditures are budgeted to decrease by \$6,394,250 primarily in capital outlay. Budgeted expenditures include a contribution of \$500,000 to the Retiree Health Insurance Trust Fund for post-employment health insurance benefits. Major noteworthy projects in the District's budget for 2026 include the completion of the new Airbus H-125 helicopter for spray operations for \$4,200,000. In November 2025, the District reduced fiscal year 2026 budget reserves and increased fiscal year 2026 expenditures to begin several new projects. The 2026 budget was adjusted to include \$1,000,000 to construct a new sewer line connection and remove the District from its existing septic system and \$600,000 to replace the District's aging emergency power generator. The District board adopted the 2025-2026 budget in keeping with its goal of lowering fund balance and maintaining service levels.

Contacting the District's Financial Management:

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information found in this report or requests for additional information should be directed to the Executive Director, Lee County Mosquito Control District, 15191 Homestead Road, Lehigh Acres, Florida 33971.



FINANCIAL STATEMENTS



Lee County Mosquito Control District
Statement of Net Position
September 30, 2025

Assets	
Cash and investments	\$ 22,003,779
Taxes receivable	191,849
Accounts receivable	5,089
Prepaid expenses	175,240
Inventories of supplies, net	3,598,299
Total current assets	25,974,256
Capital assets:	
Land	3,500,253
Software in Progress SIP	19,564
Construction in progress	3,573,459
Buildings	11,353,914
Improvements other than buildings	3,091,081
Software	613,176
Aircraft	29,926,557
Vehicles	3,684,727
Machinery and equipment	8,694,835
Less accumulated depreciation	(22,256,068)
Total capital assets	42,201,498
Total assets	68,175,754
Deferred Outflow of Resources	
Deferred outflows for OPEB	582,767
Deferred outflows for pensions	1,561,733
Total deferred outflows	2,144,500
Liabilities	
Accounts payable	520,717
Due to other governments	48,970
Accrued wages payable	346,429
Total current liabilities	916,116
Noncurrent liabilities:	
Net OPEB liability	5,205,648
Compensated absences	895,694
Net pension liability	6,818,835
Total noncurrent liabilities	12,920,177
Total liabilities	13,836,293
Deferred Inflow of Resources	
Deferred inflows for OPEB	1,634,170
Deferred inflows for pensions	2,174,441
Total deferred inflows	3,808,611
Net Position	
Net investment in capital assets	42,201,498
Unrestricted	10,473,852
Total net position	\$ 52,675,350

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

Lee County Mosquito Control District
Statement of Activities
Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Expense and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	
General Government						
Health services	\$ 24,035,026	\$ 60,000	\$ 436,878	\$ -	\$	(23,538,148)
Total program	\$ 24,035,026	\$ 60,000	\$ 436,878	\$ -		(23,538,148)
General revenues (expenses)						
Property taxes						28,361,042
Interest income						1,300,899
Miscellaneous income						195,039
Sale of surplus material and capital assets						466,212
Total general revenues						30,323,192
Change in net position						6,785,044
Net position - beginning of year (as previously reported)						45,787,185
Adjustments and restatements						103,121
Net position - beginning (as restated)						45,890,306
Net position end of year						\$ 52,675,350

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

Lee County Mosquito Control District
Balance Sheet – General Fund
September 30, 2025

ASSETS

Cash and investments	\$ 22,003,779
Accounts receivable	5,089
Taxes receivable	191,849
Prepaid expenditures	175,240
Inventories of supplies, net	3,598,299
Total assets	\$ 25,974,256

LIABILITIES

Accounts payable and accrued liabilities	\$ 520,717
Accrued wages and payroll taxes payable	346,429
Due to other governments	48,970
Total liabilities	916,116

FUND BALANCES

Nonspendable:	
Prepaid and inventories	3,773,539
Assigned for subsequent year's budget deficit	4,112,766
Unassigned	17,171,835
Total fund balance	25,058,140
Total liabilities, deferred inflows and fund balances	\$ 25,974,256

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

Lee County Mosquito Control District
Reconciliation of the Balance Sheet to the Statement
of Net Position
September 30, 2025

Fund balance	\$ 25,058,140
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are, therefore, not reported on the governmental balance sheet.	42,201,498
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental fund	
Compensated absences	(895,694)
Net pension liability	(6,818,835)
Net OPEB liability	(5,205,648)

Deferred outflows and inflows associated with pensions are not reported in the governmental funds.	
Deferred outflows related to pensions	1,561,733
Deferred inflows related to pensions	(2,174,441)
Deferred outflows related to OPEB	582,767
Deferred inflows related to OPEB	(1,634,170)

Net position	\$ 52,675,350
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The accompanying notes are an integral part of these financial statements.

Lee County Mosquito Control District
Statement of Revenues, Expenditures, and
Changes in Fund Balance – General Fund
Year Ended September 30, 2025

Revenues

Property taxes	\$ 28,361,042
Charges for services	60,000
Federal sources	389,712
State sources	47,166
Interest income	1,300,899
Miscellaneous income	195,039
Total revenues	30,353,858

Expenditures

Current	
Health services - mosquito control	
Personnel services	12,627,810
Operating expenditures	10,357,486
Capital outlay	
Capital expenditures	9,588,776
Total expenditures	32,574,072

Excess of expenditures over revenues (2,220,214)

Other financing sources

Sales of surplus material and capital assets	815,670
Total other financing sources	815,670

Net change in fund balance (1,404,544)

Fund balance, beginning of year 26,462,684

Fund balance, end of year \$ 25,058,140

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

Lee County Mosquito Control District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities
Year Ended September 30, 2025

Net change in fund balance \$ (1,404,544)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities cost of those assets are depreciated over their estimated useful lives.

Expenditures for capital assets	9,588,776	
Capitalized employee cost	(5,456)	
Less current year depreciation	(2,547,604)	7,035,716

Governmental funds report cash proceeds on sales of capital assets as other financing sources. However in the statement of activities net gain on sale of capital assets are reported as general revenues

Cash proceeds	(349,458)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(135,527)	
Change in net pension liability	2,075,716	
Change in deferred inflows related to pensions	(816,928)	
Change in deferred outflows related to pensions	(627,800)	
Change in net OPEB liability	1,190,560	
Change in deferred inflows related to OPEB	(395,889)	
Change in deferred outflows related to OPEB	213,198	1,503,330

Change in net position	\$ 6,785,044
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The accompanying notes are an integral part of these financial statements.

Lee County Mosquito Control District
Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund
Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues				
Property taxes	\$ 27,849,005	\$ 27,849,005	\$ 28,361,042	\$ 512,037
Federal sources	-	300,000	389,712	89,712
State sources	-	-	47,166	47,166
Charges for services	60,000	60,000	60,000	-
Interest	500,000	500,000	1,300,899	800,899
Miscellaneous	50,000	50,000	195,039	145,039
Total revenues	\$ 28,459,005	\$ 28,759,005	\$ 30,353,858	\$ 1,594,853
Expenditures				
Health services - mosquito control				
Personnel services				
Personnel services	\$ 8,945,520	\$ 8,945,520	\$ 8,176,672	\$ 768,848
Benefits	5,451,378	5,451,378	4,451,138	1,000,240
Operating expenditures				
Operating expenses	2,315,261	2,315,261	1,642,392	672,869
Travel and per diem	279,880	279,880	98,011	181,869
Communications services	135,000	150,000	150,699	(699)
Freight & postage services	39,900	39,900	31,830	8,070
Utilities	239,000	239,000	228,347	10,653
Rentals and leases	58,600	58,600	40,780	17,820
Insurance	962,090	962,090	845,741	116,349
Repairs & maintenance	2,927,112	2,562,112	1,217,679	1,344,433
Printing & binding	200	200	-	200
Promotional activities	75,800	75,800	46,919	28,881
Other current charges	40,100	40,100	38,238	1,862
Office supplies	16,500	16,500	14,317	2,183
Gasoline/oil/lube	627,500	627,500	467,409	160,091
Chemicals	3,500,000	4,350,000	4,332,342	17,658
Protective devices	45,100	45,100	43,237	1,863
Miscellaneous supplies	675,187	675,187	561,452	113,735
Books-pubs-subscriber	482,335	482,335	441,530	40,805
Training	407,020	407,020	156,563	250,457
Contingency	650,000	650,000	-	650,000
Capital outlay				
Capital expenditures	8,907,202	12,185,402	9,588,776	2,596,626
Total expenditures	36,780,685	40,558,885	32,574,072	7,984,813
Other financing sources				
Sales of surplus material and capital assets	75,000	75,000	815,670	740,670
Total other financing sources	75,000	75,000	815,670	740,670
Excess of revenues (expenditures) over expenditures (revenues)	(8,246,680)	(11,724,880)	(1,404,544)	10,320,336
Fund balance, beginning of year	18,183,407	22,202,407	26,462,684	4,260,277
Fund balance, end of year	\$ 9,936,727	\$ 10,477,527	\$ 25,058,140	\$ 14,580,613

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

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lee County Mosquito Control District (the District) is an independent special district created to perform mosquito control and suppression in Lee County, Florida, in accordance with Chapter 388, Florida Statutes. The District was created by the Laws of Florida, Chapter 67-1630 and recreated by Chapter 98-461.

Reporting Entity

The business and affairs of the District are governed by a board of seven commissioners who are elected for terms of four years. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the District are described below.

Governmental Accounting Standards Board (GASB) requires the financial statements of a reporting entity to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government or financial reporting entity are financially accountable. Based on the aforementioned criteria, there are no component units included in the District's financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities that report information about the District as a whole. The statement of net position reports all financial and capital resources.

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

Fund financial statements are presented to report additional and detailed information about the District. Fund financial statements accompany the government-wide financial statements and present a summary reconciliation to explain differences between the data reported in the governmental funds and the data reported for the corresponding governmental activities in the government-wide financial statements.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 imposed by the provider have been met.

The 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, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of current fiscal year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of current fiscal year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

Fund Financial Statements

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund.

The appropriated budget is prepared by fund and function. Transfers and amendments can be made throughout the year by approval of the Board of Commissioners and the Florida Department of Agriculture and Consumer Services, Bureau of Entomology and Pest Control. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash

The District's cash is cash on hand and demand deposits.

Investments

The District's investments are held by Florida Fixed Income Trust Fund, Florida PRIME (SBA) and Florida SAFE. Florida Fixed Income Trust Fund, Florida PRIME, and Florida SAFE meet all of the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the District's position in the pool is equal to the value of the pooled shares.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies, aircraft and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain parts held in inventory were acquired from other governmental agencies at values established by governmental agencies. The District periodically adjusts those values to reflect the lower of cost or net realizable value. A valuation allowance totaling \$33,650, was recorded by the District for the period ending September 30, 2025. The allowance was determined based on management's assessment of obsolete inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Receivables and Payables

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. Intergovernmental revenues are recognized at the time of receipt. Investment earnings are recognized when earned.

Capital Assets

Capital assets, which include property, plant and equipment are reported in governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements other than buildings	20
Aircraft	20
Vehicles	5
Machinery and equipment	5 - 20
Software	10 - 20

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The District has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred amounts related OPEB* and the *deferred amounts related to pensions*, both reported in the government-wide statements of net position. The deferred outflows related to pensions and OPEB are an aggregate of items related to pensions and OPEB as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions and OPEB will be recognized as either pension/OPEB expense or a reduction in the net pension/OPEB liability in future reporting years.

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

The District has two (2) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions and OPEB* are an aggregate of items related to pensions and OPEB as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension/OPEB expense in future reporting years.

Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the general fund only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Long-Term Obligations

In the government-wide financial statement other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. Investments are reported at fair value.

Categories and Classification of Fund Equity

Net position flow assumption – Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Commission is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District Commissioners assign fund balance. The District Commissioners may also assign fund balance as they do when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Minimum Fund Balance Policy

The District's policy is to maintain an adequate general fund unassigned fund balance to provide liquidity to meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. The District adopted a financial standard to maintain a general fund minimum unassigned fund balance of approximately 25% or three months' worth of operating expenditures.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Charges to customers and grants are recorded as earned if collected within ninety days after year-end. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes – Ad valorem property taxes are recorded as revenues in the fiscal year in which the taxes are due and collected within 60 days of fiscal year-end. 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 Tax Collector's office bills and collects property taxes on behalf of the District. The tax rate levied upon all of the taxable property in the Lee County Mosquito Control District for the fiscal year ended September 30, 2025, was \$0.2200 per \$1,000 of assessed taxable property value. Property tax revenue is recognized in the fiscal year for which the taxes are levied.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Significant encumbrances at year-end included \$3,117,750 related to the General fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through June 25, 2026 which is the date the financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

For fiscal year 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, "Compensated Absences" and Statement No. 102, "Certain Risk Disclosures".

GASB Statement No. 101, Compensated Absences, requires liabilities for compensated absences to be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled by noncash means. A liability is recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid. Certain types of compensated absences including parental leave, military leave, and jury duty leave are not recognized until the leave commences. The changes were incorporated into the District's 2025 financial statements and the beginning net position has been restated accordingly.

GASB Statement No. 102, Certain Risk Disclosures, requires the District to assess whether a concentration or constraint makes the primary government or other reporting units vulnerable to the risk of a substantial impact. The District must disclose the concentration or constraint, each event associated with the concentration or constraint and the actions taken by the District prior to the issuance of the financial statements. The changes were incorporated into the District's 2025 financial statements; however, there was no effect on beginning net position.

Future Accounting Pronouncements

The Governmental Accounting Board has issued statements that will become effective in FY 2026 and FY2027. The statements include:

- GASB Statement No. 103, Financial Reporting Model Improvements
- GASB Statement No. 104, Disclosure of Certain Capital Assets
- GASB Statement No. 105, Subsequent Events

The District is currently evaluating the effects that these statements will have in its future financial statements.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 2: CHANGE IN ACCOUNTING PRINCIPLE (Continued)

During the fiscal year 2025, changes in accounting principle resulted in adjustments to and restatement of beginning net position as follows:

	9-30-2024, as previously reported	Change in accounting principle	9-30-2024, as restated
Governmental activities:			
Compensated absences	\$ 863,288	\$ (103,121)	\$ 760,167
Net position - beginning of the year	\$ 45,787,185	\$ 103,121	\$ 45,890,306

GASB Statement No. 101 provides updated recognition and measurement guidance for accounting and financial reporting for compensated absences liability.

Note 3: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2025, \$250,000 of the District's bank balance is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the District's investment policy, pertinent bond resolutions and Section 218.415, Florida Statutes, which allows the District to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

The investing of public funds with the Florida State Board of Administration (SBA) - Local Government Surplus Funds Trust Fund is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2025, the District had \$6,900,038 invested. The fair value of the District's position in the pool is equal to the value of the pooled shares or amortized cost.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The Florida Surplus Asset Fund Trust (Florida SAFE) is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes.

The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida Statutes. At September 30, 2025, the District's share of Florida SAFE was \$4,985,729. The fair value of the District's position in the pool is equal to the value of the pooled shares or net asset value.

The Florida Fixed Income Trust (Florida FIT) is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes. The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida Statutes. At September 30, 2025, the District's share of Florida FIT was \$6,391,369. The fair value of the District's position in the pool is equal to the value of the pooled shares or amortized cost.

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the District's access to 100 percent of their account value in either external investment pool.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution whereby a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the District places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. Florida Statutes limit interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Credit risk – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. Florida Statutes limit investments to securities with specific ranking criteria.

Concentration risk – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools and other pooled investments. Florida Statutes do not address concentration risk.

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

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.
- Level 2 (L2): Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The categorization of the investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

U.S. Treasury securities classified as Level 1 of the fair value hierarchy are valued using quoted prices at September 30 (or the most recent market close date if the market are closed on September 30) in active markets from the custodian bank's primary external pricing vendors.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

The following table sets forth by level, within the fair value hierarchy, the District's assets at fair value as of September 30, 2025:

Investments measured at the net asset value (NAV)	
Florida SAFE	\$ 4,985,729
Total investments measured at NAV	4,985,729
Investments measured at amortized cost	
Cash and cash equivalents	3,726,643
Florida Fixed Income Trust	6,391,369
Florida PRIME (SBA)	6,900,038
Total investments measured at amortized cost	17,018,050
Total cash and investments	\$ 22,003,779

Inventories

Inventories consisted of the following as of September 30, 2025:

	Carrying Amount
Chemicals and supplies	\$ 3,483,229
Fuel	124,054
Held for resale	24,666
	3,631,949
Less: Valuation allowance	(33,650)
Total	\$ 3,598,299

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2025:

	Balance October 1, 2024	Increases	Decreases	Balance September 30, 2025
<i>Non-depreciated assets:</i>				
Land	\$ 3,631,761	\$ -	(131,508)	\$ 3,500,253
Construction in progress	1,764,190	8,331,425	(6,522,156)	3,573,459
Software in process	-	19,564		19,564
<i>Depreciated assets:</i>				
Buildings	10,028,624	1,460,216	(134,926)	11,353,914
Improvements other than buildings	2,609,362	499,342	(17,623)	3,091,081
Software	613,176	-	-	613,176
Aircraft	25,629,406	4,297,151	-	29,926,557
Vehicles	3,451,479	387,947	(154,699)	3,684,727
Machinery and equipment	7,782,652	1,109,831	(197,648)	8,694,835
Total capital assets at historical cost	55,510,650	16,105,476	(7,158,560)	64,457,566
Less accumulated depreciation for:				
Buildings	4,248,709	261,764	(21,004)	4,489,469
Improvements other than buildings	1,504,986	116,086	(7,661)	1,613,411
Software	404,272	55,980	-	460,252
Aircraft	6,967,189	1,105,679	-	8,072,868
Vehicles	2,596,191	357,226	(127,819)	2,825,598
Machinery and equipment	4,274,063	650,869	(130,462)	4,794,470
Total accumulated depreciation	19,995,410	2,547,604	(286,946)	22,256,068
Capital assets, net	\$ 35,515,240	\$ 13,557,872	\$ (6,871,614)	\$ 42,201,498

All depreciation is allocated to Health Services.

Long-Term Debt and Liabilities

	Balance October 1, 2024	Additions	Reductions	Balance September 30, 2025	Due Within One Year
Compensated absences (as restated)	\$ 760,167	\$ 135,527	\$ -	\$ 895,694	\$ -
Net pension liability	8,894,551	-	(2,075,716)	6,818,835	-
Net OPEB liability	6,396,208	-	(1,190,560)	5,205,648	-
	\$ 16,050,926	\$ 135,527	\$ (3,266,276)	\$ 12,920,177	\$ -

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 4: STATE OF FLORIDA PENSION 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 and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

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

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 \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 4: STATE OF FLORIDA PENSION PLANS (Continued)

Contributions

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

	FRS	HIS
Regular Class	12.03%	2.00%
Special Risk Class	30.79%	2.00%
Senior Management Service Class	31.24%	2.00%
Elected Officials	52.57%	2.00%
DROP from FRS	20.02%	2.00%

The District's contributions for the year ended September 30, 2025, were \$901,328 to the FRS and \$162,261 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the District reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2025 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2025. The District's proportions of the net pension liabilities were based on the District's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS	Total
Net pension liability	\$ 4,549,064	\$ 2,269,771	\$ 6,818,835
Proportion at:			
Current measurement date	0.014657789%	0.017708452%	
Prior measurement date	0.016043709%	0.017919433%	
Pension expense	\$ 414,036	\$ 18,566	\$ 432,602

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 4: STATE OF FLORIDA PENSION 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	\$ 485,888	\$ -	\$ 13,549	\$ (3,601)
Changes of assumptions	528,265	-	20,090	(548,999)
Net difference between projected and actual earnings on pension plan investments	-	(759,512)	-	(1,889)
Changes in proportion and differences between employer contributions and proportionate share of contributions	151,600	(666,888)	58,330	(193,552)
Employer contributions subsequent to the measurement date	258,312	-	45,699	-
Total	\$ 1,424,065	\$ (1,426,400)	\$ 137,668	\$ (748,041)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025.

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

Year ending September 30,	FRS	HIS
2026	\$ 634,688	\$ (137,475)
2027	(269,634)	(160,078)
2028	(375,152)	(147,542)
2029	(250,549)	(134,998)
2030	-	(75,979)
Thereafter	-	-
Total	\$ (260,647)	\$ (656,072)

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 4: STATE OF FLORIDA PENSION 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. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2020. 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 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2025:

HIS:

- The long-term expected rate of return and the discount rate used to determine the total pension liability increased from 3.93% to 5.20%

The long-term expected investment rate of return assumption for the FRS Pension Plan 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 of 2.40%.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 4: STATE OF FLORIDA PENSION PLANS (Continued)

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

Asset Class	Target Allocation	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	100%			

Assumed Inflation - Mean			2.4%	1.5%
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Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

Sensitivity Analysis

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

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease (5.70%)	Rate (6.70%)	1% Increase (7.70%)	1% Decrease (4.20%)	Rate (5.20%)	1% Increase (6.20%)
Employer's proportionate share of the net pension liability	\$ 8,927,468	\$ 4,549,064	\$ 878,273	\$ 2,559,532	\$ 2,269,771	\$ 2,026,753

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 4: STATE OF FLORIDA PENSION PLANS (Continued)

Pension Plans' Fiduciary Net Position

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. Required employer contributions made to the Plan during the year ended September 30, 2025, totaled \$372,811.

Note 5: OTHER POSTEMPLOYMENT BENEFIT PLAN

The Plan has adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

Plan Description

The Lee County Mosquito Control District provides post-employment health care and dental insurance benefits (OPEB) for retired employees and their spouses through a cost-sharing multiple-employer defined benefit plan, the Lee County Mosquito Control District/Lee County Hyacinth Control District OPEB Plan (the "Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the Plan and can be amended by the Plan at any time. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to Lee County Mosquito Control, 15191 Homestead Road, Lehigh Acres, FL 33971 or by calling (239) 694-2174.

Benefits provided

The District contributes a portion of the active health and dental premiums, 75% and 50%, respectively, for retirees and covered spouses participating in the District's group insurance plans who were hired prior to July 1, 2011. Retirees and covered spouses participating in the District's group insurance plans who were hired after July 1, 2011 will be asked to pay the full blended premium for any coverages elected.

In June 2012, the District amended the health benefit policy to increase the service requirement from 6 years to 10 years. However, the prior eligibility requirements remain in effect for anyone hired prior to July 2, 2011, who meets the 6 year service requirement and retires by June 2015.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 5: OTHER POSTEMPLOYMENT BENEFIT PLAN (Continued)

When the retiree reaches eligibility age for Medicare, Medicare must become the primary provider; the District would then provide the supplemental coverage for the remainder of the benefit period.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District Commission. The contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the District Commission. These contributions are neither mandated nor guaranteed. The District has retained the right to unilaterally modify its payment for retiree health care and life insurance benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

For the 2025 fiscal year, the District contributed \$500,000 to the Plan to prefund future benefits. Plan members receiving benefits contributed \$292,142.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2025, the District reported a liability of \$5,205,648 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating districts, actuarially determined. At September 30, 2025, the District's proportion was 89.22 percent.

For the year ended September 30, 2025, the District recognized a reduction of employee benefit expense, due to OPEB activity, of \$1,007,869. At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 582,767	\$ -
Changes of assumptions	-	(757,313)
Net difference between projected and actual earnings on OPEB plan investments	-	(876,857)
Total	\$ 582,767	\$ (1,634,170)

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 5: OTHER POSTEMPLOYMENT BENEFIT PLAN (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ended September 30:	
2026	\$ (28,500)
2027	(409,849)
2028	(438,075)
2029	(174,979)
Total	\$ (1,051,403)

Actuarial Assumptions

The total OPEB liability in the September 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	September 30, 2025
Measurement Date:	September 30, 2025
Actuarial Cost Method:	Entry Age
Inflation:	3.00%
Salary Increases:	3.25%
Discount Rate	6.00%
Investment Rate of Return:	6.00%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	50

Retirement Rates: 100% are assumed to retire at age 62 and 6 years of service or upon completion of 30 years of service, regardless of age. Service-incurred disabled employees retire immediately, while non-duty related disabled employees retire upon completion of at least 6 years of service.

Health Care Inflation: Initial rate of 8.50% in fiscal 2025, grading down to the ultimate trend rate of 4.00% in fiscal 2076.

The mortality tables vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The health mortality rates also contain a provision to reflect future mortality improvements.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 5: OTHER POSTEMPLOYMENT BENEFIT PLAN (Continued)

Actuarial Assumptions (Continued)

The total OPEB liability in the September 30, 2025 actuarial report was based on the PUB-2010 base table varies by member category and sex; projected generationally with Scale MP-2018.

The Long-Term Expected Rate of Return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	30%	10.30%
International Equity	10%	6.10%
Bonds	40%	4.30%
Real Estate	10%	7.90%
Convertibles	10%	8.80%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 6.00 percent. The projection of cash flows used to determine the Discount Rate assumed that current District contributions will be made at the current contribution rate which is above the Actuarially Determined Contribution. Based on this assumption, the OPEB Plan's Fiduciary Net Position was projected to provide all future benefit payments.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 5: OTHER POSTEMPLOYMENT BENEFIT PLAN (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Net OPEB Liability of the District, as well as what the District's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net OPEB Liability	\$ 7,317,106	\$ 5,205,648	\$ 3,445,395

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the Net OPEB Liability of the District, as well as what the District's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00%-7.50%	Healthcare Cost Trend Rates 4.00%-8.50%	1% Increase 5.00%-9.50%
Net OPEB Liability	\$ 3,355,504	\$ 5,205,648	\$ 7,404,749

Note 6: RISK MANAGEMENT

The District maintains employee health insurance coverage from a commercial company for employees, retired employees and their eligible dependents. For the fiscal year ended September 30, 2025, the District reported incurred health insurance expense of \$2,098,268. There have been no claims in excess of insurance coverage as of September 30, 2025.

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of property and other assets; errors and omissions by employees; and natural disasters, particularly during the hurricane season of June through November. The District has purchased various types of insurance to protect itself. There have been no changes in insurance coverage during the current fiscal year. There were no changes in insurance coverage from the previous year. The District does not participate in a risk pool and does not retain any of the risks of loss.

Lee County Mosquito Control District
Notes to Financial Statements
September 30, 2025

Note 7: RELATED PARTIES

The District's Board of Commissioners is also the Board of Commissioners for the Lee County Hyacinth Control District. The Lee County Hyacinth Control District is an independent special district created to perform hyacinth control and suppression in Lee County, Florida, under the Laws of Florida, Chapter 98-462, and is funded by ad valorem tax revenues.

Both the District and the Lee County Hyacinth Control District share facilities and equipment located at the District's Buckingham complex. District personnel perform a variety of support functions for the Lee County Hyacinth Control District such as finance, information technology, purchasing, fleet maintenance and facilities maintenance. The Executive Director of the District is also the Executive Director of the Lee County Hyacinth Control District.

The costs of shared support functions provided by the District are included in the budgetary process and are reimbursed by the Lee County Hyacinth Control District through allocations.



REQUIRED SUPPLEMENTARY INFORMATION



Lee County Mosquito Control District

Schedules of Proportionate Share of Net Pension Liability

(Last 10 fiscal years)

Florida Retirement System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	0.014657789%	0.016043709%	0.017643807%	0.016928502%	0.016381445%	0.015795492%	0.014955358%	0.014809061%	0.014608029%	0.015420705%
Employer's proportionate share of the net pension liability (asset)	\$ 4,549,064	\$ 6,206,461	\$ 7,030,499	\$ 6,298,763	\$ 1,237,432	\$ 6,845,999	\$ 5,150,417	\$ 4,460,567	\$ 4,320,957	\$ 3,893,740
Employer's covered payroll	\$ 8,106,742	\$ 7,656,926	\$ 7,690,815	\$ 7,381,023	\$ 6,435,110	\$ 6,297,860	\$ 6,130,850	\$ 6,095,969	\$ 5,722,346	\$ 5,946,740
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.11%	81.06%	91.41%	85.34%	19.23%	108.70%	84.01%	73.17%	75.51%	65.48%
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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	0.017708452%	0.017919433%	0.019365426%	0.019000335%	0.018177177%	0.018115483%	0.018118350%	0.018350590%	0.018615846%	0.018827602%
Employer's proportionate share of the net pension liability (asset)	\$ 2,269,771	\$ 2,688,090	\$ 3,075,488	\$ 2,012,439	\$ 2,229,704	\$ 2,211,871	\$ 2,027,263	\$ 1,942,247	\$ 1,990,492	\$ 2,194,279
Employer's covered payroll	\$ 8,106,742	\$ 7,656,926	\$ 7,690,815	\$ 7,381,023	\$ 6,435,110	\$ 6,297,860	\$ 6,130,850	\$ 6,095,969	\$ 5,722,346	\$ 5,946,740
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.00%	35.11%	39.99%	27.27%	34.65%	35.12%	33.07%	31.86%	34.78%	36.90%
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%

Notes to schedules:

- (1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.
- (2) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Annual Comprehensive Financial Report.
- (3) The following changes in key actuarial assumptions occurred in 2025:
- FRS: The salary increases including inflation is 3.50%.
- HIS: The discount rate used to determine the total pension liability increased from 3.93% to 5.20%. The salary increases including inflation is 3.50%.

Lee County Mosquito Control District Schedules of Employer Contributions (Last 10 fiscal years)

Florida Retirement System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 901,328	\$ 883,297	\$ 885,413	\$ 778,393	\$ 644,522	\$ 549,751	\$ 476,675	\$ 434,813	\$ 380,283	\$ 380,612
Contributions in relation to the contractually required contribution	\$ 901,328	\$ 883,297	885,413	778,393	644,522	549,751	476,675	434,813	380,283	380,612
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,911,790	\$ 7,597,148	\$ 7,672,080	\$ 6,927,765	\$ 6,539,971	\$ 6,268,289	\$ 6,130,850	\$ 6,095,969	\$ 5,722,346	\$ 5,946,740
Contributions as a percentage of covered payroll	11.39%	11.63%	11.54%	11.24%	9.86%	8.77%	7.78%	7.13%	6.65%	6.40%
Health Insurance Subsidy Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 162,261	\$ 152,863	\$ 134,739	\$ 122,350	\$ 108,587	\$ 103,900	\$ 101,792	\$ 100,472	\$ 98,520	\$ 96,782
Contributions in relation to the contractually required contribution	\$ 162,261	\$ 152,863	134,739	122,350	108,587	103,900	101,792	100,472	98,520	96,782
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,911,790	\$ 7,597,148	\$ 7,672,080	\$ 6,927,765	\$ 6,539,971	\$ 6,268,289	\$ 6,130,850	\$ 6,095,969	\$ 5,722,346	\$ 5,946,740
Contributions as a percentage of covered payroll	2.05%	2.01%	1.76%	1.77%	1.66%	1.66%	1.66%	1.65%	1.72%	1.63%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) The following changes in key actuarial assumptions occurred in 2025:

FRS: The salary increases including inflation is 3.50%.

HIS: The discount rate used to determine the total pension liability increased from 3.93% to 5.20%. The salary increases including inflation is 3.50%.

Lee County Mosquito Control District Schedules of Proportionate Share of the Net OPEB Liability (Last 10 fiscal years)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	89.22%	89.22%	89.22%	89.22%	89.22%	89.22%	89.22%	89.22%	89.22%
District's proportionate share of the net OPEB liability	\$ 5,205,648	\$ 6,396,208	\$ 8,027,958	\$ 8,173,076	\$ 6,372,461	\$ 9,691,774	\$ 10,288,899	\$ 15,118,615	\$ 15,832,085
District's covered-employee payroll	\$ 8,106,742	\$ 7,656,926	\$ 7,690,815	\$ 7,381,023	\$ 6,539,971	\$ 6,268,289	\$ 6,130,850	\$ 6,095,969	\$ 5,722,346
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	64.21%	83.53%	104.38%	110.73%	97.44%	154.62%	167.82%	248.01%	276.67%
Plan fiduciary net position as a percentage of the total OPEB liability	71.72%	65.62%	56.13%	53.38%	62.71%	48.80%	44.14%	25.82%	19.43%

Notes to schedules:

(1) GASB required information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only those years for information is available.

Lee County Mosquito Control District
Schedules of OPEB Contributions
(Last 10 fiscal years)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 1,068,481	\$ 1,068,920	\$ 1,172,670	\$ 1,210,273	\$ 1,032,614	\$ 1,290,400	\$ 1,297,864	\$ 1,631,064	\$ 1,716,143
Contributions in relation to the contractually required contribution	500,000	500,000	750,000	600,000	750,000	1,000,000	3,500,000	1,500,000	1,814,447
Contribution deficiency (excess)	<u>\$ 568,481</u>	<u>\$ 568,920</u>	<u>\$ 422,670</u>	<u>\$ 610,273</u>	<u>\$ 282,614</u>	<u>\$ 290,400</u>	<u>\$ (2,202,136)</u>	<u>\$ 131,064</u>	<u>\$ (98,304)</u>
District's covered-employee payroll	\$ 8,106,742	\$ 7,656,926	\$ 7,690,815	\$ 7,381,023	\$ 6,539,971	\$ 6,268,289	\$ 6,130,850	\$ 6,095,969	\$ 5,722,346
Contribution as a percentage of covered-employee payroll	6.17%	6.53%	9.75%	8.13%	11.47%	15.95%	57.09%	24.61%	31.71%

Notes to schedules:

(1) GASB required information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for only those years for information is available.



COMPLIANCE INFORMATION





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

Board of Commissioners
Lee County Mosquito Control District
Fort Myers, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Lee County Mosquito Control 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 June 25, 2026.

Report on Internal Control over Financial Reporting

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

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

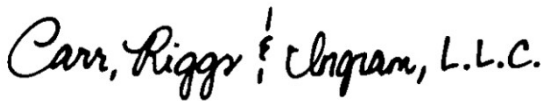
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
June 25, 2026



CARR, RIGGS & INGRAM, L.L.C.

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MANAGEMENT LETTER

Board of Commissioners
Lee County Mosquito Control District
Fort Myers, Florida

Report on the Financial Statements

We have audited the financial statements of the Lee County Mosquito Control District (the District), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 25, 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 25, 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. There were no findings in the preceding annual 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 Lee County Mosquito Control District was established as described in Note 1. There were no component units related to the District.

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 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 financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Specific Information

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

- a) The total number of district employees compensated in the last pay period of the district's fiscal year as 133.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 2.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$12,127,806.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$23,308.
- 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:
 - a. Airbus H125 Helicopter for \$2,100,000
 - b. King Air N597VF for \$4,123,367
- 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, \$4,319,000 related to cash carry forwards and FEMA state grants.

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

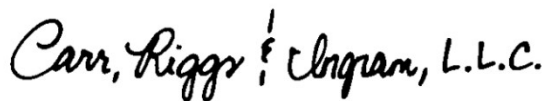
- a) The millage rate or rates imposed by the district as 0.2200.
- b) The total amount of ad valorem taxes collected by or on behalf of the district as \$28,361,042.
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds as \$-0-.

Additional Matters

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

Purpose of this Letter

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



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
June 25, 2026



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**INDEPENDENT ACCOUNTANT'S REPORT IN ACCORDANCE WITH SECTION 218.415,
FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

Board of Commissioners
Lee County Mosquito Control District
Fort Myers, Florida

We have examined Lee County Mosquito Control District (the District), compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during 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 and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

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

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

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

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

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
June 25, 2026