GOING FURTHER

FLORIDA KEYS MOSQUITO CONTROL DISTRICT

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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FINANCIAL SECTION

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

Board of Commissioners
Florida Keys Mosquito Control District
Marathon, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the remaining fund information of the Florida Keys Mosquito Control District, (the "District") as of and for the year ended September 30, 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, the major fund, and the remaining fund information of the District, as of September 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, and the budgetary comparison information, the schedule of the District's proportionate share of the net pension liability (FRS), schedule of District's contributions (FRS), the schedule of the District's proportionate share of the net pension liability (HIS), schedule of District's contributions (HIS), and the schedule of changes in the District's net OPEB liability on pages 42 through 51 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 9, 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 9, 2026

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Management's Discussion and Analysis

CORE BUSINESS

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

Our discussion and analysis of the Florida Keys Mosquito Control District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the transmittal letter and the District's financial statements.

HIGHLIGHTS

District Highlights

- The District is an independent special taxing district established by Monroe County, Florida referendum on November 7th 1950. It was created by special act of the Florida Legislature and is governed by a five member Board of Commissioners. Its mission is to protect public health, quality of life, the environment, and the economy of the Florida Keys through integrated mosquito control operations.
- Operations are conducted in the Florida Keys and not in the mainland portion of Monroe County. Operational divisions include aerial operations, ground operations, entomological services, public education and outreach, and advanced research programs focused on mosquito surveillance and disease prevention.
- At year-end, the District employed 72 full-time and 18 part time employees operating five helicopters, 83 vehicles, two ATV's and five boats.
- The continued threat of mosquito-borne diseases, including dengue, Zika, chikungunya, and other emerging arboviruses, continues to influence and expand the scope of District operations. The invasive mosquito species, *Aedes aegypti,* remains a primary public health concern due to its role in disease transmission and increasing resistance to traditional control methods.
- Due to environmental considerations, regulatory requirements, insecticide resistance, and the unique ecosystem of the Florida Keys, the District utilizes an integrated mosquito management approach incorporating a wide variety of control strategies, surveillance methods, public education initiatives, and emerging technologies. These operational demands continue to create financial pressure through increasing costs for mosquito control materials, equipment, research, and specialized application technologies.
- In June 2019, the District entered into a lease agreement with Airbus Helicopters, Inc. to acquire two new H125 helicopters, starting the replacement plan for aging aircraft. Two additional helicopters were purchased outright in 2022 and 2025 to finalize the fleet replacement. The aircraft replaced helicopters and fixed wing aircraft, significantly enhancing the District's aerial mosquito control capabilities, operational reliability, safety, and efficiency.
- The District continues to evaluate and participate in innovative mosquito control technologies and partnerships designed to address the growing challenges associated with invasive mosquito species and mosquito-borne disease prevention in environmentally sensitive areas such as the Florida Keys.

Financial Highlights

- The District's fund balance increased by $3,147,062 and net position increased by $3,782,367.
- The District has received grants from the Centers for Disease Control and Prevention in fiscal year 23-24 and fiscal year 24-25 in the amounts of $955,636 and $610,281, respectively. These grants were awarded to protect public health and safety by detecting, responding, preventing and controlling infectious diseases.

USING THIS ANNUAL REPORT

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

REQUIRED FINANCIAL STATEMENTS

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

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

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

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

Table 1
Net Position Analysis

NET POSITION
SEPTEMBER 30,

	2025	2024
Current and other assets	$ 12,765,755	$ 9,489,118
Capital assets, net of depreciation	23,436,538	23,102,981
Total assets	$ 36,202,293	$ 32,592,099
Deferred outflows	$ 5,139,488	$ 6,570,438
Current liabilities	305,410	175,835
Long-term liabilities	25,138,577	28,541,798
Total liabilities	$ 25,443,987	$ 28,717,633
Deferred inflows	$ 5,670,374	$ 3,999,851
Net position		
Net investment in capital assets	19,261,902	18,430,332
Unrestricted	(9,034,482)	(11,985,279)
Total net position	$ 10,227,420	$ 6,445,053

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

Table 2
Statement of Activities Analysis

CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDING SEPTEMBER 30,

	2025	2024
Revenues		
General revenues		
Property taxes	$ 19,391,386	$ 17,596,381
Unrestricted intergovernmental revenues	32,870	33,405
Unrestricted investment earnings	689,914	637,322
Insurance proceeds	5,355	477,562
Refunds	269,863	215,994
Gain on sale of capital assets	531,765	439,666
Miscellaneous revenue	18,398	23,370
Program revenues		
Capital grants and contributions	610,281	955,636
Charges for services	380,945	371,590
Total revenues	21,930,777	20,750,926
Expenses		
Mosquito control	18,148,410	18,543,268
Total expenses	18,148,410	18,543,268
Change in net position	3,782,367	2,207,658
Net position, beginning of year, adjusted	6,445,053	4,237,395
Net position, end of year	$ 10,227,420	$ 6,445,053

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of September 30, 2025 reflect an investment of $23,436,538, net of accumulated depreciation & amortization.

The following table provides a summary of capital assets:

CAPITAL ASSETS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30,

	2025	2024
Land	$ 2,453,039	$ 2,453,039
Construction in progress	1,012,140	18,891
Buildings/hangars	14,573,776	14,565,506
Right of use lease asset	1,265,979	904,170
Equipment		
Aircrafts	15,002,730	15,880,120
Aviation and other airport equipment	598,135	486,770
Autos, trucks and heavy equipment	761,230	944,213
Other equipment	1,681,489	1,568,980
Accumulated depreciation	(13,353,204)	(13,371,069)
Accumulated amortization	(558,776)	(347,639)
	$ 23,436,538	$ 23,102,981

For further information on capital assets please see Note 5 on page 29.

Debt

At the end of the current fiscal year, the District had long-term liabilities outstanding of $25,138,577 a decrease of $3.4 million from the prior year.

LONG-TERM DEBT
FOR THE FISCAL YEAR ENDING SEPTEMBER 30,

	2025	2024
Financed purchase	$ 3,462,996	$ 4,106,948
Lease liability	711,640	565,701
Compensated absences	1,815,537	1,424,767
Net pension liability	4,890,535	5,983,230
Net OPEB liability	14,257,869	16,461,152
	$ 25,138,577	$ 28,541,798

For further information on long-term debt, please see Note 6 beginning on page 29.

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

The District continues mosquito control operational streamlining in previously excluded protected lands and offshore islands to protect citizens from mosquito migrations into populated areas using environmentally compatible materials. As in the past, the District continues to use a multi-pronged approach to control mosquitoes – larvicide, adulticide, source reduction, surveillance, and education.

Constant mosquito-borne disease virus introductions throughout the State of Florida, and particularly South Florida, continues to emphasize the urgency of mosquito control operations throughout the Florida Keys. The District continued aggressive operations to combat the vector Aedes aegypti mosquito which transmits multiple diseases.

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

The District’s management continues to earmark funds for future capital purchases, including large building projects, larvicide trailers, helicopter dollies, and fuel farm replacements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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Florida Keys Mosquito Control District

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	$ 10,976,009
Accounts receivable, net	29,239
Lease receivable	2,328
Inventory	865,821
Prepaid items	892,358
Capital assets	
Non-depreciable	3,465,179
Depreciable, net	19,971,359
Total assets	36,202,293
Deferred outflows of resources	
Deferred outflows - pension	1,059,378
Deferred outflows - OPEB	4,080,110
Total deferred outflows	5,139,488
Liabilities	
Accounts payable	144,551
Accrued wages and benefits payable	158,916
Accrued interest	1,943
Financed purchases due within one year	659,648
Financed purchases due in more than one year	2,803,348
Lease liability due within one year	212,385
Lease liability due in more than one year	499,255
Compensated absences - due within one year	726,215
Compensated absences due in more than one year	1,089,322
Net pension liability - due in more than one year	4,890,535
Total OPEB liability - due in more than one year	14,257,869
Total liabilities	25,443,987
Deferred inflows of resources	
Deferred inflows - leases	2,585
Deferred inflows - pension	1,020,059
Deferred inflows - OPEB	4,647,730
Total deferred outflows	5,670,374
Net position	
Net investment in capital assets	19,261,902
Unrestricted	(9,034,482)
Total net position	$ 10,227,420

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

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/programs	Expenses	Program Revenues: Charges for Services	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities				
Mosquito control	$ 18,148,410	$ 380,945	$ 610,281	$ (17,157,184)
Total governmental activities	$ 18,148,410	$ 380,945	$ 610,281	(17,157,184)
General revenues				
Property taxes				19,391,386
Unrestricted intergovernmental				32,870
Unrestricted investment earnings				689,914
Insurance proceeds				5,355
Refunds				269,863
Rents and royalties				300
Gain on sale of capital assets				531,765
Miscellaneous revenue				18,098
Total general revenues				20,939,551
Change in net position				3,782,367
Net position, beginning of year, as previously reported				6,869,029
Change in accounting principle				(423,976)
Net position, beginning of year, adjusted				6,445,053
Net position, end of year				$ 10,227,420

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

Florida Keys Mosquito Control District

BALANCE SHEET –
GOVERNMENTAL FUND
SEPTEMBER 30, 2025

		General Fund
Assets		
Cash and cash equivalents	$	10,976,009
Accounts receivable		29,239
Lease		2,328
Inventory		865,821
Prepaid items		892,358
Total assets	$	12,765,755
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable and accrued expenses	$	144,551
Accrued wages and benefits payable		158,916
Total liabilities		303,467
Deferred inflows of resources		
Lease		2,585
Fund balances		
Nonspendable:		
Inventory		865,821
Prepaids		892,358
Unassigned		10,701,524
Total fund balance		12,459,703
Total liabilities, deferred inflows of resources and fund balance	$	12,765,755

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

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Fund balance, total governmental fund		$ 12,459,703
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund:		
Governmental capital assets	$ 37,348,518	
Accumulated depreciation	(13,911,980)	23,436,538
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Accrued interest	(1,943)	
Financed purchase	(3,462,996)	
Lease liability	(711,640)	
Compensated absences	(1,815,537)	(5,992,116)
Deferred outflows, deferred inflows, and the net pension liability related to the District's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the fund:		
Deferred outflows - pensions	1,059,378	
Deferred inflows - pensions	(1,020,059)	
Net pension liability	(4,890,535)	(4,851,216)
Deferred outflows, deferred inflows, and the Net OPEB liability related to the District's other post-employment benefit plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the fund:		
Deferred outflows - OPEB	4,080,110	
Deferred inflows - OPEB	(4,647,730)	
Net OPEB liability	(14,257,869)	(14,825,489)
Net position of governmental activities		$ 10,227,420

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Fund
Revenues	
Property taxes	$ 19,391,386
Intergovernmental	643,151
Charges for services	380,945
Investment earnings	689,914
Refunds	269,863
Rents and royalties	300
Miscellaneous	18,098
Total revenues	21,393,657
Expenditures	
Personnel services	6,099,055
Operating expenditures	11,251,054
Capital outlay	1,051,356
Debt service	744,059
Total expenditures	19,145,524
Excess of revenues over expenditures	2,248,133
Other financing sources	
Lease issuance	361,809
Sale of capital assets	531,765
Insurance proceeds	5,355
Total other financing sources	898,929
Change in fund balance	3,147,062
Fund balance, beginning of year	9,312,641
Fund balance, end of year	$ 12,459,703

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE − GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balance, General Fund		$ 3,147,062
Amounts reported for governmental activities in the statement of activities are different because:		
The General Fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense was recorded in the current period:		
Capital outlay		1,657,087
Depreciation expense		(1,323,530)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Lease issuance	$ (361,809)	
Lease payments	215,870	
Financed purchase payments	643,952	
Change in accrued interest	-	498,013
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental fund:		
Pension expense		364,596
OPEB expense		(170,091)
Change in compensated absences		(390,770)
Change in net position of governmental activities		$ 3,782,367

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

STATEMENT OF FIDUCIARY NET POSITION –
OPEB TRUST FUND
SEPTEMBER 30, 2025

		2025
Assets		
Cash and cash equivalents	$	10,789
Accrued interest		29,273
Investments at fair value		2,604,719
Total assets		2,644,781
Fiduciary net position		
Restricted for other post-employment benefits	$	2,644,781

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – OPEB TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		2025
Additions		
Contributions		
Employer	$	917,587
Investment income		135,330
Total additions		1,052,917
Deductions		
Benefit payments		917,587
Total deductions		917,587
Change in net position		135,330
Net position, beginning of year		2,509,451
Net position, end of year	$	2,644,781

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. Governmental activities are those which normally are supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for the General Fund (a governmental fund) and the OPEB Trust Fund (a fiduciary fund) even though the fiduciary fund is excluded from the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The OPEB Trust Fund financial statements are reported using the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized at the time the liability is incurred.

The District reports the following major governmental fund:

The *General Fund* is the government's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following fiduciary fund:

The *OPEB Trust Fund*, this fund accounts for the trust fund established to receive and invest OPEB contributions and disburse these monies in accordance with the OPEB Trust document. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

The District considers cash to be cash on hand, demand deposits, and investments with an original maturity of three months or less.

E. Investments

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

F. Receivables and Allowance for Doubtful Accounts

All trade and property tax receivables are considered to be fully collectible. Therefore, the District considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been provided.

G. Inventories

The cost of inventory is accounted for on the consumption method wherein inventories are charged as expenditures when used rather than when purchased. Inventories are valued at cost on the first-in, first-out method.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, culverts, impoundments, and similar items), and intangible assets are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated/amortized using the straight line method over the following estimated useful lives:

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

J. Deferred Outflows/Inflows of Resources

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

K. Compensated Absences

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

M. Lease Liability

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance – Amounts that are inherently not spendable because of their form (such as inventory) and/or that cannot convert or are not readily convertible to cash (such as prepaid assets).

Assigned Fund Balance – Amounts that the District Administrator has identified to be used for a specific purpose and any deficit budgeted for the next fiscal year.

Unassigned Fund Balance – The remaining portion of fund balance which is spendable and not obligated or specifically designated, and thus, available for any purpose.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from management's estimates.

P. Defined Benefit Pension Plans

The District participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plan's fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The District's employer contributions are recognized when due, and the District has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan.

Q. Other Post-Employment Benefits

The District participates in a single employer defined benefit other post-employment plan (OPEB). The District does have a trust for the plan, however there is no actuarial determined contribution.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 9, 2026, and determined there were no events that occurred that required disclosure.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Chapter 5E 13, *Florida Administrative Code, Mosquito Control Program Administration*, requires that no later than July 15th, the District must submit to the Department of Agriculture and Consumer Services, Bureau of Entomology and Pest Control (the "Bureau"), two copies of a tentative work plan and a tentative work plan budget for the fiscal year commencing the following October 1st. The Bureau reviews and returns one copy with written approval, or recommendations for use in preparation of the District's certified budget. The annual certified budget is approved by the Bureau. Budget amendments during the fiscal year have been approved by the Bureau. A monthly budget to actual comparison is submitted to the Bureau, no later than the end of the following month. All budget appropriations lapse at the end of the year.

The legal level of budgetary control, the level at which expenditure may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Commissioners. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An encumbrance system is not used.

NOTE 3. CASH AND INVESTMENTS

A. Deposits

All bank balance deposit amounts are covered by federal depository insurance or collateral with the State of Florida under the Florida Security for Public Deposits Act.

The Florida Security for Public Deposits Act, establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, the District deposits in qualified public depositories are fully insured. The qualified public depository must pledge 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

B. Investments

As of September 30, 2025, no separate written investment policy had been adopted, and therefore, the District is restricted to investments as authorized under Section 218.415(17), Florida Statutes. Investments authorized under this provision of the state statutes are limited to: the Florida Local Government Surplus Funds Trust Fund (SBA), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest bearing time deposits or savings accounts in state-certified qualified public depositories; and direct obligations of the U.S. Treasury. In addition, Florida Chapter 73-497(11), which was subsequently amended, allowed for the investment in life insurance.

1. Interest Rate Risk

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

2. Credit Risk

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

3. Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2025, the District's investment in Certificates of Deposit are not subject to custodial credit risk. The District's investments are held by the District and not comingled with assets of other entities.

4. Fair Value

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

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following is a description of the valuation methodologies used for assets measured at fair value:

There have been no changes in the methodologies used at September 30, 2025.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of September 30, 2025, the District had the following investments and effective duration presented in terms of years:

		Weighted Average Maturity (Years)		
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**Over 6**
OPEB trust fund				
Fixed income	$ 2,604,719	$ 204,781	$ 1,187,083	$ 1,212,855
Total OPEB trust fund	2,604,719	204,781	1,187,083	1,212,855
Total investments	$ 2,604,719	$ 204,781	$ 1,187,083	$ 1,212,855

NOTE 4. PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal, special districts, and School Board property taxes are consolidated in the offices of Monroe County Property Appraiser and Monroe County Tax Collector. The laws of the State of Florida regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit the District to levy property taxes at a rate of up to ten mils.

The tax levy of the District is established by the District Commissioners prior to October 1st of each year and the Monroe County Property Appraiser incorporates the District millage into the total tax levy, which includes Monroe County and the County School Board tax requirements among other overlapping governments.

All taxes are due and payable on November 1st (levy date) of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 15 following the year in which they are assessed.

Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are paid without discount.

On or prior to June 1st of each fiscal year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates are held by Monroe County.

NOTE 5. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	$ 2,453,039	$ -	$ -	$ -	$ 2,453,039
Construction in progress	18,891	993,249	-	-	1,012,140
Total	2,471,930	993,249	-	-	3,465,179
Capital assets, being depreciated					
Buildings/hangars	14,565,506	8,270	-	-	14,573,776
Right-to-use lease asset	904,170	361,809	-	-	1,265,979
Equipment:					
Aircrafts	15,880,120	-	(877,390)	-	15,002,730
Aviation and other airport equipment	486,770	161,982	(50,617)	-	598,135
Autos, trucks and heavy equipment	944,213	-	(182,983)	-	761,230
Other equipment	1,568,980	131,777	(19,268)	-	1,681,489
Total	34,349,759	663,838	(1,130,258)	-	33,883,339
Less accumulated depreciation/amortization					
Accumulated depreciation	(13,371,069)	(1,112,393)	1,130,258	-	(13,353,204)
Accumulated amortization	(347,639)	(211,137)	-	-	(558,776)
Total	(13,718,708)	(1,323,530)	1,130,258	-	(13,911,980)
Total capital assets, being depreciated, net	20,631,051	(659,692)	-	-	19,971,359
Governmental activities capital assets, net	$ 23,102,981	$ 333,557	$ -	$ -	$ 23,436,538

Depreciation and amortization expense of $1,323,530 was charged to the mosquito control function.

NOTE 6. LONG-TERM LIABILITIES

A. Financed Purchase

The District entered into a lease/purchase agreement for two new helicopters in June 2019. At September 30, 2025, total assets capitalized under the agreement are $7,968,480, with accumulated depreciation of $1,095,666. Eleven annual payments are due on October 1 in equal installments of $744,059, including 2.4375% interest, maturing on October 1, 2030. At the end of the term, in which all payments are fulfilled, the District will acquire ownership.

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

B. Lease Liabilities

The District has entered into 33 five-year agreements for fleet vehicles with Enterprise Lease Management. Lease inception dates range from 2019 to 2025. Each vehicle is paid in equal monthly installments ranging from $29 to $729.

The District has four 36-month agreements for office equipment with Xerox and two, five-year agreements for a water cooler with Pure Water Technology. Lease inception dates range from years 2020 to 2025. Each agreement is paid in equal monthly installments ranging from $70 to $300.

C. Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchase	$ 4,106,948	$ -	$ (643,952)	$ 3,462,996	$ 659,648
Lease liability	565,701	361,809	(215,870)	711,640	212,385
Compensated absences	1,424,767	390,770	-	1,815,537	726,215
Net pension liability	5,983,230	2,192,649	(3,285,344)	4,890,535	-
Net OPEB obligation	16,461,152	913,439	(3,116,722)	14,257,869	-
Total long-term liabilities	$ 28,541,798	$ 3,858,667	$ (7,261,888)	$ 25,138,577	$ 1,598,248

For the governmental activities, OPEB and Pension obligations are generally liquidated by the General Fund. Compensated absences additions and deletions are presented net in accordance with GASB 101, *Compensated Absences.*

D. Future Maturities

Future minimum principal and interest payments for the financed purchases and lease liabilities as of September 30, 2025, were as follows:

	Financed Purchase		Lease Liability		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 659,648	$ 84,411	$ 212,385	$ 21,349	$ 872,033	$ 105,760
2027	675,727	68,332	199,618	14,978	875,345	83,310
2028	692,198	51,861	152,056	8,989	844,254	60,850
2029	709,070	34,988	103,786	4,427	812,856	39,415
2030	726,353	17,705	43,795	1,314	770,148	19,019
Thereafter	-	-	-	-	-	-
Total	$ 3,462,996	$ 257,297	$ 711,640	$ 51,057	$ 4,174,636	$ 308,354

NOTE 7. DEFINED BENEFIT PENSION PLANS

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

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

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

A. Benefits Provided

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

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

NOTE 7. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Contributions

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

The employer's contribution rates as of September 30, 2025 were as follows:

	FRS	HIS
Regular class	11.97%	2.00%
Special risk class	33.13%	2.00%
Senior management service class	31.18%	2.00%
Elected officials	60.60%	2.00%
DROP from FRS	20.02%	2.00%

The employer's contributions for the year ended September 30, 2025 were $644,099 to the FRS Pension Plan and $118,962 to the HIS Program.

C. Pension Liabilities and Pension Expense

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

	FRS	HIS
Net pension liability	$ 3,245,968	$ 1,644,567
Portion at:		
Current measurement date	0.010459012%	0.012830694%
Prior measurement date	0.010462803%	0.012903999%
Pension expense	$ 370,020	$ 28,445

NOTE 7. DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. 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	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 346,704	$ -	$ 9,817	$ 2,609
Change of assumptions	376,941	-	14,556	397,779
Net difference between projected and actual earnings on pension plan investments	-	541,947	-	1,369
Changes in proportion and differences between District pension plan contributions and proportionate share of contributions	74,914	44,934	14,656	31,421
District pension plan contributions subsequent to the measurement date	187,343	-	34,447	-
Total	$ 985,902	$ 586,881	$ 73,476	$ 433,178

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

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

Fiscal Year Ended September 30:	FRS	HIS
2026	$ 612,821	$ (86,950)
2027	(108,882)	(104,100)
2028	(162,946)	(87,645)
2029	(129,315)	(70,238)
2030	-	(45,216)
Thereafter	-	-
Total	$ 211,678	$ (394,149)

NOTE 7. DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The net pension liability for each of the defined benefit plans was measured as of June 30, 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, 2025.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases, including inflation	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-2021.

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

The following changes in key actuarial assumptions occurred in 2025:

HIS: The municipal bond index rate 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 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.

NOTE 7. DEFINED BENEFIT PENSION PLANS (CONTINUED)

E . Actuarial Assumptions (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 [1]	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	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	100.0%			
Assumed inflation - mean			2.4%	1.5%

[1] As outlined in the pension plan's investment policy.

F. Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

NOTE 7. DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
District's proportionate share of the net pension liability	$ 6,370,162	$ 3,245,968	$ 626,689	$ 1,854,514	$ 1,644,567	$ 1,468,488

H. Pension Plans' Fiduciary Net Position

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

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

B. Employees Covered by Benefit Terms

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

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Benefits Provided

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

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

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

D. Contributions

The contributions made to the program are assumed to be at least the benefits paid to retirees (both on an explicit and implicit basis) and administrative expenses. There were no explicit contributions made during the year ended September 30, 2025.

E. Investment Policy

The following was the District's adopted asset allocation as of September 30, 2025:

Asset Class	Target Allocation at Measurement Date
Fixed income	99.5%
Cash and equivalents	0.5%

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

F. Actuarial Assumptions

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

Employer's reporting date:	September 30, 2025
Measurement date:	September 30, 2025
Valuation date:	October 1, 2023
Actuarial Assumptions:	
Discount rate:	4.64%
Inflation rate:	2.50%
Expected return on plan assets:	4.64%
Payroll growth rate:	Varies by service
Initial trend rate:	7.00%
Ultimate trend rate:	4.00%
Years to ultimate	51

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

G. Long-Term Expected Rate of Return

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

Asset Class	Target Allocation at Measurement Date	Long-Term Expected Real Rate of Return
Fixed income	99.5%	4.20%
Cash and equivalents	0.5%	3.00%

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

H. Discount Rate

The discount rate used to measure the Total OPEB Liability is 4.64%, which is equivalent to the expected rate of return on trust investments. This rate is used to discount all projected benefit payments.

The change in the net OPEB liability for the year ended September 30, 2025 were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at September 30, 2024	$ 18,970,603	$ 2,509,451	$ 16,461,152
Changes for the year:			
Service cost	220,201	-	220,201
Interest	693,238	-	693,238
Difference between expected and actual experience	-	-	-
Changes of assumptions	(2,063,805)	-	(2,063,805)
Employer contributions	-	917,587	(917,587)
Net investment income	-	135,330	(135,330)
Other deductions	-	-	-
Benefit payments	(917,587)	(917,587)	-
Administrative expenses	-	-	-
Net changes	(2,067,953)	135,330	(2,203,283)
Balance at September 30, 2025	$ 16,902,650	$ 2,644,781	$ 14,257,869

I. Change of Assumptions

Changes of assumptions reflect a change in the discount rate from 3.70% for the reporting period ended September 30, 2024, to 4.64% for the reporting period ended September 30, 2025.

J. Sensitivity of 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 3.64%	Discount Rate 4.64%	1% Increase 5.64%
Net OPEB liability	$ 16,465,718	$ 14,257,869	$ 12,410,231

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

K. Sensitivity of 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 in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Net OPEB liability	$ 11,906,534	$ 14,257,869	$ 17,181,683

L. Deferred Outflow and Inflow of Resources

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

Summary of Deferred Outflows/Inflows	Outflows	Inflows
Differences between expected and actual experience	$ 2,495,321	$ -
Changes of assumptions	1,584,791	4,534,219
Net difference between projected and actual earnings on investments	-	113,506
Total	$ 4,080,112	$ 4,647,725

During the year ended September 30, 2025, the District reported OPEB expense of $1,087,674.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other post-employment benefit expense as follows:

Year Ended	Future Recognition
2026	$ 294,155
2027	143,539
2028	(16,472)
2029	(418,174)
2030	(20,306)
Thereafter	(550,355)
Total	$ (567,613)

NOTE 9. CONTINGENCIES

From time to time, the District receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management such disallowed claims, if any, will not have a material effect on the financial statements or the overall financial position of the District at September 30, 2025.

NOTE 10. RISK MANAGEMENT

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

The District is self-insured for hospitalization and medical care. The Plan is administered by an independent third-party who processes the claims for payment. The Plan administrator actuarially calculates a premium for which the District makes monthly payments. During the fiscal year, the District incurred expenses totaling $2,648,767 for claims, administrative fees and premiums.

NOTE 11. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB Statement No. 101, *Compensated Absences*, the District is required to recognize liabilities for compensated absences for: (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be 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 in cash or settled through noncash means. Therefore, in conjunction with the implementation of GASB Statement No. 101, an adjustment to beginning net position of governmental activities in the amount of $423,976 was required to properly report compensated absences as of October 1, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 19,340,396	$ 19,440,396	$ 19,391,386	$ (49,010)
Intergovernmental	-	-	643,151	643,151
Charges for services	383,270	383,270	380,945	(2,325)
Investment earnings	500,000	660,000	689,914	29,914
Refunds	40,000	40,000	269,863	229,863
Rents and royalties	-	-	300	300
Miscellaneous	-	-	18,098	18,098
Total revenues	20,263,666	20,523,666	21,393,657	869,991
EXPENDITURES				
Human services				
Personnel services	6,298,349	6,298,349	6,099,055	199,294
Personnel service benefits	4,194,636	4,194,636	4,674,964	(480,328)
Operating expenditures	1,413,544	1,529,794	1,375,152	154,642
Travel and per diem	149,330	149,330	159,310	(9,980)
Communication services	100,100	100,100	102,015	(1,915)
Freight services	22,985	37,985	28,314	9,671
Utility services	144,100	144,100	112,693	31,407
Rental and leases	977,879	987,879	231,315	756,564
Insurance	1,264,922	1,264,922	1,084,017	180,905
Repair and maintenance	1,211,726	1,211,726	718,996	492,730
Printing and binding	11,310	11,310	9,660	1,650
Promotional activities	35,400	35,400	23,455	11,945
Other operating expenditures	15,125	15,125	13,786	1,339
Office supplies and materials	71,700	71,700	40,285	31,415
Gas, oil and lube	284,175	284,175	235,483	48,692
Chemicals	1,903,472	1,903,472	2,133,041	(229,569)
Clothing and wearing apparel	47,450	47,450	38,114	9,336
Miscellaneous supplies	207,134	207,134	113,452	93,682
Tools and small implements	20,600	20,600	13,368	7,232
Books and subscriptions	99,200	99,200	67,745	31,455
Training	118,550	118,550	75,889	42,661
Debt service - principal and interest	-	-	744,059	(744,059)
Capital outlay	1,271,400	1,390,150	1,051,356	338,794
Total expenditures	19,863,087	20,123,087	19,145,524	977,563
Excess of revenues over expenditures	400,579	400,579	2,248,133	1,847,554

(Continued)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES − BUDGET (GAAP BASIS) AND ACTUAL − GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
OTHER FINANCING SOURCES				
Proceeds from lease issuance	$ -	$ -	$ 361,809	$ 361,809
Proceeds from sale of capital assets	-	-	531,765	531,765
Insurance proceeds	-	-	5,355	5,355
Contingency	(400,579)	(400,579)	-	400,579
Total other financing sources	(400,579)	(400,579)	898,929	1,299,508
Change in fund balance	-	-	3,147,062	3,147,062
FUND BALANCE, beginning of year	9,312,641	9,312,641	9,312,641	-
FUND BALANCE, end of year	$ 9,312,641	$ 9,312,641	$ 12,459,703	$ 3,147,062

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

NOTE 1. BUDGETARY INFORMATION

The District Commissioners adopt an annual operating budget prior to September 30 for the next ensuing fiscal year. Legal budgets are adopted by resolution for the General Fund. The budget is prepared on a modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

Budgetary control is legally maintained at aggregate expenditure level. Budget transfers are provided to the District Administrator as long as the total budget of the expenditures is not increased. Actions which increase the total aggregate expenses must be authorized by the District Commissioners.

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

	2025	2024	2023	2022	2021
District's proportion of the FRS net pension liability	0.010459012%	0.010462803%	0.010684605%	0.010270000%	0.010170000%
District's proportionate share of the FRS net pension liability	$ 3,245,968	$ 4,047,504	$ 4,257,477	$ 3,820,146	$ 768,201
District's covered - employee payroll	$ 5,732,504	$ 5,468,775	$ 5,365,538	$ 4,878,786	$ 4,489,919
District's proportionate share of the FRS net pension liability as a percentage of its covered - employee payroll	56.62%	74.01%	79.35%	78.30%	17.11%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.26%	83.70%	82.38%	82.89%	96.40%

	2020	2019	2018	2017	2016
District's proportion of the FRS net pension liability	0.009750000%	0.009960000%	0.009620000%	0.009800000%	0.010040000%
District's proportionate share of the FRS net pension liability	$ 4,225,251	$ 3,428,870	$ 2,896,825	$ 2,899,270	$ 2,534,137
District's covered - employee payroll	$ 4,794,130	$ 4,489,830	$ 4,299,922	$ 4,109,965	$ 4,047,881
District's proportionate share of the FRS net pension liability as a percentage of its covered - employee payroll	88.13%	76.37%	67.37%	70.54%	62.60%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%

Notes to the Schedule:
The amounts presented for each fiscal year were determined as of June 30.

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

	2025	2024	2023	2022	2021
Contractually required FRS contribution	$ 644,099	$ 606,722	$ 513,998	$ 438,111	$ 387,419
FRS contributions in relation to the contractually required FRS contribution	644,099	606,722	513,998	438,111	387,419
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 5,951,645	$ 5,570,770	$ 5,365,538	$ 4,878,786	$ 4,489,919
FRS contributions as a percentage of covered - employee payroll	10.82%	10.89%	9.58%	8.98%	8.63%

	2020	2019	2018	2017	2016
Contractually required FRS contribution	$ 323,908	$ 308,722	$ 274,089	$ 255,074	$ 244,748
FRS contributions in relation to the contractually required FRS contribution	323,908	308,722	274,089	255,074	244,748
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 4,794,130	$ 4,489,830	$ 4,299,922	$ 4,109,965	$ 4,047,881
FRS contributions as a percentage of covered - employee payroll	6.76%	6.88%	6.37%	6.21%	6.05%

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

	2025	2024	2023	2022	2021
District's proportion of the HIS net pension liability	0.012830694%	0.012903999%	0.012972656%	0.012770000%	0.012740000%
District's proportionate share of the HIS net pension liability	$ 1,644,567	$ 1,935,726	$ 2,060,231	$ 1,352,021	$ 1,562,393
District's covered - employee payroll	$ 5,732,504	$ 5,468,775	$ 5,365,538	$ 4,878,786	$ 4,489,919
District's proportionate share of the HIS net pension liability as a percentage of its covered - employee payroll	28.69%	35.40%	38.40%	27.71%	34.80%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	6.08%	4.80%	4.12%	4.81%	3.56%

	2020	2019	2018	2017	2016
District's proportion of the HIS net pension liability	0.013150000%	0.013350000%	0.012960000%	0.012850000%	0.013110000%
District's proportionate share of the HIS net pension liability	$ 1,605,971	$ 1,494,128	$ 1,371,630	$ 1,373,465	$ 1,528,055
District's covered - employee payroll	$ 4,794,130	$ 4,489,830	$ 4,299,922	$ 4,109,965	$ 4,047,881
District's proportionate share of the HIS net pension liability as a percentage of its covered - employee payroll	33.50%	33.28%	31.90%	33.42%	37.75%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%

Notes to the Schedule:

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

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

	2025	2024	2023	2022	2021
Contractually required HIS contribution	$ 118,962	$ 111,420	$ 85,336	$ 77,239	$ 74,869
HIS contributions in relation to the contractually required HIS contribution	118,962	111,420	85,336	77,239	74,869
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 5,951,645	$ 5,570,770	$ 5,365,538	$ 4,878,786	$ 4,489,919
HIS contributions as a percentage of covered - employee payroll	2.00%	2.00%	1.59%	1.58%	1.67%

	2020	2019	2018	2017	2016
Contractually required HIS contribution	$ 75,795	$ 74,151	$ 70,279	$ 67,980	$ 67,203
HIS contributions in relation to the contractually required HIS contribution	75,795	74,151	70,279	67,980	67,203
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 4,794,130	$ 4,489,830	$ 4,299,922	$ 4,109,965	$ 4,047,881
HIS contributions as a percentage of covered - employee payroll	1.58%	1.65%	1.63%	1.65%	1.66%

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement year ended September 30,	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 220,201	$ 238,611	$ 267,125	$ 259,750	$ 414,055	$ 304,386	$ 313,415	$ 227,527
Interest on the total OPEB liability	693,238	719,768	630,701	623,860	431,007	584,549	584,118	469,998
Differences between actual and expected experience	-	1,891,337	-	1,389,387	-	544,547	-	637,972
Changes of assumptions	(2,063,805)	(1,031,242)	(481,964)	113,476	(3,546,762)	3,371,546	1,436,276	708,551
Other additions	-	267,710	-	-	-	-	-	-
Benefit payments	(917,587)	(869,767)	(822,097)	(796,154)	(718,133)	(583,559)	(447,474)	(413,190)
Net change in total OPEB liability	(2,067,953)	1,216,417	(406,235)	1,590,319	(3,419,833)	4,221,469	1,886,335	1,630,858
Total OPEB liability - beginning	18,970,603	17,754,186	18,160,421	16,570,102	19,989,935	15,768,466	13,882,131	12,251,273
Total OPEB liability - ending	$ 16,902,650	$ 18,970,603	$ 17,754,186	$ 18,160,421	$ 16,570,102	$ 19,989,935	$ 15,768,466	$ 13,882,131
Plan fiduciary net position								
Employer contributions	$ 917,587	$ 869,767	$ 822,097	$ 796,154	$ 718,133	$ 783,559	$ 647,474	$ 613,190
Net investment income	135,330	250,805	80,287	80,476	99,806	84,282	86,170	(171,391)
Other additions (deductions)	-	(7,706)	(337,443)	-	(10,593)	-	196,859	-
Benefit payments	(917,587)	(869,767)	(822,097)	(796,154)	(718,133)	(583,559)	(447,474)	(413,190)
Administrative expense	-	-	-	-	-	-	-	-
Net change in total OPEB liability	135,330	243,099	(257,156)	80,476	89,213	284,282	483,029	28,609
Plan fiduciary net position - beginning	2,509,451	2,266,352	2,523,508	2,443,032	2,353,819	2,069,537	1,586,508	1,557,899
Plan fiduciary net position - ending	$ 2,644,781	$ 2,509,451	$ 2,266,352	$ 2,523,508	$ 2,443,032	$ 2,353,819	$ 2,069,537	$ 1,586,508
Net OPEB liability - ending	$ 14,257,869	$ 16,461,152	$ 15,487,834	$ 15,636,913	$ 14,127,070	$ 17,636,116	$ 13,698,929	$ 12,295,623
Plan fiduciary net position as a percentage of the total OPEB liability	15.65%	13.23%	12.77%	13.90%	14.74%	11.78%	13.12%	11.43%
Covered - employee payroll	$ 4,193,644	$ 3,990,147	$ 4,730,956	$ 4,614,744	$ 4,461,716	$ 4,241,175	$ 4,215,475	$ 4,007,106
Net OPEB liability as a percentage of covered payroll	339.99%	412.55%	327.37%	338.85%	316.63%	415.83%	324.97%	306.85%

Notes to the Schedule:

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

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS − OPEB

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Actuarially determined contributions	$ 1,173,974	$ 1,228,360	$ 1,170,460	$ 1,154,848	$ 1,091,392	$ 1,203,150	$ 993,843	$ 988,861
Contributions in relation to the actuarially determined contributions	-	-	-	-	-	200,000	200,000	200,000
Contribution deficiency	$ 1,173,974	$ 1,228,360	$ 1,170,460	$ 1,154,848	$ 1,091,392	$ 1,003,150	$ 793,843	$ 788,861
District's covered - employee payroll	$ 4,193,644	$ 3,990,147	$ 4,730,956	$ 4,614,744	$ 4,461,716	$ 4,241,175	$ 4,215,475	$ 4,007,106
Contributions as a percentage of covered - employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	4.72%	4.74%	4.99%

Notes to the Schedule:

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

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

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS – OPEB

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Annual money-weighted rate of return, net of investment expenses	4.61%	4.31%	3.70%	3.69%	3.57%	3.23%	2.88%	2.61%

Notes to the Schedule:

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

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COMPLIANCE SECTION

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

Board of Commissioners
Florida Keys Mosquito Control District
Marathon, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the remaining fund information of the Florida Keys Mosquito Control District (the "District"), as of and for the year ended September 30, 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 9, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 9, 2026

Independent Auditor's Management Letter

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

Report on the Financial Statements

We have audited the financial statements of Florida Keys Mosquito Control District (the "District"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 9, 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 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 9, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Specific Information

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

a. The total number of District employees compensated in the last pay period of the District's fiscal year as 73.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as: None.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $6,083,782.
d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $89,059.
e. There were no construction projects with a total cost of at least $65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes – see pages 42 and 43.

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

a. The millage rate imposed by the District was 0.43440.
b. The total ad valorem assessment collected by or on behalf of the District was $19,391,386.
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.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 9, 2026

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SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards and State Financial Assistance

There was not an audit of major federal award programs or state financial assistance projects as of September 30, 2025 due to the total amount expended being less than $1,000,000 for federal awards and $750,000 for state financial assistance.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None reported.

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Accountant's Report

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

We have examined the Florida Keys Mosquito Control District's (the "District") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

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

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 9, 2026

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