

**DOUGLAS COUNTY MOSQUITO
ABATEMENT DISTRICT**

JUNE 30, 2025

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
JUNE 30, 2025

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Independent Auditor's Report

To the Board of Trustees of Douglas County Mosquito
Abatement District
Gardnerville, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activity and major fund of the Douglas County Mosquito Abatement District (the "District") as of and for the year ended June 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 activity and major fund as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 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 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, 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 Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of the District's Contributions on pages 23-24 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Douglas County Mosquito Abatement District's basic financial statements. The accompanying general fund balance sheet and statement of revenue, expenditures, and changes in fund balance on pages 25-26 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The general fund balance sheet and statement of revenue, expenditures, and changes in fund balance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund balance sheet and statement of revenue, expenditures and changes in fund balance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2025 on our consideration of Douglas County Mosquito Abatement District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts 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 effectiveness of Douglas County Mosquito Abatement District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Yerington, Nevada
November 30, 2025

Arrighi, Blake & Associates, LLC

Douglas County Mosquito Abatement District
Management Discussion and Analysis
For the year ended June 30, 2025

This section of the Douglas County Mosquito Abatement District annual financial report presents a discussion and analysis of the District's financial performance comparing the fiscal years ended June 30, 2025 and 2024. We encourage readers to read this information in conjunction with the financial statements and notes to gain a more complete picture of the information presented.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Douglas County Mosquito Abatement District basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Douglas County Mosquito Abatement District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this Statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements detail the governmental activity of the Public Health function of the Douglas County Mosquito Abatement District that is principally supported by ad valorem and consolidated taxes.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The government-wide financial statements can be found on pages 4-5 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources. The Douglas County Mosquito Abatement District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds are governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Douglas County Mosquito Abatement District adopts annual appropriated budgets for its funds. A budgetary comparison statement has been provided for the funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 25-26 of this report.

Notes to Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-22 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Douglas County Mosquito Abatement District, net position was \$2,705,845 at the close of the most recent fiscal year.

A significant portion of the Douglas County Mosquito Abatement District's net position (13%) reflects its net investment in capital assets. The Douglas County Mosquito Abatement District uses these capital assets to provide services to members; consequently, these assets are not available for future spending.

Douglas County Mosquito Abatement District's Net Position

	2025	2024
Current and other assets	\$ 2,742,867	\$ 2,480,889
Capital assets	<u>430,109</u>	<u>306,766</u>
Total assets	<u>3,172,976</u>	<u>2,787,655</u>
Deferred outflows of resources	<u>93,523</u>	<u>92,888</u>
Total liabilities	<u>506,823</u>	<u>425,653</u>
Deferred inflows of resources	<u>53,831</u>	<u>3,194</u>
Net position:		
Net investment in capital assets	430,109	306,766
Unrestricted	<u>2,275,736</u>	<u>2,144,930</u>
Total net position	<u>\$ 2,705,845</u>	<u>\$ 2,451,696</u>

Douglas County Mosquito Abatement District's unrestricted net position of \$2,275,736 may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position, for the government as a whole (governmental activities).

The District's total net position increased by \$254,149. The increase was due to a conservative approach whereby the District spends less on expenditures than there is revenue available.

Douglas County Mosquito Abatement District's Change in Net Position

	2025	2024
Revenues:		
General revenues:		
Property taxes	\$ 833,675	\$ 767,098
Consolidated taxes	200,137	193,182
Lease income	21,000	21,000
Investment income	84,205	89,515
Miscellaneous Revenue	<u>6,389</u>	<u>-</u>
Total revenues	<u>1,145,406</u>	<u>1,070,795</u>
Expenses:		
Salaries and benefits	358,749	385,083
Services and supplies	481,855	577,698
Depreciation	<u>50,653</u>	<u>49,667</u>
Total expenses	<u>891,257</u>	<u>1,012,448</u>

Insurance reimbursement (net)	-	(6,463)
Change in net position	254,149	51,884
Net position, July 1	2,451,696	2,399,812
Net position, June 30	\$ 2,705,845	\$ 2,451,696

Governmental activities. Governmental activities increased the Douglas County Mosquito Abatement District's net position by \$254,149. Key elements of this increase are shown above.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the Douglas County Mosquito Abatement District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Douglas County Mosquito Abatement District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Douglas County Mosquito Abatement District's General Fund reported an ending fund balance of \$2,634,691, an increase of \$238,174 in comparison with the prior year. Unreserved fund balance is available for spending at the District's discretion.

As a measure of the General Fund's liquidity, it may be useful to compare unreserved (total) fund balance to total fund expenditures. Unreserved (total) fund balance represents 290% of total General Fund expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total actual expenditures in the General Fund were under the budget by \$428,899 during the year ended June 30, 2025 due to lower service and supplies cost than originally estimated. Revenues were higher than budgeted due to ad valorem taxes being higher than budgeted by the state.

CAPITAL ASSET ADMINISTRATION

Capital Assets. The Douglas County Mosquito Abatement District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$430,109 (net of accumulated depreciation). This investment includes buildings and improvements and equipment. During the fiscal year the district renewed a land lease agreement and recorded a right of use asset in the amount of \$100,032. The total increase in the Douglas County Mosquito Abatement District's investment in capital assets for the current fiscal year was 40%.

Major capital asset events during the current fiscal year included the following:

- Depreciation of \$50,653 was recorded.
- New vehicle and equipment purchases totaling \$73,965 during the year.
- Sale of 2008 Kubota for \$6,389
- Recording of right of use asset for land lease for net amount of \$100,032

Douglas County Mosquito Abatement District's Capital Assets
(net of depreciation)

	<u>2025</u>	<u>2024</u>
Building and improvements	\$ 146,751	\$ 151,245
Equipment, autos, and trailers	168,640	133,111
Sprayers and tanks	14,687	22,410
Total capital assets	\$ 330,078	\$ 306,766

Additional information on the Douglas County Mosquito Abatement District's capital assets can be found in Note 4 on page 17 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Revenues are expected to increase approximately 5.5% compared to the current year.

All these factors were considered in preparing the Douglas County Mosquito Abatement District's budget for the 2025-2026 fiscal year.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Douglas County Mosquito Abatement District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Krista Jenkins
District Manager
PO Box 1732
Gardnerville, NV 89410

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	General Fund	Adjustments (Note 10)	Statement of Net Position
ASSETS			
Current Assets:			
Cash and investments	\$ 2,420,363	\$ -	\$ 2,420,363
Taxes receivable	1,226	-	1,226
Accounts receivable	21,000	-	21,000
Interest receivable	6,580	-	6,580
Due from other governments	43,508	-	43,508
Inventory	250,079	-	250,079
Prepaid expenses	111	-	111
Total Current Assets	2,742,867	-	2,742,867
Noncurrent Assets:			
Right of use asset, net	-	100,032	100,032
Capital assets, net	-	330,077	330,077
Total Noncurrent Assets	-	430,109	430,109
Total Assets	2,742,867	430,109	3,172,976
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	-	93,523	93,523
Total Assets and Deferred Outflows of Resources	2,742,867	523,632	3,266,499
LIABILITIES			
Current Liabilities:			
Accounts payable	99,082	-	99,082
Accrued payroll and benefits	9,094	-	9,094
Lease liability	-	5,353	5,353
Total Current Liabilities	108,176	5,353	113,529
Noncurrent Liabilities:			
Lease liability	-	92,555	92,555
Net pension liability	-	300,739	300,739
Total Liabilities	108,176	398,647	506,823
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	-	53,831	53,831
Total Liabilities and Deferred Inflows of Resources	108,176	452,478	560,654
FUND BALANCE/NET POSITION			
Fund balance			
Nonspendable			
Prepaid expenses	111	(111)	-
Inventory	250,079	(250,079)	-
Assigned for subsequent year expenditures	232,473	(232,473)	-
Unassigned	2,152,028	(2,152,028)	-
Total Fund Balance	2,634,691	(2,634,691)	-
Total Liabilities and Fund Balance	\$ 2,742,867		
Net position			
Invested in capital assets		430,109	430,109
Unrestricted		2,275,736	2,275,736
Total Net Position		\$ 2,705,845	\$ 2,705,845

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

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Adjustments (See Note 10)</u>	<u>Statement of Activities</u>
General Revenues			
Ad valorem taxes	\$ 833,675	\$ -	\$ 833,675
Consolidated tax distribution	200,137	-	200,137
Contract revenue	21,000	-	21,000
Investment income	84,205	-	84,205
Miscellaneous revenue	6,389	-	6,389
 Total General Revenues	<u>1,145,406</u>	<u>-</u>	<u>1,145,406</u>
Expenses			
Public Health-Mosquito Abatement Operations			
Salaries and benefits	349,289	9,460	358,749
Services and supplies	483,978	(2,123)	481,855
Capital outlay	73,965	(73,965)	-
Depreciation	-	50,653	50,653
 Total Expenses	<u>907,232</u>	<u>(15,975)</u>	<u>891,257</u>
Excess (Deficiency) of Revenue over (under) Expenditures	<u>238,174</u>	<u>(15,975)</u>	<u>254,149</u>
Net Position, July 1	<u>2,396,517</u>	<u>65,365</u>	<u>2,451,696</u>
Net Position, June 30	<u><u>\$ 2,634,691</u></u>	<u><u>\$ 49,390</u></u>	<u><u>\$ 2,705,845</u></u>

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

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance to Final Budget
	Original	Final	Actual	
GENERAL REVENUES				
Ad valorem taxes	\$ 828,850	\$ 828,850	833,675	\$ 4,825
Consolidated tax distribution	199,957	199,957	200,137	180
Contract revenue	21,000	21,000	21,000	-
Investment income	80,000	80,000	84,205	4,205
Miscellaneous revenue	-	-	6,389	6,389
 Total Revenues	 1,129,807	 1,129,807	 1,145,406	 15,599
EXPENDITURES				
Public Health-Mosquito Abatement Operations				
Salaries and benefits	360,000	360,000	349,289	10,711
Services and supplies	784,131	784,131	483,978	300,153
Capital outlay	192,000	192,000	73,965	118,035
 Total Expenditures	 1,336,131	 1,336,131	 907,232	 428,899
Contingency	5,000	5,000	-	5,000
Excess of Revenues over Expenditures	(211,324)	(211,324)	238,174	449,498
Fund Balance, Beginning of Year	2,176,697	2,176,697	2,396,517	219,820
Fund Balance, End of Year	<u>\$ 1,965,373</u>	<u>\$ 1,965,373</u>	<u>\$ 2,634,691</u>	<u>\$ 669,318</u>

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

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - Summary of Significant Accounting Policies:

Reporting Entity:

The Douglas County Mosquito Abatement District (District) was created February 20, 1969 by Bill Number 69-1, Ordinance Number 69-1 of the Board of County Commissioners of the County of Douglas (County), state of Nevada (State). The ordinance became fully effective March 6, 1969.

The District operates under a Board-Manager form of government and provides the following services as authorized by the ordinance: promote public health, sanitation, and welfare of Douglas County. The Board of Trustee members are elected by the residents within the District.

The Financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements comply with the provisions as set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Indications of oversight responsibility include: (1) appoints, or serves as, a majority of the organization's governing body and is able to impose its will or there is a potential to provide financial benefits or impose financial burdens, or (2) financial dependency. Using these criteria, the District has no component units to include in these financial statements.

Basic Financial Statements - Government-Wide Statements

The basic financial statements include both government-wide and fund financial information. The government-wide financial statements are reflected on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Basic Financial Statements – Fund Accounting

The financial transactions of the District are reported in the general fund. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures. The District's general fund is a governmental fund type. Governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. The recorded fund balance (net current assets) is considered a measure of "available spendable resources". Operating statements for governmental funds present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Available is defined as being due and collected within the current period or within 60 days after fiscal year end.

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Basis of Accounting

The District is defined as a single-program special-purpose entity under GASB Statement No. 14, paragraph 131 as amended by GASB Statement No. 39. This classification allows for the preparation of GASB 34 financial statements under an optional reporting method which combines the fund and government-wide statements into a single presentation. Under standard GASB 34 methodology, the government-wide statement of net position and statement of activities are presented independently from the respective fund balance sheet and statement of revenue, expenditures, and fund balance. A reconciliation of adjustments provided on the modified financial statements demonstrates the changes from the fund financial statements to the government-wide financial statements in order to assist the reader in evaluating these statements. The District has utilized the optional method of presentation.

The government-wide financial statements are reported using the economic resources measurements focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The District maintains its accounting records for its governmental fund types on the modified accrual basis of accounting. This method provides for recognizing expenditures at the time liabilities are incurred, while revenue is recorded when measurable and available to finance expenditures of the fiscal period.

Budgets and Budgetary Accounting

The District adheres to the Local Government Budget Act incorporated within Statutes of the State of Nevada. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Appropriations lapse at year-end. Budget amounts within the general fund may be transferred if amounts do not exceed the original budget. Such budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Trustees. In accordance with the Statutes, actual expenditures may not exceed budget appropriations of the Mosquito Abatement function of the general fund.

An encumbrance system is not utilized by the District.

Cash

The District's cash and cash equivalents include cash on deposit at one commercial bank and in the State Treasurer's Local Government Investment Pool.

Investments are recorded at fair value, which is the same as the value of the pool shares. The State of Nevada Local Government Investment Pool is an unrated external investment pool that does not provide information on realized or unrealized gain or loss activity. Accordingly, changes in the investment pool are reflected as net investment income in the accompanying financial statements.

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Delinquent Taxes Receivable

Tax revenues which have not yet been received are reported as delinquent taxes receivable. The district has not established an allowance for doubtful accounts since management does not anticipate any material collection loss with respect to year-end balances.

Due from Other Governments

Tax revenue which has been collected by the State of Nevada is reported as due from other governments in the government-wide and fund financial statements when it is received within the period of availability.

Inventory

Inventory is valued at the lower of cost (determined using the first-in, first-out method) or market. The District's inventory is comprised of supplies regularly used in its operations.

Capital Assets

Capital assets which include buildings, vehicles, office furniture and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets are depreciated using the straight-line method over the estimated useful lives of 3-15 years.

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

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from accounts, and any resulting gain or loss is recognized in income for the year.

In the fund financial statements, capital assets used in operations are accounted for a capital outlay expenditure of the governmental fund upon acquisition.

Pensions

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

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and proportionate share of contributions as well as contributions made after the measurement period for pensions qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments qualify for reporting in this category.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Invested in capital assets- consists of capital assets, net of accumulated depreciation.

Restricted net position- consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District has no items that are considered to be restricted net position.

Unrestricted net position- all other net position that does not meet the definition of “invested in capital assets” or “restricted”.

In the governmental fund financial statement, fund balances are classified as follows:

Non-spendable- represents amounts that are either not in a spendable form or are legally or contractually required to remain intact. The District considers inventory and prepaid expenses to be non-spendable fund balances.

Restricted- represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. The District has no restricted fund balances.

Committed- represents amounts which can be used only for specific purposes determined by the members of the governing Board’s formal action through a resolution or action. The District has no committed fund balances.

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Assigned- represents amounts that are intended by the District for specific purposes but do not require action by the governing Board. The District's assigned funds represent the amounts budgeted for use in the subsequent year.

Unassigned- represents all amounts not included in other classifications.

The District's policy is to first apply expenditures against non-spendable fund balances and then unassigned balances. On an annual basis, assigned fund balances are determined based upon available resources.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Comparative Data

Comparative data shown for the prior year has been extracted from the 2024 financial statements. It has been provided to add comparability, but is not considered a full disclosure of transactions for 2024. Such information can only be obtained by referring to the audit report for that year.

NOTE 2 – Compliance with Nevada Revised Statutes (NRS) and the Nevada Administrative Code

The District conformed to all significant statutory constraints on its financial administration.

NOTE 3 – Cash and Investments

As of June 30, 2025, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 to 5
State of NV Local Government Investment Pool*	\$ 1,828,282	\$ 1,828,282	\$ -
Total Cash (Carrying Amount)	<u>592,081</u>	<u>592,081</u>	<u>-</u>
Total Cash and Investments	<u>\$ 2,420,363</u>	<u>\$ 2,420,363</u>	<u>\$ -</u>

*Average weighted maturity is 49.5 days.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

District's investment in the LGIP is equal to its original investment plus monthly allocation of interest income and realized and unrealized gains and losses, which is the same as the value of pool shares. The District's investment in LGIP is reported at fair value.

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would further limit its exposure to certain risks as set forth below:

Interest Rate Risk – Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. As noted above, the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the Statute.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of investments. The State of Nevada Investment Pool is unrated, and as noted above, the District does not have a formal investment policy that specifies minimum credit ratings.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's bank deposits are covered by FDIC insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

NOTE 4 - Lease:

The District has an operating lease agreement with Douglas County for the use of a parcel of land at the Minden-Tahoe Airport effective September 1, 2024 and ends August 31, 2039. The lease payments are \$9,069 annually. As of June 30, 2025, the amount of the operating lease asset and the related amortization, disclosed separately from other capital assets is as follows:

	July 1, 2024	Additions	Deletions	June 30, 2025
Land Lease	\$ -	\$ 107,177	\$ -	\$ 107,177
Accumulated amortization	<u>\$ -</u>	<u>(\$7,145)</u>	<u>\$ -</u>	<u>(\$7,145)</u>
	<u><u>\$ -</u></u>	<u><u>\$ 100,032</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100,032</u></u>

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – Capital Assets:

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

	2024	Additions	Deletions	2025
Building and improvements	\$ 463,753	\$ -	\$ -	\$ 463,753
Equipment, autos, and trailers	486,636	73,965	11,340	549,261
Sprayers and tanks	81,075	-	-	81,075
	<hr/> 1,031,464	<hr/> 73,965	<hr/> 11,340	<hr/> 1,094,089
Less accumulated depreciation				
Building and improvements	312,508	4,494	-	317,002
Equipment, autos, and trailers	353,526	38,436	11,340	380,622
Sprayers and tanks	58,665	7,723	-	66,388
	<hr/> 724,699	<hr/> 50,653	<hr/> 11,340	<hr/> 764,011
Total capital assets being depreciated	<hr/> \$ 306,765	<hr/> \$ 23,312	<hr/> \$ -	<hr/> \$ 330,077

NOTE 6 – Pensions

Plan Description. All permanent full-time employees are provided pensions through the Public Employees Retirement Plan (PERS). The plan is a multiple employer defined benefit pension plan administered by the Public Employees Retirement System of the State of Nevada (PERS). Chapter 286 of the Nevada Revised Statutes (NRS) establishes a governing board, appointed by the Governor that is responsible for managing the System, including arranging for a biennial actuarial valuation and adoption of actuarial tables and formulas prepared and recommended by the actuary.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the members' highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the system on or after July 1, 2015, there is a 2.25% factor. The system offers several alternatives to the unmodified service requirement allowance which, in general, allow the retired employee to accept a reduced service

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575-.579.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Regular members become fully vested as to benefits upon completion of five years of service.

Contributions. The authority for establishing and amending the obligation to make contributions, and member contribution rates is set by statute. The contribution rates are based on biennial actuarial valuations and expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

Douglas County Mosquito Abatement District has elected the EPC plan for all employees. The District's contributions to the plan totaled \$47,872 for the year ended June 30, 2024 of which 50% or \$23,936, is considered employees contributions for reporting purposes. Total contributions were based on a rate of 36.36% of covered compensation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the District reported a liability of \$300,739 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension relative to the projected contributions of all participating employers for the year ended June 30, 2024. At June 30, 2024 and 2023, the District's proportion was .00166% and .00187% respectively.

For the year ended June 30, 2025, the District recognized pension expense of \$33,394. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,801	\$ -
Changes of assumptions	19,406	-
Net difference between projected and actual earnings on pension plan investments	-	29,627
Changes in proportion and differences between actual and proportionate share of contributions	10,316	24,204
District contributions subsequent to the measurement date	<u>21,973</u>	<u>-</u>
 Total	 <u>\$ 115,496</u>	 <u>\$ 53,831</u>

\$21,973 reported as deferred outflows related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	(5,819)
2026	(28,190)
2027	(2,107)
2028	31
2029	(3,607)
Thereafter	<u>-</u>
	 <u>\$ (39,692)</u>

Discount rate. The discount rate used to measure the total pension liability was 7.25% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Actuarial Assumption. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all periods including the measurement:

Inflation	2.50%
Payroll growth	5.0%, including inflation
Investment rate of return	7.25%
Productivity pay increases	0.5% Plus
Salary increases	
Regular	4.20% to 9.10%
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Investments: The Board evaluates and establishes expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these capital market expectations annually. The PERS current long-term geometric expected real rates of return for each asset class included in the plan's investment portfolio as of June 30, 2024 are included in the following table:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic equity	34%	5.50%
International equity	14%	5.50%
U.S. Bonds	28%	2.25%
Private Markets	12%	6.65%
Short-term Investments	12%	0.5%

*As of June 30, 2024, PERS' long-term inflation assumption was 2.50%.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current discount rate:

	1% Decrease	Current Rate	1% Increase
District's net pension liability	6.25% \$483,625	7.25% \$300,739	8.25% \$149,856

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - Commitments, Contingencies and Risk Management

The District has entered into an interlocal contract with Douglas County whereby the District is to provide mosquito abatement services to areas lying outside of the District's boundaries but within Douglas County. The contract is in effect unless terminated with a 30-day notice. The District was provided \$21,000 pertaining to this contract for the fiscal year ending June 30, 2025.

There were no claims pending or unresolved disputes involving the District at June 30, 2025.

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

NOTE 8 – Other Post-Employment Benefits

The District's provides other post-employment benefits (OPEB) for eligible retired employees through its health insurance programs as detailed in the District's personnel policies.

Plan Descriptions

The District's plan provides medical, vision, dental, and life insurance benefits to eligible retired District employees and beneficiaries. Under NRS 287.023, eligible retirees are able to participate in the plan at the same rates as active employees, thereby benefiting from an implicit subsidy. All retirees are required to pay 100% of their premiums under the plan.

Funding Policy

Retirees pay 100% of their premiums based on a rate that blends active participants and retirees. The District's contribution requirements for those retirees relate to the implicit and premium subsidies that result from using the blended rates and are determined in actuarial studies contracted for by the District.

The District's actuarial calculation did not result in a net OPEB obligation as of June 30, 2025. One retirees is receiving benefits as of June 30, 2025.

NOTE 9 – Subsequent Events

Management has evaluated subsequent events through November 30, 2025, which is the date these financial statements were available and issued and these financial statements have not been updated for subsequent events occurring after that date.

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – Conversion to Government-Wide Financial Statements

Adjustments on the face of the financial statements were made to the fund balance sheet and statement of revenue, expenditures, and changes in fund balance in order to reconcile the fund financial statements to the government-wide statements of net position and activities. Those differences are reflected below:

Statement of Net Position and Governmental Fund Balance Sheet Adjustments – Increases (decreases)

- Capitalization of fixed assets of \$1,094,089 accumulated depreciation of (\$764,011) - \$330,077
- Pension activity including deferred outflows of \$93,523, net pension liability of (\$300,739) and deferred inflow of (\$53,831) – \$261,047
- Elimination of fund balance – (\$2,634,691)
- Inclusion of net position - \$2,705,845

Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances Adjustments – Increases (decreases)

- Increase (decrease) in operating expenditures/expenses:
 - Increase in net pension liability and related accounts – \$9,460
 - Addition of depreciation expense - \$50,653
 - Decrease in lease expenses (\$2,123)
- Removal of capital outlay and services and supplies to capital assets – (\$73,965)

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2025

Schedule of the District's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years

Last 10 Fiscal Years*

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Proportion of the net pension liability	0.00166%	0.00187%	0.00180%	0.00178%	0.00178%	0.00166%	0.00163%	0.00150%	0.00139%	
Proportionate share of the net pension liability	300,739	341,283	325,631	162,466	247,405	225,830	222,376	196,091	202,273	158,883
Covered payroll	131,670	144,144	145,513	133,629	126,969	113,879	108,049	103,578	91,332	83,111
Proportionate share of the net pension liability as a percentage of its covered payroll	228.40%	236.77%	243.68%	121.58%	194.85%	198.31%	205.81%	189.32%	221.47%	191.17%
Plan fiduciary net position as a percentage of the total pension liability	76.16%	76.16%	75.12%	82.25%	77.00%	76.46%	75.24%	74.40%	72.20%	75.10%

*Amounts presented above were determined as of 6/30. Additional years will presented as they become available.

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2025

Schedule of the District's Contributions

Last 10 Fiscal Years*	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Statutorily required employer contribution	\$ 23,936	\$ 21,645	\$ 19,839	\$ 19,963	\$ 18,743	\$ 18,616	\$ 15,943	\$ 15,127	\$ 14,501	\$ 12,787
Contributions in relation to the contractually required contribution	\$ (23,936)	\$ (21,645)	\$ (19,839)	\$ (19,968)	\$ (18,743)	\$ (18,616)	\$ (15,943)	\$ (15,127)	\$ (14,501)	\$ (12,787)
Covered payroll	\$ 131,670	\$ 144,144	\$ 145,513	\$ 133,629	\$ 127,500	\$ 126,969	\$ 113,879	\$ 108,049	\$ 103,578	\$ 91,332
Contributions as a percentage of covered payroll	18.18%	15.02%	13.63%	14.94%	14.70%	14.66%	14.00%	14.00%	14.00%	14.00%

*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
BALANCE SHEET - GENERAL FUND
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and investments	\$ 2,420,363	\$ 2,281,590
Taxes receivable	1,226	539
Accounts receivable	21,000	35,456
Interest receivable	6,580	7,692
Due from other governments	43,508	35,496
Inventory	250,079	120,005
Prepaid expenses	111	111
 Total Assets	 <u>\$ 2,742,867</u>	 <u>\$ 2,480,889</u>
 LIABILITIES		
Current Liabilities:		
Accounts payable	99,082	74,616
Accrued payroll and benefits	9,094	9,756
 Total Current Liabilities	 <u>108,176</u>	 <u>84,372</u>
 FUND BALANCE		
Nonspendable		
Prepaid expenses	111	111
Inventory	250,079	120,005
Assigned for subsequent year expenditures	232,473	211,324
Unassigned	2,152,028	2,065,077
 Total Fund Balance	 <u>2,634,691</u>	 <u>2,396,517</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,742,867</u>	 <u>\$ 2,480,889</u>

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

DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-GENERAL FUND
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>
REVENUES		
Taxes		
Ad valorem taxes	\$ 833,675	\$ 767,098
Consolidated tax distributions	200,137	193,182
Contract revenue	21,000	21,000
Investment income	84,205	89,515
Miscellaneous revenue	<u>6,389</u>	<u>-</u>
 Total Revenues	 <u>1,145,406</u>	 <u>1,070,795</u>
 EXPENDITURES		
Public Health-Mosquito Abatement Operations		
Salaries and benefits	349,289	355,243
Services and supplies	483,978	578,265
Capital outlay	<u>73,965</u>	<u>110,673</u>
 Total Expenditures	 <u>907,232</u>	 <u>1,044,181</u>
 Excess of Revenues over Expenditures	 <u>238,174</u>	 <u>26,614</u>
 Other Financing Sources		
Insurance reimbursement	<u>-</u>	<u>35,456</u>
 Fund Balance, Beginning of Year	 <u>2,396,517</u>	 <u>2,334,447</u>
 Fund Balance, End of Year	 <u>\$ 2,634,691</u>	 <u>\$ 2,396,517</u>

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



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*

To the Board of Trustees of
Douglas County Mosquito Abatement District
Gardnerville, Nevada

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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activity and major fund of Douglas County Mosquito Abatement District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Douglas County Mosquito Abatement District's basic financial statement and have issued our report thereon dated November 30, 2025.

Internal Control over Financial Reporting:

In planning and performing our audit of the financial statements, we considered Douglas County Mosquito Abatement District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. 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 the 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, as defined above. However, material weaknesses and significant deficiencies may exist that have not been identified.

Compliance and Other Matters:

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

Purpose of this Report:

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

Yerington, Nevada
November 30, 2025

Arriggi, Bloke + Associates, LLC



Report on Nevada Revised Statute 354.6241

To the Honorable Board of Trustees of
Douglas County Mosquito Abatement District

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624(5)(a):

- The identified fund is being used expressly for the purpose for which it was created.
- The fund is administered in accordance with accounting principles generally accepted in the United States of America.
- The sources of revenues available for the fund are as noted in the financial statements.
- The fund conformed to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2025.
- The net position of the fund is as noted in the financial statements.

This assertion is the responsibility of the management of Douglas County Mosquito Abatement District.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Yerington, Nevada
November 30, 2025

Arrighi, Blake - Associates, LLC

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

CURRENT YEAR RECOMMENDATIONS

There are no specific recommendations made in the audit report for the current year.

PRIOR YEAR STATUTE COMPLIANCE

The District conformed to all significant statutory constraints on its financial administration during the year ended June 30, 2024.

PRIOR YEAR RECOMMENDATIONS

There were no prior year recommendations to be implemented during the 2024-2025 fiscal year.