East Flagler Mosquito Control District
Annual Financial Report
For the Year Ended September 30, 2022

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Independent Auditors' Report

Lombardo
Spradley Klein

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Commissioners
East Flagler Mosquito Control District
Palm Coast, FL

Report on the Audit of Financial Statements

We have audited the accompanying financial statements of the governmental activity, of East Flagler Mosquito Control District, as of and for the year ended September 30, 2022, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the East Flagler Mosquito Control District, as of September 30, 2022, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, ot 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 judgement 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 judgement 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 the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

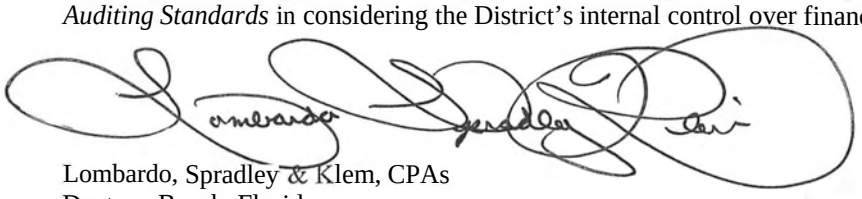
We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis on pages 3 through 8, and the required supplementary information on pages 26 through 31, be presented to supplement the basic financial statements. Such information, although not 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 managements 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 May 8, 2023, on our consideration of East Flagler Mosquito Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Lombardo, Spradley & Klem, CPAs
Daytona Beach, Florida
May 8, 2023

Management Discussion and Analysis

Our discussion and analysis of the East Flagler Mosquito Control District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The fiscal year ending September 30, 2022 was year four of rebuilding the fund balance after the construction of the new facility and implementing a capital asset replacement program. The District is slowly replacing an aging fleet and updating computer and spray equipment so that they can continue to control the mosquito population as efficiently and effectively as possible.

Mosquito populations are driven by rainfall and tides and may vary widely from year to year. That fact, coupled with the seasonal presence/absence of mosquito-borne diseases, require that the District annually plan for an exceptional mosquito season and fund the budget accordingly. The 2021/2022 season saw extended periods of drought and high heat and lead to low mosquito populations for extended periods and less pesticide use than normal years.

The start of the fiscal year in October saw low mosquito activity with some permanent-water areas drying-down and some cooler temperatures. Spraying resumed the first week of November with a warm spell. Mosquito activity was low through the winter months. In subtropical Florida we monitor year-round for mosquito activity and can conduct control missions at any time as needed.

Warm weather and mosquito activity resumed by mid-April. April also saw the highest mosquito activity for the fiscal year. By May Coquillettidia perturbans had started emerging from the cattail swamps and persisted to as late as August. This species is prevalent from Spring through Summer throughout Florida, but typically recedes in the District by late Spring with repeated control measures. Early May is also when we begin larvicide pretreatments in the saltmarsh. Mosquito activity tapered off by the end of May and was at low levels through mid-July.

A lack of precipitation and high heat sustained a low level of mosquito activity since the end of May until the week of July 11. That week saw a substantial presence of flood water species after seven weeks of low mosquito activity. On July 18 the Florida Department of Health issued a mosquito-bome illness alert for local transmission of Dengue in Miami.
Limited rainfall and high heat limited mosquito production overall since early August until the week of September 5. That week saw moderate mosquito activity after four weeks of low mosquito activity, with a notable increase in Culex quinquefasciatus. Hurricane Ian passed over Flagler County on September 28.

District revenues were $2,543,462, while expenses totaled $2,189,974. Ad valorem taxes provided $2,507,039; a $377,582 increase over the preceding year. Net assets increased by $353,488 (Statement of Activities).

At the conclusion of the fiscal year, September 30, 2022, the District had assets totaling $6,112,672, deferred outflows of $240,451, liabilities of $1,917,193, deferred inflows of $55,550 and net position of $4,380,380 (Statement of Net Position).

The District implemented GASB 68 in fiscal year 2015, which impacts the government-wide net position due to the recording of net pension liability and deferred outflows and inflows of resources. The net pension liability is $685,548 government-wide, deferred outflows and inflows related to pensions are $240,451 and ($55,550) respectively. See Note 7 for further information regarding the details of the District's pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Statement of Net Position (page 9) and the Statement of Activities (page 10) provide information about the activities of the District and present a longer-term view of the District's finances. The statements are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The Fund Financial Statements begin on page 11. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliations on pages 12 and 14 that convert this data to the economic resources measurement focus and the accrual basis of accounting for use in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

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

Fund Financial Statements

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

Notes to the Financial Statements

The Notes to the Financial Statements provide information that is essential to understanding the financial information presented in the Government-wide Financial Statements and the Fund Financial Statements. The notes can be found beginning on page 15.

Required Supplementary Information

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

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position as of September 30,

	Governmental Activities	
	2022	2021
Current and Other Assets	$ 2,370,622	$ 1,782,098
Capital Assets, net	3,742,050	2,831,476
Total Assets	$ 6,112,672	$ 4,613,574
Deferred Outflows of Resources	240,451	191,321
Current Liabilities	87,050	52,752
Non-Current Liabilities	1,830,143	356,109
Total Liabilities	1,917,193	408,861
Deferred Inflows of Resources	55,550	369,142
Net Position:		
Net Investment in Capital Assets	2,637,125	2,831,476
Unrestricted	1,743,255	1,195,416
Total Net Position	$ 4,380,380	$ 4,026,892

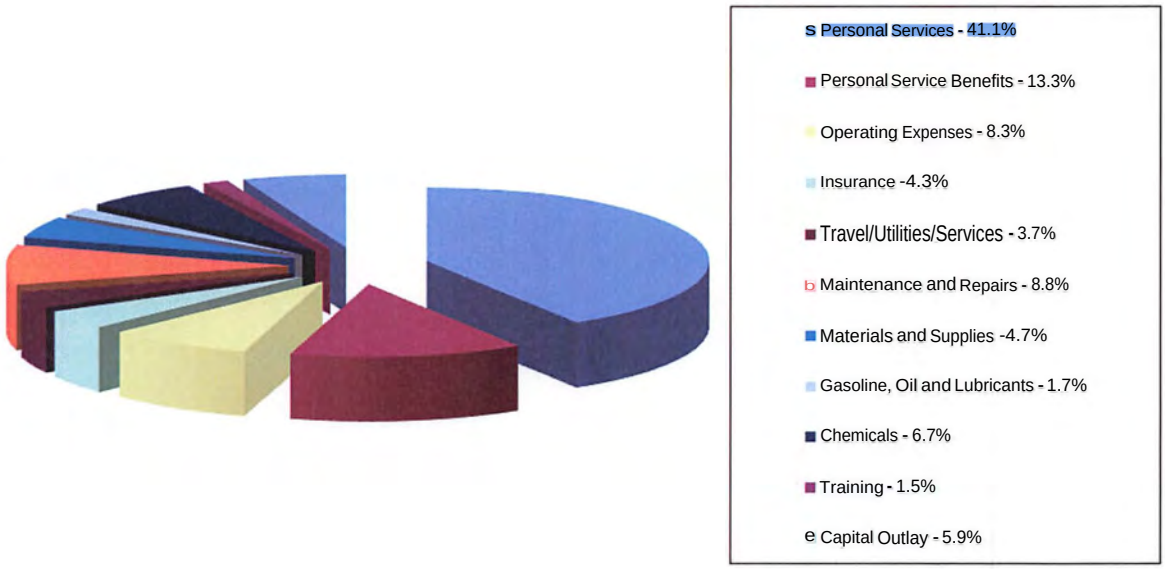
Condensed Statement of Changes in Net Position for the Fiscal Year Ended September 30,

	2022	2021
General Revenues:		
Property Taxes	$ 2,507,039	$ 2,129,457
Interest Income	16,523	2,880
Other	19,900	11,420
Total General Revenues	2,543,462	2,143,757
Expenses - Mosquito Control		
Personal Services	801,320	717,801
Personal Service Benefits	282,827	189,379
Operating Expenses	794,915	982,475
Depreciation Expense	310,912	294,316
Total Expenses	2,189,974	2,183,971
Change in Net Position	353,488	(40,214)
Beginning Net Position	4,026,892	4,067,106
Ending Net Position	$ 4,380,380	$ 4,026,892

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

As of September 30, 2022, the District's cash and investments totaled $1,801,381, representing 29% of total assets. Current cash and investments exceeded total current liabilities by $2,283,572. Total current assets exceeded total liabilities by $453,429. Net position on September 30, 2022 was $4,380,380 an increase of $353,488 over the preceding year.

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

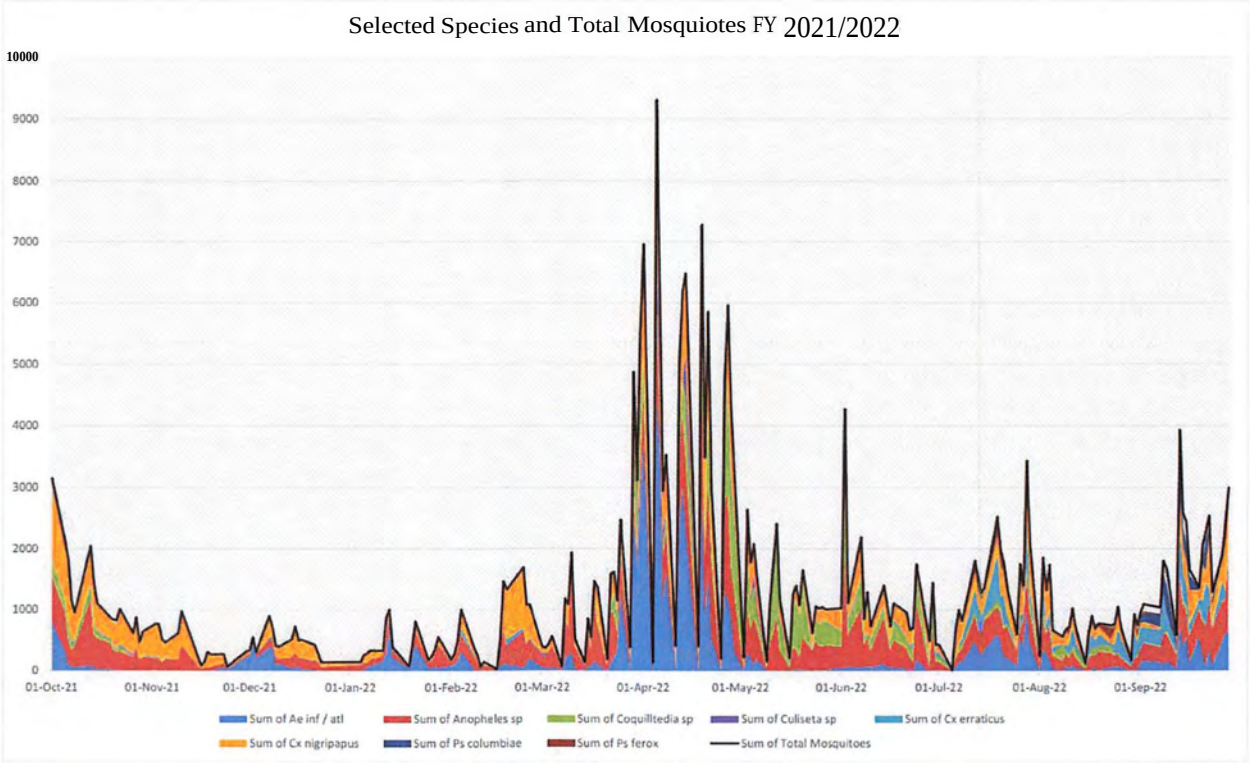


An Analysis of the District's overall Financial Position and Results of Operations (continued)

Summary of Operations'.

- The Board of Commissioners adopted a millage rate of .2575 for the 2021/2022 fiscal year, which exceeded the rolled back millage rate by 14.04%.

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



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

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

The governmental funds for the District are the General Fund and the Capital Project Fund. Fund balance (as presented on the balance sheet on page 11) increased by $380,501 for the general fund and $203,310 for the capital projects fund, for the year ended September 30, 2022.

The District collected $2,507,039 in property taxes and all revenues totaled $2,543,462. Expenditures totaled $1,959,651 and were exceeded by revenues by $583,811.

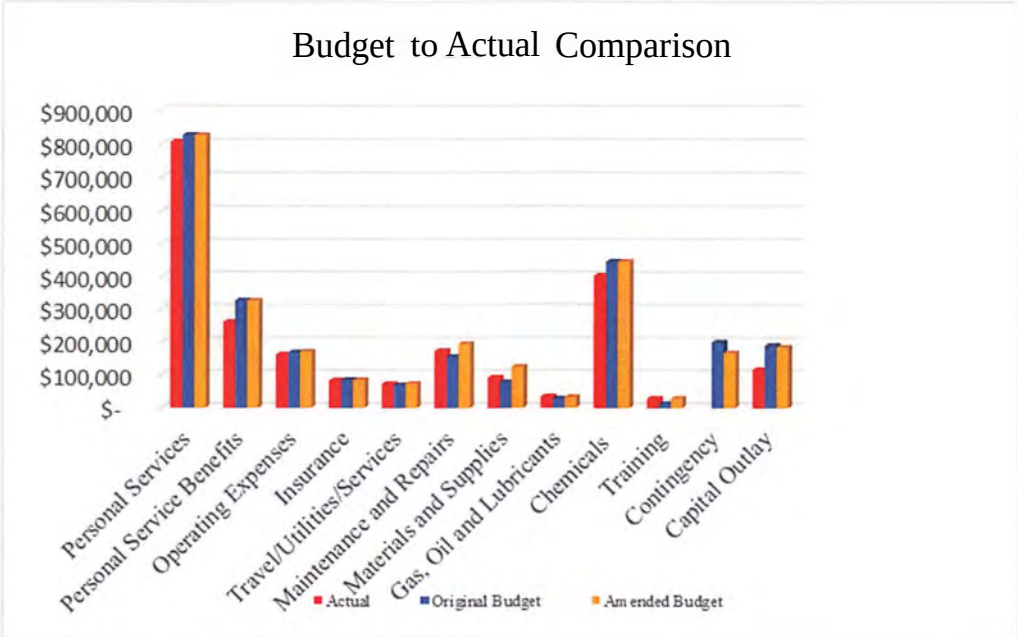
An Analysis of Significant Variations in the Budget

The District's budget is shown on the Statement of Revenue, Expenditures and Changes in Fund Balance-Budget (Budgetary Basis) and Actual-General Fund (page 30). There were significant variations between the final budget amounts and actual budget results. The following is a summary of the significant variations and reasons for the variations:

Personal Service Benefits
Actual expenditures were $65,138 under budget. The District anticipated that these expenditures would increase, especially with the continually increasing costs of health insurance and rising FRS Employer contribution rates.

Materials and Supplies
Actual expenditures were $33,185 under budget. After it was amended with an increase of $47,140. Anticipated purchases were not made.

Chemicals
Actual expenditures were $43,066 under budget after budget amendments, as the aerial program wasn't operating the entire year. Chemical Inventory increased.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of September 30, 2022 reflect a total investment of $2,637,125, net of accumulated depreciation. Capital outlays during the fiscal year consisted of the following purchases:

▪ Two Trucks	$ 70,724
▪ Hydraulic Pump	$ 10,945
▪ Guardian 190G-4& Monitor	$ 15,720
▪ Modular Work Stand	$ 6,425
▪ Turtle Sculpture	$ 5,638
▪ BG Counter	$ 4,198
▪ Band Saw	$ 2,098

Leased Capital Assets

The District implemented *GASB 87 Leases* this fiscal year. The District leases the land on which it's facility is constructed from Flagler County. The land is capitalized and a liability is recognized for the present value of the future lease payments. The amortization of the leased land asset is recorded at the rate the liability is being reduced. See Note 10.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

The District's principal source of income is property tax revenue generated from property assessments within the District. Property taxes provided 98% of the District's total revenue. Taxable Value of the District in 2022 was $11.8 billion, a $1,739,630,000 increase over 2021. As a result, the millage rate is .2575 per thousand of taxable value, which is 14.04% over the rolled back rate.

Expectations are that property values will continue to increase. The Board enters the 2023 year with budgeted tax revenues that are 40.4% higher than 2022 actual in an effort to accumulate additional funds to purchase a helicopter.

REQUEST FOR INFORMATION

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

Basic Financial Statements

Government-wide Financial Statements

East Flagler Mosquito Control District

Statement of Net Position
September 30, 2022

		Governmental Activities
ASSETS		
Current Assets:		
Cash and Cash Equivalents		$ 245,573
Investments - SBA		1,555,808
Due from Other Governments		22,747
Prepaid Expenses		119,194
Inventory		427,300
Total Current Assets		2,370,622
Capital Assets:		
Land		31,150
Buildings and Improvements	$ 2,293,662	
Less: Accumulated Depreciation	(401,343)	1,892,319
Vehicles and Equipment	2,557,341	
Less: Accumulated Depreciation	(1,843,685)	713,656
Total Capital Assets		2,637,125
Leased Capital Assets		
Leased Land		1,145,590
Less: Accumulated Amortization		(40,665)
Total Leased Capital Assets Assets		1,104,925
Total Assets		6,112,672
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pensions		240,451
Total Deferred Outflows of Resources		240,451
LIABILITIES		
Current Liabilities:		
Accounts Payable		$ 25,940
Accrued Payroll & Benefits		50,780
Land Lease - Current Portion		10,330
Total Current Liabilities		87,050
Noncurrent Liabilities less Current Portion:		
Compensated Absences		50,000
Net Pension Liability		685,548
Land Lease		1,094,595
Total Noncurrent Liabilities		1,830,143
Total Liabilities		1,917,193
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pensions		55,550
Total Deferred Inflows of Resources		55,550
NET POSITION		
Net Investment in Capital Assets		2,637,125
Unrestricted		1,743,255
Total Net Position		$ 4,380,380

See accompanying notes to financial statements.

East Flagler Mosquito Control District

Statement of Activities

Year Ended September 30, 2022

	General Fund	Capital Projects	Total Governmental Funds
Human Services - Mosquito Control:			
Personal Services	$ 801,320	$ -	$ 801,320
Personal Service Benefits	282,827		282,827
Operating Expenses	162,061		162,061
Insurance	83,371		83,371
Travel/Utilities/Services	59,908		59,908
Maintenance and Repairs	173,141		173,141
Materials and Supplies	92,114		92,114
Gasoline, Oil and Lubricants	33,625		33,625
Chemicals and Solvents	130,707		130,707
Training	28,596		28,596
Interest Expense Land Lease	22,199		22,199
Amortization Leased Land	9,193		9,193
Depreciation	310,912		310,912
Total Program Expenses	2,189,974		2,189,974
General Revenues:			
Property Taxes	2,507,039		2,507,039
Interest Income	13,213	3,310	16,523
Gain on Disposition of Assets	1,046		1,046
Other	18,854		18,854
Total General Revenues	2,540,152	3,310	2,543,462
Increase in Net Position	350,178	3,310	353,488
Net Position Beginning of Year	3,826,827	200,065	4,026,892
Transfers	(200,000)	200,000	
Net Position End of Year	$ 3,977,005	$ 403,375	$ 4,380,380

See accompanying notes to financial statements.

Fund Financial Statements

East Flagler Mosquito Control District

Balance Sheet
Governmental Funds
September 30, 2022

	General Fund	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 245,573		$ 245,573
Investments - SBA	1,152,433	403,375	1,555,808
Due from Other Governments	22,747		22,747
Prepaid Expenses	119,194		119,194
Inventory	427,300		427,300
Total Assets	$ 1,967,247	$ 403,375	$ 2,370,622
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 25,940		$ 25,940
Accrued Payroll & Benefits	50,780		50,780
Total Liabilities	76,720	-	76,720
Fund Balances:			
Nonspendable - Inventory & Prepaids	546,494		546,494
Committed for Future Capital Outlay		403,375	403,375
Assigned for Future Capital Outlay/Contingencies	1,035,390		1,035,390
Unassigned	308,643		308,643
Total Fund Balances	1,890,527	403,375	2,293,902
Total Liabilities and Fund Balances	$ 1,967,247	$ 403,375	$ 2,370,622

See accompanying notes to financial statements.

East Flagler Mosquito Control District

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
September 30, 2022

Total Fund Balances-Governmental Fund			$ 2,293,902
Amounts reported in the Statement of Net Assets are different because of the following:			
1. Capital assets used in governmental activities are not financial resources and therefore not reported in the fund as assets:			
	Land		31,150
	Buildings & improvements	$ 2,293,662	
	Less: accumulated depreciation	(401,343)	1,892,319
	Equipment	2,557,341	
	Less: accumulated depreciation	(1,843,685)	713,656
	Leased Land	1,019,793	
	Less: accumulated amortization	(28,478)	991,315
2 Compensated Absences not due and payable in the fund			(50,000)
3 Deferred Outflows/Inflows related to Pensions			184,901
4 Net Pension Liability not due and payable in the fund			(685,548)
5 Land Lease not due and payable in the fund			(991,315)
Net Position of Governmental Activities			$ 4,380,380

See accompanying notes to financial statements.

East Flagler Mosquito Control District

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund - General Fund
Year Ended September 30, 2022

	General Fund	Capital Projects	Total Governmental Funds
Revenues:			
Property Taxes	$ 2,507,039	$	$ 2,507,039
Interest Income	13,213	3,310	16,523
Proceeds From Sale of Assets	1,046		1,046
Other	18,854		18,854
Total Revenues	2,540,152	3,310	2,543,462
Expenditures:			
Personal Services	806,320		806,320
Personal Service Benefits	261,110		261,110
Operating Expenses	162,061		162,061
Insurance	83,371		83,371
Travel/Utilities/Services	59,908		59,908
Maintenance and Repairs	173,141		173,141
Materials and Supplies	92,114		92,114
Gasoline, Oil and Lubricants	33,625		33,625
Chemicals	130,707		130,707
Training	28,596		28,596
Lease Payments	12,137		12,137
Capital Outlay	116,561		116,561
Total Expenditures	1,959,651	-	1,959,651
Excess of Revenues Over Expenditures - Net Change in Fund Balance	580,501	3,310	583,811
Interfund Transfers	(200,000)	200,000	
Fund Balance Beginning of Year	1,510,026	200,065	1,710,091
Fund Balance End of Year	$ 1,890,527	$ 403,375	$ 2,293,902

See accompanying notes to financial statements.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund - General Fund with the Statement of Activities
September 30, 2022

Decrease in Net Position - Statement of Activities			$ 353,488
Net Change in Fund Balance - General Fund			583,811
Difference			$ (230,323)
A reconciliation of the difference is as follows:			
1. Governmental Fund (General Fund) reports capital outlays as expenditures. The Statement of Activities reports capital outlays as assets subject to depreciation over their estimated useful lives and recognizes depreciation expense:			
Capital Outlay	$ 116,561		
Depreciation Expense	(310,912)	$	(194,351)
2. Adjustment for Disposition of Assets			
3. Some expenses reported on the Statement of Activities are not fund expenditures normally liquidated with current financial resources:			
Compensated Absences Payable			5,000
Additional Rent Recognized This Year			(19,255)
4. Employers share of pension expense-measurement period			(41,244)
5. Deferred Outflows for Pensions Subsequent to measurement date			19,527
Difference reconciled		$	(230,323)

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

East Flagler Mosquito Control District, (herein after referred to as "The District"), was created, as an "Independent Special District" on July 21, 1952, in accordance with Chapter 388, Florida Statutes. Pursuant to the results of a special election, the Board of County Commissioners of Flagler County, Florida, ORDERED the creation of the District at a special meeting held on July 21, 1952. East Flagler Mosquito Control District was created to achieve and maintain such levels of arthropod control, as well as protect human health and safety, and foster the quality of life of the people, promote the economic development of the state, and facilitate the enjoyment of its natural attractions by reducing the number of pestiferous and disease-carrying arthropods.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below:

A. Reporting Entity

The financial statements of the District consist only of the statement of East Flagler Mosquito Control District. The District has no oversight responsibilities for any other governmental entity since no other entities are controlled by or dependent upon the District. The District is a special-purpose independent governmental agency engaged in a single governmental program – mosquito control.

B. Basis of Accounting/Measurement Focus

In Accordance with Governmental Accounting Standards Board (GASB) *Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both the government-wide and fund financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements consist of the Statement of Net Position and the Statement of Activities. Government-wide financial statements report information about the District as a whole similar to information for a private-sector business. The Statement of Net Position presents assets and liabilities with the net difference reported as net position. The net position reflects the financial position of the District as of the last day of the fiscal year. The Statement of Activities reports expenses and supporting sources of revenue during the fiscal year. This statement is similar to a statement of profit or loss in the private sector.

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to information reported for a private-sector business. Accordingly, all the District's assets & liabilities, including depreciable capital assets, are included in the Statement of Net Position. The Statement of Activities presents changes in net position during the fiscal year. Since the District is a special purpose independent governmental agency engaged in a single governmental program – mosquito control – the expenses shown on the Statement of Activities are for that function alone.

Under the accrual basis of accounting, revenues are recorded when earned. Expenses are recognized when incurred.

Governmental Fund Financial Statements

Fund financial statements are provided for governmental funds.

The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are those through which most governmental functions of the District are financed. The acquisition use and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental fund types. The measurement focus is upon determination of changes in financial position, rather than upon income determination. The following are the District's governmental fund types:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources.

Capital Projects Fund -The Capital Projects Fund was created in 2022 to account for financial resources being accumulated to replace the helicopter when needed.

All governmental funds are accounted for on a "spending" or "current financial resources" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported undesignated fund balance (net current assets) is considered a measure of "available spendable or appropriable resources." Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Instead, they are reported as liabilities in the Statement of Activities. Capital assets are recorded as expenditures in the General Fund. In the Statement of Activities, they are reported as assets subject to depreciation.

The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are available if collected within sixty days of year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated vacation and sick leave pay which are not accrued, but rather reflected in the General Long-Term Debt Account Group.

A reconciliation is provided, which lists the differences between the net position presented in the Government-wide Financial Statements and the net position presented in the Governmental Fund Financial Statements.

C. Budget Policy and Control

The District follows these procedures in establishing the budgetaiy data reflected in the financial statements:

- A Detailed Work Plan Budget (using DACS format) for the District is presented to the Board of Commissioners for their review and approval.
- The Annual Certified Budget (using DACS format) is due to the Board of Commissioners, no later than September 30th of each year for approval.
- Prior to October 1st the budget is legally enacted through passage of a resolution.
- Budget amendments are approved by the Board of Commissioners. During the fiscal year, there were six budget amendments; one to adjust DACS fund balance to the audited financial statements and others to cover shortfalls where they may have occurred, i.e. training, travel related to trainings, salaries, and items for surveillance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The budgeted revenue and expenditures shown in these financial statements includes all budget amendments approved by the District's Board of Commissioners.
- The level of classification detail at which expenditures may not legally exceed appropriations is within budgetary accounts by fund.
- Appropriations lapse at the end of each year. An appropriation for capital or other programs shall be re-budgeted on an annual basis until the purpose for which it was made has been accomplished or abandoned.
- The budget for the General Fund that was either adopted or amended during the year by the Board of Commissioners and was prepared on the same basis of accounting as used for financial reporting purposes, with the exception of inventory & other immaterial items. Under the budgetary basis, the District accounts for inventory of chemicals and fuels by the purchase method, whereby these items are recorded as expenditures when purchased.

D. Assets, Liabilities, Deferred Inflows, Deferred Outflows and Net Position

Cash and cash equivalents

Cash and cash equivalents are cash held in demand deposits at local banks.

Investments

Investments consist of excess funds deposited with the State Board of Administration in the Florida PRIME Fund. The Florida PRIME is an external investment pool that meets all of the necessary criteria to measure all of the investments in the Florida PRIME at amortized cost.

Due from other governments

Due from other governments represents amounts due from state and local governmental entities.

Inventory

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

Capital Assets

In the Government-wide Financial Statements, capital assets include land, buildings, building improvements, and equipment. According to the District's capitalization policy, capital assets are capitalized and depreciated if they have a life of more than one year and cost $1,000 or more. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the Government-wide Financial Statements, depreciation is recorded on capital assets using the straight-line method and the following useful lives:

Buildings	20-40 years
Building improvements	10-40 years
Equipment	5-20 years

Fixed assets purchased in the governmental fund are recorded as expenditures at the time of purchase.

Long Term Debt

In the Government-wide Financial Statements outstanding debt is reported as a liability. The governmental fund financial statements recognize loan proceeds as other financing sources.

Compensated Absences

A liability for unused vacation and sick time for employees is calculated and reported in the Government-wide Financial Statements. A liability for unused sick leave is accrued only to the extent that the leave will result in cash payments upon termination. A liability for these amounts is reported in governmental funds only if they have matured, due to employee retirement or resignation.

Fund Equity

Beginning with the fiscal year 2012, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that are not in spendable form (such as prepaid expenses and advances due from other funds) or are required to be maintained intact.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Commissioners or as delegated to the District Director by the Board.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Such fund balance classifications are established to demonstrate the current unavailability for certain assets to pay current expenditures and budgetary fund segregation for future planning and contingencies. The following is a description of the nonspendable, committed and assigned fund balances used by the District:

Nonspendable – inventory & prepaids – Amounts set aside for chemical and fuel inventories and prepaids.

Committed for future capital outlay – Amounts set aside to replace the helicopter when needed.

Assigned for future capital outlay/contingencies – Amounts assigned for future capital outlay, payment of annual/sick leave, and contingencies.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers unrestricted funds to have been spent first. When an expenditure is incurred for which assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of unassigned funds, and then assigned funds, as needed, unless the Board has provided otherwise in its assignment actions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources/Deferred Inflows of Resources

In addition to assets and liabilities, the District reports the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until that applicable time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that applicable time.

The District reports one item that qualifies as deferred outflows of resources on its government-wide statement of net-position, deferred outflows for pensions. The deferred outflows for pensions is an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.* The deferred outflows for pensions will be recognized as pension expense or a reduction of the net pension liability in future reporting years.

The District reports one item that qualifies as deferred inflows of resources on its government-wide statement of net position, deferred inflows for pensions. The deferred inflows for pensions is an aggregate of items related to pensions as calculated under the same principles as deferred outflows for pensions and will be recognized as a reduction to pension expense in future reporting years.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain assets, liabilities, revenues, expenditures, deferred outflows, deferred inflows and note disclosures. Actual results could differ from those estimates.

NOTE 2 – PROPERTY TAXES

All real and tangible personal property taxes are due and payable November 1st of each year, or as soon thereafter as the assessment roll is certified by the Flagler County Property Appraiser (levy date). Flagler County mails a notice of the taxes due to each property owner on the assessment roll. The County collects the taxes for the District. Unpaid real and tangible personal property taxes due November 1st become delinquent April 1st of the following year. Collection dates are from November 1st to June 1st of the following year. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November; three percent (3%) if paid in the month of December; two percent (2%) if paid in the month of January; and one percent (1%) if paid in the month of February.

Taxes paid during the month of March are without discount. On or before June 1st (lien date) of the year following the year in which taxes were assessed, tax certificates are sold on all real estate parcels with outstanding real property taxes.

The District makes an annual levy on property for general governmental services. Revenue recognized during this fiscal year amounted to $2,507,039.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried at cost. Demand deposits and money market accounts are insured by federal depository insurance up to $250,000 of the aggregate account balances. Amounts in excess of $250,000 are fully insured by U.S. Government securities held in the Public Deposit Security Trust Fund (Pool) maintained and monitored by the Treasurer of the State of Florida. The Pool provides for additional assessments to members of the pool to ensure that there will be no loss of public funds. At September 30, 2022, the carrying amount of the District's demand deposits was $245,573, and the respective bank balances totaled $279,758.

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

State statutes govern the District's investment policies. The District is authorized by its Commission and Florida Statutes to invest available funds in the Local Government Surplus Trust Funds. The District invests excess cash in the SBA as described in Note 1. The SBA has established the Florida Prime, whereby participants own a share of the pool and not the underlying securities.

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

The Florida Prime (formerly known as Pool A or Fund A) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in the Florida PRIME at amortized cost. Therefore, the District's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool's shares. The Florida Prime is currently rated AAAm. The weighted average days to maturity (WAM) at September 30, 2022, is 21 days and the weighted average life is 72 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

The Florida PRIME did not participate in a securities lending program in the year ended September 30, 2022, nor was it exposed to any foreign currency risk. The SBA provides separate financial statements for the Florida PRIME (unaudited) as of and for the fiscal year ended June 30th1 which can be obtained at www.sbafla.com/prime/home.aspx. It does not issue financial statements for the period ending September 30th.

At September 30, 2022, there were no redemption fees or maximum transfer amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account balance. With regard to liquidity fees, the SBA has the authority to impose penalties for early withdrawal but has not made any required disclosures relating to these fees. The SBA also has the authority to limit contributions or withdrawals for up to 48 hours in the event of an occurrence or event that has a material impact on the liquidity of the Florida PRIME. No such limitation took place during the year ended September 30, 2022.

On September 30, 2022, the District had $1,555,808 invested in the Florida Prime with no liquidity restrictions.

NOTE 4 – DUE FROM OTHER GOVERNMENTS

As of September 30, 2022, the District had receivables due from other governmental entities in the amount of $22,747 for excess fees, delinquent taxes, and services to West Flagler County.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 31,150	$	$	$ 31,150
Depreciable Assets:				
Buildings & Improvements	2,293,662			2,293,662
Vehicles & Equipment	2,457,104	116,561	(16,324)	2,557,341
Total Depreciable Assets	4,750,766	116,561	(16,324)	4,851,003
Accumulated Depreciation:				
Buildings & Improvements	(324,888)	(76,455)		(401,343)
Vehicles & Equipment	(1,625,552)	(234,457)	16,324	(1,843,685)
Total Accumulated Depreciation	(1,950,440)	(310,912)	16,324	(2,245,028)
Capital Assets, net	$ 2,831,476	$ (194,351)	$ 0	$ 2,637,125

NOTE 5 – CAPITAL ASSETS (continued)

Current period depreciation expense charged to the Statement of Activities amounted to $310,912.

NOTE 6 – LONG-TERM LIABILITIES

During the year ended September 30, 2022 the following changes occurred in the District's long-term liabilities:

		Compensated Absences
Balance September 30, 2021	$	55,000
Increases		87,000
(Decreases)		(92,000)
Balance September 30, 2022	$	50,000
Portion of long-term liabilities due in one year	$	0

NOTE 7 - PENSION PLAN

Florida Retirement System and Health Insurance Subsidy

In accordance with Florida law, the District participates in the Florida Retirement System (FRS), a cost-sharing, multiple¬ employer defined benefit public employee retirement system. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The FRS was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan (INV).

The FRS and HIS (Health Insurance Subsidy Program) are administered by the Florida Department of Management Services, Division of Retirement. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code. The Florida legislature has the authority to establish and amend retirement legislation and related bills of significance to members of the FRS and HIS plans (including benefit terms and contribution rates). Passed bills are presented to the Governor of Florida and approved before they may be enacted into law.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from their website: www.dms.myflorida.com/workforce_operations/retirement/publications.

All permanent full-time, regular part-time employees and seasonal positions are eligible to participate in the plan. The retirement age and other retirement benefits & options are stated in the Summary Plan Description issued by the FRS.

Contributions

The funding methods and the determination of benefits payable are provided in various acts of the State Legislature. These acts provided that employers, such as the District, were required to contribute 10.82% from October 1, 2021 to June 30, 2022 and 11.91% from July 1, 2022 to September 30, 2022 for regular employees;51.42% from October 1, 2021 to June 30, 2022 and 57.00% from July 1, 2022 to September 30, 2022 for elected officials; 18.34% from October 1, 2021 to June 30, 2022 and 18.60% from July 1, 2022 to September 30, 2022 for employees under the DROP Program. The District's contributions include 1.66% for a post-retirement health insurance subsidy for October 1, 2021 to September 30, 2022.

NOTE 7 - PENSION PLAN (continued)

As of July 1, 2011, employees are required to contribute 3% to the Florida Retirement System, except for those participating in the DROP Program and retirees.

The District contributed the following amounts for those employees covered under the Florida Retirement System and Health Insurance Subsidy:

Year Ended September 30,	District's Contribution	Percent of Covered Payroll
2022	$ 87,743	11.92%
2021	$ 71,425	11.35%
2020	$ 56,554	10.90%
2019	$ 49,867	9.19%
2018	$ 44,327	9.19%

The payroll for the District's employees covered by the plan for the year ended September 30, 2022 was $736,122; the District's total payroll was $806,320 and employee contributions totaled $22,084.

Actuarial Methods and Assumption

Actuarial assumptions for both the FRS and HIS are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually and the HIS has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The actuarial assumptions that determined the total pension liability as of June 30, 2022 were based on the results of an actuarial experience study completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for the FRS and HIS was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans, including inflation, is assumed at 3.25% Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on Generational RP-2000 with projection scale BB tables. Both the discount rate and long-term expected rate of return used for FRS investments is 6.70%. The 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. The long-term expected rate of return changed from 6.7% to 6.80%. Because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine its total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Index). As of June 30, 2022, the municipal rate used by HIS increased from 2.16% to 3.54%.

NOTE 7 - PENSION PLAN (continued)

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

Asset Class	Target Allocation'	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Assumed Inflation - Mean			2.4%	1.3%

1 - As outlined in the FRS Pension Plan's investment policy.

Changes in Net Pension Liability

	FRS	HIS
Balance, Beginning	$ 93,308	$ 207,801
Change in Proportion	4,456	26,611
Changes for the Year:		
Effect of Economic/Demographic	6,669	(1,459)
Effect of Assumption Changes	(5,083)	(28,059)
Employer Contributions	(54,722)	(11,906)
Member Contributions		
Net Investment Income	357,036	86
Employer Share of Expenses	75,487	15,325
Balance, Ending	$ 477,150	$ 208,398

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70%-FRS and 3.54%-HIS, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%-FRS; 2.54%-HIS) or one percentage point higher (7.70%-FRS; 4.54%-HIS) than the current rate:

	1% Decrease (5,7%/2.54%)	Current Discount Rate (6,7%/3.54%)	1% Increase (7.7%/4.54%)
District's net pension liability —FRS	$ 825,198	$477,150	$ 186,140
District's net pension liability - HIS	$ 238,425	$ 208,398	$ 188,552

Net Pension Liability, Deferred Outflows/Inflows of Resources, and Pension Expense

1. Proportionate Share of FRS and HIS Plans
The District's proportionate share of the net pension liability calculated using accrued retirement contributions June 30, 2013, through June 30, 2022 and the required contributions for the division.

The following table presents information of the District's proportionate share of the FRS and HIS based-on information provided by the Florida Division of Retirement:

	FRS	HIS	Total
Proportionate Share of Net Pension Liability at June 30, 2022	$477,150	$208,398	$685,548
Proportion at June 30, 2022	0.001282384%	0.001967580%	
Proportion at June 30, 2021	0.001235235%	0.001694049%	
Change in proportion during current year	0.000047149%	0.000273531%	

At September 30, 2022, the District reported a net pension liability of $685,548 for its proportionate share of the collective net pension liability of the FRS and HIS.

NOTE 7 - PENSION PLAN (continued)

2. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the District recognized pension expense of $32,641 related to the FRS and $551 related to the HIS.' At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows and (Inflows)	FRS	HIS	Total
Differences between expected and actual experience	$ 22,662	$ 6,325	$ 28,987
Differences between expected and actual experience	-	(917)	(917)
Changes in assumptions	58,763	11,946	70,709
Changes in assumptions		(32,239)	(32,239)
Net Differences projected and actual investment earnings	31,506	302	31,808
Changes in District proportion	53,284	36,136	89,420
Changes in District proportion	(8,271)	(14,123)	(22,394)
Contributions subsequent to measurement date	16,349	3,178	19,527
Total Deferred Outflows	$ 182,564	$ 57,887	$ 240,451
Total Deferred Inflows	$ (8,271)	$ (47,279)	$ (55,550)

Deferred outflows of resources of $16,349 for FRS and $3,178 for HIS are reported by the District for employer contributions after the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year ended September 30:	FRS	HIS
2023	$ 38,196	$ 1,779
2024	14,413	960
2025	(12,899)	439
2026	112,232	971
2027	6,001	2,254
Thereafter		1,027

NOTE 8 – DEFERRED COMPENSATION AND ROTH PLANS

The District offers its full-time employees a Deferred Compensation Plan and a Roth Plan created in accordance with Internal Revenue Code Section 457. The Deferred Compensation Plan allows employees to defer a portion of their salary until future years, whereas the Roth Plan does not. Funds are not available to employees until termination, retirement, or death, but they do have a loan option available, with a maximum amount being the lesser of 50% of their vested account balance or $50,000, which must be paid back within 5 years.

As of September 30, 2022, plan assets equaled $409,865 and the amount due to employees equaled $409,865. Funds are held by a third-party administrator and therefore, the assets and any related liabilities are not reflected in these financial statements.

NOTE 9 – ECONOMIC DEPENDENCY

The District is dependent on real and personal property taxes levied on Flagler County residents, within the District, to support its operational costs. A significant portion of the District's available assets are invested in the Local Government Surplus Trust Funds.

NOTE 10 – PROPERTY LEASE OBLIGATION

On July 7, 2014, the District entered into a lease agreement with the Flagler County Airport to rent the land on which the operational facility is located. Under the terms of the lease the District rents the property for a period of thirty years with two 5 year extensions after that. The current rental rate is $2,615.97 a month, due on the first day of the month. The rental rate is adjusted annually on October 1st, based on the change in the Consumer Price Index-All Products, as published by the United States Department of Labor, Bureau of Labor Statistics. The District negotiated with the Flagler County Airport and received a reduction in monthly rental payments in exchange for the hangar constructed by the District at the airport for the first 60 months.

The annual future land lease payments based on a 2% annual increase in the Consumer Price Index and a 2% rate of interest for the remainder of the lease would be as follows:

For the year Ended September 30	Future Land Lease Payments	Future Interest Payments	Total Payments
2023	$ 10,330	$ 22,004	$ 32,334
2024	11,190	21,780	32,970
2025	12,082	21,558	33,640
2026	13,005	21,308	34,313
2027	13,960	21,039	34,999
2028-2032	85,318	100,459	185,777
2033-2037	114,586	90,528	205,114
2038-2042	149,491	77,421	226,912
2043-2047	189,443	60,583	250,026
2048-2052	236,681	39,376	276,057
2053-2057	268,839	13,124	13,124
	$ 1,104,925	$ 489,180	$ 1,325,266

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District continues to carry commercial insurance for all risks of loss, including workers' compensation, employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditors' report.

NOTE 14 – NEW ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) issued several pronouncements that are effective for these financial statements. These are:

GASB Statement 87 – Leases
GASB Statement 89 – Capitalization of Interest
GASB Statement 92 – Omnibus
GASB Statement 93 – Replacement of Interbank Offered Rates
GASB Statement 97 – Certain Component Unit Criteria and Section 457 Plans
GASB Statement 98 – The Annual Comprehension Financial Report

Management implemented GASB Statement 87 – Leases during the year and ascertained that the rest the professional pronouncements effective for this year had no discernable impact on the District.

Required Supplementary Information

East Flagler Mosquito Control District

Schedule of the District's Proportionate Share of Net Pension Liability
Florida Retirement System
Last Eight Fiscal Years
Year Ended September 30, 2022

Required Supplementary Information

	2022	2021	2020	2019	2018
District's proportion of the net pension liability (asset)	0.001282384%	0.001235235%	0.001054393%	0.001013757%	0.001001608%
District's proportionate share of the net pension liability (asset)	$ 477,150	$ 93,308	$ 456,989	$ 349,124	$ 301,690
District's covered-employee payroll	$ 736,122	$ 629,332	$ 560,477	$ 573,388	$ 482,797
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	64.82%	14.83%	81.54%	60.89%	62.49%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%

	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.001210081%	0.001224428%	0.001198044%	0.001086982%
District's proportionate share of the net pension liability (asset)	$ 357,935	$ 309,169	$ 154,743	$ 66,322
District's covered-employee payroll	$ 641,595	$ 624,807	$ 523,220	$ 492,045
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	55.79%	49.48%	29.58%	13.48%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%

Notes to Schedule

The amounts presented for each fiscal year were determined as of 6/30.
Information relating to this schedule is not available for prior years.

East Flagler Mosquito Control District

Schedule of District Contributions
Florida Retirement System
Last Eight Fiscal Years
Year Ended September 30, 2022

Required Supplementary Information

	2022	2021	2020	2019	2018
Contractually required contribution	$ 75,523	$ 60,978	$ 47,240	$ 40,349	$ 36,313
Contributions in relation to the contractually required contribution	$ (75,523)	$ (60,978)	$ (47,240)	$ (40,349)	$ (36,313)
Contribution defiiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 736,122	$ 629,332	$ 560,477	$ 573,388	$ 482,797
Contributions as a percentage of its covered-employee payroll	10.26%	9.69%	8.43%	7.04%	7.52%

Contractually required contribution	2017	2016	2015	2014
Contributions in relation to the contractually required contribution	$ 43,081	$ 42,532	$ 38,631	$ 32,756
Contribution defiiency (excess)	$ (43,081)	$ (42,532)	$ (38,631)	$ (32,756)
District's covered-employee payroll	J= -	J= -	J= -	X -
Contributions as a percentage of its covered-employee payroll	$ 636,085	$ 661,374	$ 551,081	$ 490,462
	6.77%	6.43%	7.01%	6.68%

Notes to Schedule

The amounts presented for each fiscal year were determined as of 9/30.
Information relating to this schedule is not available for prior years.

East Flagler Mosquito Control District

Schedule of the District's Proportionate Share of Net Pension Liability
Health Insurance Sudsidy Program
Last Eight Fiscal Years
Year Ended September 30, 2022

Required Supplementary Information

	2022	2021	2020	2019	2018
District's proportion of the net pension liability (asset)	0.001967580%	0.001694049%	0.001605964%	0.001567956%	0.001579128%
District's proportionate share of the net pension liability (asset)	$ 208,398	$ 207,801	$ 196,086	$ 175,439	$ 167,137
District's covered-employee payroll	$ 736,122	$ 629,332	$ 560,477	$ 573,388	$ 482,797
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.31%	33.02%	34.99%	30.60%	34.62%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%

	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.002012873%	0.002023962%	0.001734493%	0.001645061%
District's proportionate share of the net pension liability (asset)	$ 215,226	$ 235,884	$ 176,891	$ 153,817
District's covered-employee payroll	$ 641,595	$ 624,807	$ 523,210	$ 492,045
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.55%	37.75%	33.81%	31.26%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%

Notes to Schedule

The amounts presented for each fiscal year were determined as of 6/30.
Information relating to this schedule is not available for prior years.

East Flagler Mosquito Control District

Schedule of District Contributions
Health Insurance Sudsidy Program
Last Eight Fiscal Years
Year Ended September 30, 2022

Required Supplementary Information

	2022	2021	2020	2019	2018
Contractually required contribution	$ 12,220	$ 10,447	$ 9,304	$ 9,518	$ 8,014
Contributions in relation to the contractually required contribution	$ (12,220)	$ (10,447)	$ (9,034)	$ (9,518)	$ (8,014)
Contribution defiiency (excess)	$ -	$ -	$ 270	$ 0	$ -
District's covered-employee payroll	$ 736,122	$ 629,332	$ 560,477	$ 573,388	$ 482,797
Contributions as a percentage of its covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%

	2017	2016	2015	2014
Contractually required contribution	$ 8,014	$ 10,979	$ 6,944	$ 5,885
Contributions in relation to the contractually required contribution	$ (8,014)	$ (10,979)	$ (6,944)	$ (5,885)
Contribution defiiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 482,797	$ 661,374	$ 551,081	$ 490,462
Contributions as a percentage of its covered-employee payroll	1.66%	1.66%	1.26%	1.20%

Notes to Schedule

The amounts presented for each fiscal year were determined as of 9/30,
Information relating to this schedule is not available for prior years.

East Flagler Mosquito Control District

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Budgetary Basis) and Actual - General Fund
Year Ended September 30, 2021

Required Supplementary Information

	Budgeted Amounts			Variance Over\
	Original	Final	Actual	(Under)
Revenues:				
Property Taxes	$ 2,494,998	$ 2,506,021	$ 2,507,039	$ 1,018
Interest Income	2,500	7,433	13,213	5,780
Gain on Disposition of Assets	5,000	5,000	1,046	(3,954)
Other	3,000	27,090	18,854	(8,236)
Total Revenues	2,505,498	2,545,544	2,540,152	(5,392)
Expenditures:				
Personal Services	826,344	826,344	806,320	(20,024)
Personal Service Benefits	326,248	326,248	261,110	(65,138)
Operating Expenses	168,378	171,378	162,061	(9,317)
Insurance	85,000	85,000	83,371	(1,629)
Travel/Utilities/Services	68,648	73,555	72,045	(1,510)
Maintenance and Repairs	155,600	195,600	173,141	(22,459)
Materials and Supplies	78,159	125,299	92,114	(33,185)
Gas, Oil and Lubricants	27,550	33,050	33,625	575
Chemicals	445,590	445,590	402,524	(43,066)
Training	12,700	29,010	28,596	(414)
Contingency	200,000	167,421		(167,421)
Capital Outlay	189,500	184,484	116,561	(67,923)
Total Expenditures	2,583,717	2,662,979	2,231,468	(431,511)
Excess (deficiency) of Revenues over Expenditures	(78,219)	(117,435)	308,684	-
Transfers to Capital Projects Fund	(201,781)	(201,781)	(200,000)	
Fund Balance Beginning of Year	1,106,529	1,152,826	1,510,026	-
Fund Balance End of Year	$ 826,529	$ 833,610	$ 1,618,710	-

** See Notes to Required Supplementary Information -
Note 1. - "Budgetary - GAAP Reporting Reconcilation"

See accompanying notes to financial statements.

East Flagler Mosquito Control District
Notes to Required Supplementary Information
For the Year Ended September 30, 2022

NOTE 1 – BUDGETARY-GAAP REPORTING RECONCILIATION

The Statement of Revenue, Expenditures, and Changes in Fund Balance-Budget (Budgetary Basis) and Actual-General Fund, as shown in the required supplementary information, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because the accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis, timing, perspective, and entity differences in the excess (deficiency) of revenue and other sources of financial resources over expenditures and other uses of financial resources for the year ended September 30, 2022 is presented below:

		General Fund
Excess of revenue over expenditures (budgetary basis)	$	308,684
Adjustments - Increase / (Decrease):		
To adjust expenditures for reserve for inventory		271,817
Excess of Revenue over Expenditures (GAAP Basis)	$	580,501

OTHER REPORTS

Lombardo
Spradley Klein
Certified Public Accountants

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

To the Honorable Board of Commissioners
East Flagler Mosquito Control District
Palm Coast, FL

We have audited, 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, the financial statements of the governmental activities of East Flagler Mosquito Control District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated May 8, 2023.

Internal Control over Financial Reporting

In planning and performing our audit, we considered East Flagler Mosquito Control District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. 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 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.

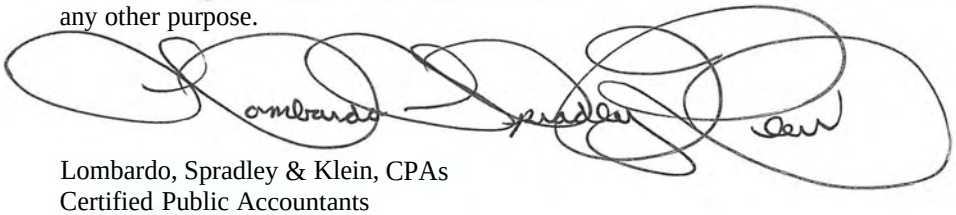
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weakness. However, as described in the accompanying management letter we did not identify any deficiencies in internal control that we consider to be a material weakness. Other material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Flagler Mosquito Control District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Flowever, 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 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 Districts' internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lombardo, Spradley & Klein, CPAs
Certified Public Accountants
Daytona Beach, Florida
May 8, 2023

Lombardo
Spradley Klein
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
FLORIDA STATUTES 218.415 - INVESTMENTS OF PUBLIC FUNDS

Board of Directors
East Flagler Mosquito Control District

We have examined East Flagler Mosquito Control District's (the District) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2022. 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 Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

In our opinion, the East Flagler Mosquito Control District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

This report is intended solely for the information and use of the Florida Auditor General, the Board of Directors of the East Flagler Mosquito Control District, and management, and is not intended to be and should not be used by anyone other than these specified parties.

Lombardo, Spradley & Klein, CPAs
May 8, 2023

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Lombardo" Spradley Klein

Certified Public Accountants

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

To the Honorable Board of Commissioners
East Flagler Mosquito Control District
Palm Coast, FL

Report on the Financial Statements

We have audited the financial statements of the governmental activities of East Flagler Mosquito Control District, as of and for the year ended September 30, 2022, and have issued our report thereon dated May 8, 2023.

Auditor's Responsibility

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 and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedules

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards.* Disclosures in that report dated May 8, 2023, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report.

Findings and Recommendations

None

Compliance

None

Other Comments

None

Status of Prior Year Findings – Significant Deficiencies

None

Other Matters Required By the Rules of the Auditor General

In accordance with the Rules of the Auditor General of the State of Florida, the following is noted:

Financial Condition and Management

Sections 10.224(l)(i)5.a. and 10.556(7) Rules of the Auditor General, require us to appropriate procedures and communicate results of our determination as to whether or not the District met one or more of the conditions described in Florida Statutes Section 218.503(1). In connection with our audit, we determined that the District did not meet any of the conditions described in Florida Statutes Section 218.503(1).

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

Section 10.554(l)(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 East Flagler Mosquito Control District reported:

a. The total Number of district employees compensated in the last pay period of the district's fiscal year as 14.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 2.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $801,320.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $40,335.
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 total expenditures for such project as $0
f. The 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 budget under Section 189.016(6) Florida Statutes, can be found on page 31 of the financial statements.

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

a. The mileage rate imposed by the district as .2575 mills.
b. The total amount of ad valorem taxes collected by or on behalf of the district as $ 2,507,039.
c. The district has no outstanding bonds.

Additional Matters

Section 10.554(l)(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 attention to 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, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Florida Department of Agriculture, management, and the Board of Commissioners, and is not intended to be and should not be used by anyone other than those specified parties.

Lombardo, Spradley & Klein, CPAs
Certified Public Accountants
Daytona Beach, Florida

May 8, 2023