PACE FIRE RESCUE DISTRICT
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SEPTEMBER 30, 2025

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Warren Averett
CPAs AND ADVISORS

350 W Cedar Street, Suite 400
Pensacola, FL 32502
850.435.7400
warrenaverett.com

INDEPENDENT AUDITORS' REPORT

To the Board of Fire Commissioners
Pace Fire Rescue District

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the general fund and the pension trust fund of Pace Fire Rescue 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 general fund and the pension trust fund 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 (GAAS) and the standards applicable to the 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 Auditors' 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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, the budgetary comparison information for the general fund, and the pension-related schedules, 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 GAAS, 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 XX, 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, 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 the District's internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida
June 16, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pace Fire Rescue District ("the District"), we offer readers of the District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by $10,523,536 (net position). Of this amount, $3,307,071 represents the investment in capital assets (e.g., land, building, fire trucks and equipment) net of related debt; $2,174,450 is restricted for future obligations; and the unrestricted portion, which may be used to meet the District's ongoing obligations to citizens and creditors, has a balance of $5,042,015.
- The District's governmental fund reported ending fund balances of $5,474,238, an increase of $825,131. Of this amount, $532,160 is restricted for future capital expenditures and improvements, and $185,580 is restricted for hydrant maintenance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's 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 the financial statements. This report also contains required supplementary information in addition to the basic financial statements. The District has elected to present the government-wide financial statements and fund financial statements in a combined presentation with a column containing the adjustments to reconcile the two financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with reported net position being the amount assets and deferred outflows of resources exceed liabilities and deferred inflows of resources. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the District.

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.

The government-wide financial statements distinguish functions of the District that are principally supported by non ad-valorem special assessments. The governmental activities of the District consist of public safety (fire suppression and emergency response).

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary 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 a government's near-term financial 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 government'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 District maintains one governmental fund (General Fund). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, which is considered a major fund.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District has one fiduciary fund (Pension Trust Fund). Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget and progress in funding its obligation to provide pension benefits to its employees.

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 District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $10,523,536 (net position) for the fiscal year, as reported in the table below.

The largest portion of the District's net position, approximately $5,042,000, is unrestricted, while approximately $3,307,000 reflects its investment in capital assets (e.g., land, buildings, fire trucks and equipment) less any related debt used to acquire those assets that is still outstanding.

The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District reports the investment in its capital assets net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	
	2025	**2024**
Current and Other Assets	$ 5,010,996	$ 3,596,240
Capital Assets	5,421,025	3,929,596
Net Pension Asset	1,646,027	1,171,773
Restricted Cash	717,740	1,117,042
Total Assets	12,795,788	9,814,651
Deferred Outflows of Resources	627,339	247,195
Current and Other Liabilities	680,110	345,372
Long-Term Liabilities	2,030,164	1,397,295
Total Liabilities	2,710,274	1,742,667
Deferred Inflows of Resources	189,317	133,405
Net Position		
Net Investment in Capital Assets	3,307,071	2,558,472
Restricted	2,174,450	2,155,410
Unrestricted	5,042,015	3,471,892
Net Position	$ 10,523,536	$ 8,185,774

	Governmental Activities	
	2025	2024
REVENUES		
Program revenues		
Capital grants and contributions	$ 154,409	$ 415,774
Charges for services	5,825,655	-
General revenues		
Property taxes	-	3,958,624
Intergovernmental revenue	81,001	367,223
Interest income	127,460	89,622
Other revenue	1,841	21,032
Total revenues	6,190,366	4,852,275
EXPENSES		
Public safety	3,812,956	2,815,215
Debt service interest	39,648	59,961
Total expenses	3,852,604	2,875,176
INCREASE IN NET POSITION	2,337,762	1,977,099
NET POSITION BEGINNING	8,185,774	6,208,675
NET POSITION ENDING	$ 10,523,536	$ 8,185,774

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

GOVERNMENTAL FUND

The focus of the District's general fund 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's general fund reported ending fund balances of $5,474,238. Charges for services revenue increased approximately $5.8 million and property taxes decreased approximately $4 million primarily due to the District’s transition from ad valorem taxation to non-ad valorem fire special assessments.

Public safety personal service expenditures increased approximately $983 thousand due to increases in wages of firefighters.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, total actual expenditures were under final budgeted appropriations by approximately $2,187,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The investment in capital assets includes land, buildings, improvements, equipment and fire trucks and vehicles. The additions to the District's capital assets for the current fiscal year primarily consists of construction costs for a new fire station. Additional information on changes in capital assets is disclosed in Note 4 to the financial statements.

	Governmental Activities	
	2025	2024
Construction in Progress	$ 1,746,739	$ 38,299
Land	214,660	214,660
Buildings	1,412,925	1,488,576
Equipment	522,676	474,005
Fire trucks and vehicles	1,524,025	1,714,058
Total	$ 5,421,025	$ 3,929,598

LONG-TERM DEBT

All of the District's debt, with the exception of compensated absences, represents bank loans secured solely by specified property. The District has no general obligation or special assessment debt. Additional information on changes in long-term debt is disclosed in Note 6 to the financial statements.

	Governmental Activities	
	2025	2024
Notes Payable	$ 2,047,295	$ 1,371,124
Compensated absences	391,318	300,000
Total	$ 2,438,613	$ 1,671,124

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District primarily relies upon non-ad valorem fire special assessments, impact fees and user fees to fund its activities. There are also a limited number of state shared revenues and recurring and nonrecurring grants from both the state and federal government, which provide funding for specific programs, projects, or activities.

The primary source of revenue for the District is non-ad valorem fire special assessments levied on property owners within the District’s boundaries which were implemented for fiscal year 2025.

Current trends and forecasts indicate the District will continue to see an increase in growth with higher demands for service. The non-ad valorem fire special assessments comprise of all of total budgeted revenues for fiscal year 2026.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's financial condition. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Chief Whitfield, Pace Fire Rescue District, 4773 Pace Patriot Boulevard, Pace, Florida. The District's website address is www.pacefirerescuedistrict.com. Inquiries may also be sent via email to the Chief at rwhitfield@pacefirerescuedistrict.com.

BASIC FINANCIAL STATEMENTS

PACE FIRE RESCUE DISTRICT
GOVERNMENTAL FUND BALANCE SHEET AND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 5,005,395	$ -	$ 5,005,395
Accounts receivable	5,601	-	5,601
Capital assets			
Non-depreciable	-	1,961,399	1,961,399
Depreciable, net	-	3,459,626	3,459,626
Net pension asset		1,646,027	1,646,027
Restricted cash	717,740	-	717,740
TOTAL ASSETS	$ 5,728,736	7,067,052	12,795,788
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items		627,339	627,339
LIABILITIES			
Accounts payable	$ 125,237	-	$ 125,237
Retainage payable	66,659	-	66,659
Accrued liabilities	62,602	-	62,602
Accrued interest	-	17,163	17,163
Noncurrent liabilities			
Due within one year:			
Compensated absences	-	195,659	195,659
Notes payable	-	212,790	212,790
Due in more than one year:			
Compensated absences	-	195,659	195,659
Notes payable	-	1,834,505	1,834,505
TOTAL LIABILITIES	254,498	2,455,776	2,710,274
DEFERRED INFLOWS OF RESOURCES			
Pension related items		189,317	189,317
FUND BALANCE / NET POSITION			
Fund balance			
Restricted for capital expenditures and improvements	532,160	(532,160)	
Restricted for hydrant maintenance	185,580	(185,580)	
Unassigned	4,756,498	(4,756,498)	
TOTAL FUND BALANCE	5,474,238	(5,474,238)	
TOTAL LIABILITIES AND FUND BALANCE	$ 5,728,736		
Net position			
Net investment in capital assets		3,307,071	3,307,071
Restricted - capital projects and improvements		532,160	532,160
Restricted - pensions		1,456,710	1,456,710
Restricted - hydrant maintenance		185,580	185,580
Unrestricted		5,042,015	5,042,015
TOTAL NET POSITION		$ 10,523,536	$ 10,523,536

See notes to the financial statements.

PACE FIRE RESCUE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund balance, governmental fund (page 10)		$ 5,474,238
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the general fund.		
Governmental non-depreciable assets	$ 1,961,399	
Governmental depreciable assets	5,629,027	
Less accumulated depreciation	(2,169,401)	
		5,421,025
Deferred outflows and deferred inflows of resources related to pensions are not available/receivable or due/payable, respectively, in the current period and therefore, are not reported in the general fund.		
Deferred outflows of resources	627,339	
Deferred inflows of resources	(189,317)	
		438,022
Other assets used in governmental activities are not current financial resources and therefore, are not reported in the general fund.		
Net pension asset		1,646,027
Long-term liabilities are not due and payable in the current period and are not reported in the general fund.		
Notes payable	(2,047,295)	
Accrued interest	(17,163)	
Compensated absences	(391,318)	
		(2,455,776)
Net position of governmental activities (page 10)		$ 10,523,536

See notes to the financial statements.

PACE FIRE RESCUE DISTRICT
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Adjustments	Statement of Activities
REVENUES			
Impact fees	$ 154,409	-	$ 154,409
Intergovernmental	81,001	-	81,001
Permits, fees, and special assessments	5,825,655	-	5,825,655
Interest	127,460	-	127,460
Miscellaneous	1,841	-	1,841
Total revenues	6,190,366	-	6,190,366
EXPENDITURES/EXPENSES			
Current			
Public safety – fire protection			
Personal services	3,341,690	(707,168)	2,634,522
Operating	784,572	-	784,572
Depreciation and amortization	-	393,862	393,862
Capital outlay	1,885,289	(1,885,289)	-
Debt service			
Principal	273,830	(273,830)	-
Interest	29,854	9,794	39,648
Total expenditures/expenses	6,315,235	(2,462,631)	3,852,604
EXCESS OF REVENUES OVER EXPENDITURES	(124,869)	124,869	
OTHER FINANCING SOURCES			
Debt proceeds	950,000	(950,000)	-
NET CHANGE IN FUND BALANCE	825,131		
INCREASE IN NET POSITION	-	2,337,762	2,337,762
FUND BALANCE / NET POSITION:			
BEGINNING OF YEAR	4,649,107		8,185,774
END OF YEAR	$ 5,474,238		$ 10,523,536

See notes to the financial statements.

PACE FIRE RESCUE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balance – governmental fund (page 12)		$ 825,131
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 depreciated/amortized over the estimated useful lives of the assets.		
Expenditures for capital assets	$ 1,885,289	
Less current year depreciation	(393,862)	
		1,491,427
The issuance of long-term debt provides current financial resources to the general fund, while the repayment of the principal of long-term debt consumes the current financial resources of the general fund. Neither transaction, however has any effect on net position. Also, the general fund reports the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Proceeds from debt		(950,000)
Principal payments		273,830
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in the general fund.		
Change in accrued interest on long-term debt	(9,794)	
Change in net pension asset and related deferrals	798,486	
Change in long-term compensated absences	(91,318)	
		697,374
Change in net position of governmental activities (page 12)		$ 2,337,762

See notes to the financial statements.

PACE FIRE RESCUE DISTRICT
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Pension Trust Fund
ASSETS	
Cash	$ 25,421
Investments, at fair value	3,152,204
TOTAL ASSETS	3,177,625
NET POSITION	
Restricted for pension benefits	$ 3,177,625

See notes to the financial statements.

PACE FIRE RESCUE DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Fund
ADDITIONS	
Contributions	
Employer	$ 305,049
Plan members	207,375
State of Florida	346,171
Total contributions	858,595
Investment income, net	221,372
TOTAL ADDITIONS	1,079,967
DEDUCTIONS	
Administrative expenses	18,347
Benefits paid	9,417
TOTAL DEDUCTIONS	27,764
INCREASE IN NET POSITION	1,052,203
NET POSITION RESTRICTED FOR PENSION BENEFITS	
BEGINNING OF YEAR	2,125,422
END OF YEAR	$ 3,177,625

See notes to the financial statements.

1. DESCRIPTION OF THE DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pace Fire Rescue District (the "District") was created in 1959 by a special act of legislation as Pace Fire Rescue District and was recreated by another special act of legislation in 2018 as Pace Fire Rescue District. The purpose of the District is to raise funds for the operations of the fire department through non ad valorem special assessments within the District. The District is served by a five-member board of fire commissioners, elected at large by the residents of the District.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The following is a summary of the District's accounting policies applied in the preparation of the financial statements.

A. The Reporting Entity

As required by GAAP, these financial statements present Pace Fire Rescue District as the primary government. In evaluating the District as a reporting entity, management has concluded there are no component units which are required to be included in these financial statements.

B. Government-Wide and Fund Financial Statements

The basic financial statements include presentations of both 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 of the nonfiduciary activities of the District. Since only one governmental fund is utilized, there is no interfund activity which requires elimination. Governmental activities of the District are primarily supported by non ad-valorem special assessments and intergovernmental revenues. There are no business-type activities conducted by the District, which rely, to a significant extent, on fees and charges for support.

As permitted by GAAP, the District has elected to present the government-wide financial statements and fund financial statements in a combined presentation with a column containing the adjustments to reconcile the two financial statements.

Separate fund financial statements are provided for the fiduciary fund, even though the fiduciary fund is excluded from the government-wide financial statements. Each fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following two broad classifications are used to categorize the fund types used by the District:

Governmental

Governmental funds focus on the determination of financial position and changes in financial position (sources, uses and balances of financial resources). The District has only one governmental fund, the General Fund, which is the District's primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary
Fiduciary funds are used to account for the assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. The District has one type of fiduciary fund, the Pension Trust Fund, which reports the resources required to be held in trust for the members and beneficiaries of the defined benefit pension plan administered by Pace Fire Rescue District Firefighters' Pension Trust Fund Board of Trustees.

C. Measurement Focus and Basis of Accounting
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. Non-ad valorem fire special assessments are recorded 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.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for certain grant revenues which are recognized as revenues in the same period the grant expenditures occurred, or when received in advance, deferred until expenditures are made. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Effective October 1, 2024, the District changed its method of funding fire protection services from ad valorem taxation to non-ad valorem fire special assessments, as authorized under Chapter 191, Florida Statutes. The non-ad valorem assessments are levied annually on benefited parcels within the District based on a methodology designed to allocate costs in proportion to the benefit received. The assessments are billed and collected by the county tax collector and are included on the annual property tax bill as non-ad valorem assessments.

Non-ad valorem fire special assessment revenues are recognized in accordance with governmental accounting standards. In the governmental fund financial statements, revenues are recognized when they are measurable and available, with availability defined as amounts collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. In the government-wide financial statements, non-ad valorem assessment revenues are recognized in the period for which the assessments are levied.

Fiduciary funds are reported using the economic resources measurement focus and the *accrual basis of accounting*. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. The Pension Trust Fund is used to account for the assets held by the District in a trustee capacity for the pension plan's participants.

Plan contributions to the Pension Trust Fund are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources, as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance or Net Position

Cash and Cash Equivalents
The District's cash on hand, demand deposits and short-term investments with maturities of three months or less when purchased are considered cash and cash equivalents.

Investments
Section 218.415, Florida Statutes, prescribes certain allowable investments including the Local Government Surplus Funds Trust Fund (Florida PRIME), 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 qualified public depositories or direct obligations of the U.S. Treasury.

Investments of the Firefighters' Pension Trust Fund are invested with the Florida Municipal Investment Trust (FMIvT), which is managed by the Florida Municipal Pension Trust Fund (FMPTF). The FMIvT is a Local Government Investment Pool (LGIP) and, therefore, considered an external investment pool. The Firefighters' Pension Trust Fund has a beneficial interest in the shares of the FMIvT portfolio, not in the individual securities held within the portfolio. The District has adopted the investment policy of the FMPTF as the investment policy for the Firefighters' Pension Trust Fund. Under this policy, a wide array of investments is allowable.

Capital Assets
Capital assets include land, construction in progress, buildings, equipment, vehicles, etc. The District capitalizes assets that have an estimated useful life in excess of one year and an initial cost greater than $1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are not capitalized.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	5 - 40 years
Improvements	5 - 15 years
Equipment and apparatuses	2 - 10 years
Fire trucks and vehicles	5 - 15 years

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District’s deferred outflows of resources as of September 30, 2025, totaled $627,339.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources as of September 30, 2025, totaled $189,317.

Compensated Absences

The District records a compensated absences liability for leave that 1) can be carried forward to future reporting periods; 2) was earned based on service that the employee has already provided; and 3) is more likely than not to be used, paid, or otherwise settled with the District. The compensated absences liability is measured using the pay rates in effect as of the financial statement date, including directly and incrementally associated salary-related employer taxes and benefits. Changes to pay rates will be recognized in future periods as those changes occur. The District uses a first-in, first-out (FIFO) flow assumption for calculating the portion of the liability due within one year.

Net Pension Asset

The government-wide financial statements present a net pension asset equal to the difference between the actuarial present value of projected benefits to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service and the amount of the pension plan's fiduciary net position. Additionally, pension expense and deferred outflows of resources and deferred inflows of resources are annually recognized from changes in the components of the net pension asset. See Note 7 for more information.

Fund Balances

In the fund financial statements, fund balances are reported as non-spendable or as, restricted, committed, assigned or unassigned, based on the extent to which there are external and internal constraints on the use of these fund balances.

Restricted fund balances can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors or laws or regulations or are imposed by law through constitutional provisions or enabling legislation.

Unassigned fund balances represent the residual positive fund balance within the General Fund which has not been restricted, committed or assigned.

Net Position

The government-wide financial statements utilize a net position presentation. Net investments in capital assets reflect the portion of net position which is associated with capital assets less outstanding capital asset related liabilities. Unrestricted net position represents the portion of net position that is neither restricted nor invested in capital assets (net of related debt).

E. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Reclassifications
Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. Such reclassifications have no effect on net position previously reported.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets
Annual budgets are adopted on a basis consistent with GAAP. An appropriated budget is adopted for the General Fund. The board of fire commissioners must approve any revision to the budget. Comparisons are made of actual results to budgeted amounts. Budget data presented in the financial statements includes approved amendments to the original adopted budget. Budgetary data reflected in the financial statements are based on procedures required by Florida Statutes.

3. CASH AND INVESTMENTS

Cash
The District's deposits at year end were held by a financial institution designated as a "Qualified Public Depository" as defined by the state treasurer. All deposits were fully insured through a combination of federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

Investments
The types of allowable investments are restricted by state statutes, retirement fund plan documents and other contractual agreements. A description of the requirements and the types of investments allowed is in Note 1-D.

Pension Trust Fund
The District is a participating employer of the FMPTF, which provides the District’s pension plan with administrative and investment services. All employee pension plan assets are included in the trust's Master Trust Fund and are invested by the FMPTF through the FMIvT for the benefit of the District, employees and beneficiaries. The District's investment in FMIvT is an investment in the individual investment funds offered, not the underlying securities that comprise the pool; therefore, no disclosure for individual securities is required. The District may make redemptions of its investments in the FMIvT twice a month with five business days of notice.

These investments are reported at fair value within the pool. At September 30, 2025, the District's investment in the FMPTF was $3,152,204.

The District measures and records the investment in the pool using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1 Inputs – directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.

Level 3 Inputs – unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

Fair Value of Investments:

Investment Funds	Fair Value at 9/30/2025	Fair Value Hierarchy Level
Fixed income funds		
FMIvT Broad Market High Quality Bond	$ 508,420	2
FMIvT Core Plus Fixed Income	470,288	3
Equity portfolios		
FMIvT Diversified Large Cap Equity	807,117	2
FMIvT Diversified Small to Mid Cap Equity	416,269	2
FMIvT International Equity	692,722	2
FMIvT Core Real Estate	257,388	3
Totals	$ 3,152,204	

Credit Risk and Interest Rate Risk Information:

Investment Funds	Asset Allocation	Credit Risk (Fitch Rating)	Interest Rate Risk (Years) Modified Duration	Interest Rate Risk (Years) – WAM
Fixed income funds				
FMIvT Broad Market High Quality Bond	16.00%	AAf/S4	5.56	7.10
FMIvT Core Plus Fixed Income	14.80%	not rated	5.52	5.76
Equity portfolios				
FMIvT Diversified Large Cap Equity	25.40%	not rated		
FMIvT Diversified Small to Mid Cap Equity	13.10%	not rated		
FMIvT International Equity	21.80%	not rated		
FMIvT Core Real Estate	8.10%	not rated		
Cash and money market	0.80%	not rated		
Totals	100%			

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to meet its obligations. The District is required to disclose the credit quality ratings for fixed income investments in external investment pools.
Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

4. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balance	Increases	Deletions/ Transfers	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 214,660	$ -	$ -	$ 214,660
Construction in progress	38,299	1,708,440	-	1,746,739
Total capital assets not being depreciated	252,959	1,708,440	-	1,961,399
Capital assets being depreciated				
Buildings	2,373,006	-	-	2,373,006
Radios	90,694	27,972	-	118,666
Extrication tools	50,750	-	-	50,750
Equipment	626,016	94,981	-	720,997
Fire trucks and vehicles	2,311,712	53,896	-	2,365,608
Total capital assets being depreciated	5,452,178	176,849	-	5,629,027
Less accumulated depreciation				
Buildings	884,430	75,651	-	960,081
Radios	55,589	11,634	-	67,223
Extrication tools	21,270	5,075		26,345
Equipment	216,596	57,573	-	274,169
Fire trucks and vehicles	597,654	243,929	-	841,583
Total accumulated depreciation	1,775,539	393,862	-	2,169,401
Total capital assets being depreciated, net	3,676,639	(217,013)	-	3,459,626
Governmental activities, net	$ 3,929,598	$ 1,491,427	$ -	$ 5,421,025

Construction in progress for the year ended September 30, 2025, includes construction for Station 4. Station 4 was completed and placed into service in November 2025 . Depreciation expense reported in the statement of activities was $393,862.

5. 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 insurance through commercial carriers to cover these risks. There have been no significant reductions in insurance coverage during the current year. Settlements have not exceeded insurance coverage in each of the past three years.

The District's workers' compensation is insured under a retrospectively rated policy in which the initial premium is adjusted based on actual experience during the period of coverage. Premiums are paid on the basis of the carrier's estimated cost of providing insurance to similar groups.

6. LONG-TERM DEBT

The following table summarizes changes in long-term debt of the District for the year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Notes payable	$ 1,371,124	$ 950,000	$ (273,829)	$ 2,047,295	$ 212,790
Compensated absences[1]	300,000	91,318	-	391,318	195,659
Total governmental activities	$ 1,671,124	$ 1,041,318	$ (273,829)	$ 2,438,613	$ 408,449

1 Additions and reductions are reported on a net basis for compensated absences.

Annual Requirements to Amortize Debt Outstanding
The annual debt service requirements to maturity to retire notes payable are as follows:

Year Ending September 30,	Notes Payable	
	Principal	Interest
2026	$ 212,790	$ 26,976
2027	294,452	66,441
2028	303,168	57,724
2029	312,188	48,705
2030	193,900	33,185
2031-2035	504,552	89,611
2036	226,245	16,004
Total	$ 2,047,295	$ 338,646

Notes Payable	Current	Long-Term	Total
$950,000 note payable with Synovus Bank; due in annual payments of $56,073 beginning March 2022 through September 2031, including interest at 3.27%. Secured by District property for Station 3.	$ 93,067	$ 513,644	$ 606,711
$950,805 note payable with Truist Bank; due in annual payments of $127,622 through June 2029, including interest at 1.61%. Secured by the ladder truck.	119,723	370,861	490,584
$950,000 Improvement Revenue Note, Series 2025 with Synovus Bank; bears interest at 4.58%, with principal payable annually beginning May 1, 2027 and final maturity on May 1, 2036. Interest is payable semiannually beginning November 1, 2025. The note is payable solely from and secured by pledged non-ad valorem special assessments of the District.	-	950,000	950,000
Total Notes Payable	$ 212,790	$ 1,834,505	$ 2,047,295

7. DEFINED BENEFIT PENSION PLAN

Plan Description

Plan Administration
District's Firefighters' Pension Trust Fund (Plan) is a single-employer defined benefit pension plan for the sole benefit of the firefighters of the District. The Plan was established in 2019 and is administered by a board of trustees. The board consists of five trustees; two of whom are appointed by the Fire District Commission; two of whom are full-time firefighters (members of the Plan) elected by a majority vote of the members of the Plan; and a fifth trustee chosen by a majority of the first four trustees. Participation is mandatory for all firefighters. The Plan operates under the provisions of Chapter 175, Florida Statutes, as a "Chapter Plan" with administrative oversight provided by the Florida League of Cities. Chapter 175 establishes minimum benefits and minimum standards for the operation and funding of the Plan.

The financial activity of the Plan is reported as a Pension Trust Fund in the District's fiduciary fund financial statements. The Plan's assets may be used only for the payment of benefits to members. The Plan does not issue a stand-alone audited financial report.

Measurement Date for Pension Reporting
The pension related amounts reported in the financial statements as of and for the year ended September 30, 2025 (employer reporting period), are based upon the net pension asset and the pension expense determined as of and for the year ended September 30, 2025 (the measurement date).

Benefits Provided
The Plan provides retirement, termination, disability and death benefits.

Retirement Age:
Normal: The date the member attains age 55 or older with ten or more years of credited service, or the date the member reaches 25 or more years of credited service and has attained age 52.
Early: The date the member attains age 50 with ten or more years of credited service.

Retirement Benefits:
Normal: Tiered calculation of 3.25% of average final compensation (AFC) for each year of credited service.
Early: Tiered calculation, same as normal benefits except reduction equal to 3% per year for the years of credited service; early retirement date precedes normal retirement date.

Disability Retirement:
Line-of-duty: Accrued retirement benefit or 42% of AFC, whichever is greater.
Non-line-of-duty: If vested, accrued normal retirement benefit or 25%, whichever is greater. If not vested, return of accumulated member contributions, without interest.

Pre-Retirement Death Benefits:
Vested member: Benefits, otherwise payable at early or normal retirement age, payable to beneficiary.
Non-vested member: Refund of accumulated member contributions without interest payable to beneficiary.

Plan Membership as of October 1, 2024:

Inactive non-vested Plan members entitled to but not yet receiving benefits	17
Active Plan members	28
	45

Contributions
The state legislature establishes, and may amend, minimum contribution rates for Plan members. Employer contribution rates are actuarially determined by the Plan's actuary. The State of Florida contributes a discretionary portion of the 1.85% excise tax imposed on insurance premiums on property within the District into the Plan. The actuarially determined combined contribution rate for 2025 for both the State of Florida and the District was 10.66%, resulting in a total contribution rate of 57.97% of covered payroll. Employees are required to contribute 10.00% of pensionable earnings.

Concentrations
The Plan did not hold investments in any one issuer that represents 5% or more of the Pension Plan's fiduciary net position.

Rate of Return
For the year ended September 30, 2025, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 8.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset)
The components of the net pension liability (asset) of the Sponsor based upon the measurement date of September 30, 2025, were as follows:

Total pension liability	$ 1,531,598
Plan fiduciary net position	(3,177,625)
Sponsor's net pension liability (asset)	$ (1,646,027)

Actuarial Assumptions
The total pension asset was determined by an actuarial valuation as of September 30, 2025, using the following actuarial assumptions:

Inflation	N/A
Salary increases	4.00%
Discount rate	6.50%
Investment rate of return	6.50%

The date of the most recent experience study upon which significant assumptions are based is not available. The long-term expected rate of return on 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 Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Real Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core bonds	15.00%	1.60%
Core plus	15.00%	2.10%
U.S. large cap equity	25.00%	4.60%
U.S. small cap equity	14.00%	5.50%
Non-U.S. equity	21.00%	6.70%
Core real estate	10.00%	5.00%

Discount Rate
The discount rate used to measure the total pension asset was 6.50%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected real rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions
For the year ended September 30, 2025, the District recognized a reduction in pension expense of $92,325 in the government-wide financial statements. On September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on Plan investments	$ 29,645	$ 155,666
Assumption Changes	109,856	-
Difference between expected and actual demographic experience	487,838	33,651
Total	$ 627,339	$ 189,317

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	
2026	$ 48,431
2027	23,084
2028	20,936
2029	57,720
2030	71,817
2031-2034	216,034
	$ 438,022

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Beginning Balances	$ 953,648	$ 2,125,421	$ (1,171,773)
Changes:			
Service cost	95,982	-	95,982
Expected interest growth	64,554	164,729	(100,175)
Demographic experience	303,912	-	303,912
Unexpected investment income	-	56,644	(56,644)
Contributions – employer	-	651,221	(651,221)
Contributions – employee	-	207,375	(207,375)
Benefit payment and refunds	(9,417)	(9,417)	-
Administrative expenses	-	(18,348)	18,348
Assumption Changes	122,919	-	122,919
Net changes	577,950	1,052,204	(474,254)
Balances at September 30, 2025	$ 1,531,598	$ 3,177,625	$ (1,646,027)

Sensitivity of the Net Pension Asset to changes in the Discount Rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Sponsor's net pension liability (asset)	$ (1,345,703)	$ (1,646,027)	$ (1,877,223)

8. COMMITMENTS AND CONTINGENCIES

Litigation
The District may be contingently liable with respect to lawsuits and claims incidental to the ordinary course of its operations. In the opinion of management, there are no claims, either asserted or unasserted, which are likely to have a material effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

PACE FIRE RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Impact fees	$ -	$ 154,409	$ 154,409	$ -
Intergovernmental	-	42,890	81,001	38,111
Permits, fees and special assessments	6,026,381	6,026,381	5,825,655	(200,726)
Interest	-	126,920	127,460	540
Miscellaneous	-	347,081	1,841	(345,240)
Total revenues	6,026,381	6,697,681	6,190,366	(507,315)
EXPENDITURES				
Current				
Public safety				
Personal services	4,180,544	4,430,720	3,341,690	1,089,030
Operating	1,097,660	1,608,784	784,572	824,212
Capital outlay	494,073	2,152,445	1,885,289	267,156
Debt service				
Principal and interest	254,104	310,177	303,684	6,493
Total expenditures	6,026,381	8,502,126	6,315,235	2,186,891
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	-	(1,804,445)	(124,869)	(1,679,576)
OTHER FINANCING SOURCES				
Debt proceeds	-	950,000	950,000	-
NET CHANGE IN FUND BALANCE	-	(854,445)	825,131	(1,679,576)
FUND BALANCE – BEGINNING OF YEAR	-	854,445	4,649,107	3,794,662
FUND BALANCE – END OF YEAR	$ -	$ -	$ 5,474,238	$ 5,474,238

See notes to the budgetary comparison schedule.

PACE FIRE RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE BUDGETARY COMPARISON SCHEDULE (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Revenues and expenditures are controlled by a formal budget adopted by the board of commissioners of the District. The budget is prepared on a basis consistent with GAAP.

The legal level of control for appropriations is exercised at the total expenditure level, including a contingency. Budget workshops are held by the District to plan, review and discuss the proposed budget prior to its advertisement in a newspaper of general circulation. Public hearings are conducted for the purpose of hearing requests and complaints from the public. The final budget is adopted by District resolution. Any subsequent amendments must be enacted in the same manner as the original budget, except for individual line-item transfers, which are approved by the board of commissioners.

PACE FIRE RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)
FIREFIGHTERS' PENSION PLAN

	Measurement Period Ending					
	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total Pension Liability						
Service cost	$ 95,982	$ 88,431	$ 62,704	$ 57,108	$ 36,719	$ 36,971
Interest	-	47,439	39,376	26,970	27,222	16,750
Change in benefit terms	64,554	-	64,983	-		303,937
Differences between expected and actual experience	303,912	198,688	17,947	80,798	(70,071)	-
Assumption Changes	122,919					
Benefit payments	(9,417)	(24,723)	(9,385)	(45,744)	(1,648)	(824)
Net Change in Total Pension Liability	577,950	309,835	175,625	119,132	(7,778)	356,834
Total Pension Liability – Beginning	953,648	643,813	468,188	349,056	356,834	-
Total Pension Liability – Ending (a)	$ 1,531,598	$ 953,648	$ 643,813	$ 468,188	$ 349,056	$ 356,834
Plan Fiduciary Net Position						
Contributions – employer	$ 651,221	$ 515,483	$ 334,440	$ 271,497	$ 237,257	$ 73,503
Contributions – employee	207,375	150,322	125,498	104,837	96,665	59,436
Net investment income	221,373	290,156	54,748	(81,744)	32,784	3,493
Benefit payments	(9,417)	(24,723)	(9,385)	(45,744)	(1,648)	-
Administrative expenses	(18,348)	(16,467)	(17,306)	(12,521)	(13,454)	(1,706)
Net Change in Plan Fiduciary Net Position	1,052,204	914,771	487,995	236,325	351,604	134,726
Plan Fiduciary Net Position – Beginning	2,125,421	1,210,650	722,655	486,330	134,726	-
Plan Fiduciary Net Position – Ending (b)	$ 3,177,625	$ 2,125,421	$ 1,210,650	$ 722,655	$ 486,330	$ 134,726
Net Pension Liability – Ending (a) – (b)	$ (1,646,027)	$ (1,171,773)	$ (566,837)	$ (254,467)	$ (137,274)	$ 222,108
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	207.47%	222.87%	188.04%	154.35%	139.33%	37.76%
Covered Employee Payroll*	$ 1,123,403	$ 1,000,938	$ 838,379	$ 780,149	$ 568,075	$ 717,859

*The covered payroll amounts are in compliance with GASB 82.

*This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

PACE FIRE RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS (UNAUDITED)
FIREFIGHTERS' PENSION PLAN

Fiscal Year Ended	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Actuarially Determined Contribution	$ 651,221	$ 515,483	$ 334,440	$ 271,497	$ 237,257	$ 73,503
Contributions in relation to the actuarially determined contributions:	651,221	515,483	334,440	271,497	237,257	73,503
Contribution Excess	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll*	$ 1,123,403	$ 1,000,938	$ 838,379	$ 780,149	$ 568,075	$ 717,859
Contributions as a Percentage of Covered Employee Payroll	57.97%	51.50%	39.89%	34.80%	41.77%	10.24%

*The covered payroll amounts are in compliance with GASB 82.

*This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See notes to the schedule of contributions.

PACE FIRE RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS (UNAUDITED)
FIREFIGHTERS' PENSION PLAN

Fiscal Year Ended	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Annual money-weighted rate of return:						
Net of investment expense*	8.71%	20.10%	5.31%	14.44%	14.18%	5.32%

*The covered payroll amounts are in compliance with GASB 82.

*This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

PACE FIRE RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE SCHEDULE OF CONTRIBUTIONS (UNAUDITED)
FIREFIGHTERS' PENSION PLAN

Measurement Date: September 30, 2025
Valuation Date: October 1, 2024

Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Actuarial Assumptions:

Discount Rate
6.50% per year annum (2.75% per annum is attributable to long-term inflation); this rate was used to discount all future benefits.

Salary Increases
4.00% per annum

Pre-Retirement Mortality
Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median for males), with full general improvements in mortality using Scale MP-2018 with ages set forward one year.

Post-Retirement Mortality
For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full general improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full general improvements in mortality using Scale MP-2018.

Retirement
Retirement is assumed to occur at normal retirement age.

Other Decrements
Assumed employment termination is based on the Scale 255 Table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4); all disabilities are assumed to be service-connected.

Marriage Assumption
80% of male employees and 60% of female employees are assumed to be married to a spouse; husbands are assumed to be three years older than wives.

Future Contributions
Contributions from the employer and employees are assumed to be made as legally required.

Changes
No assumptions were changed since the prior measurement date.

PACE FIRE RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS (UNAUDITED)
FIREFIGHTERS' PENSION PLAN

Fiscal Year Ended	**9/30/2025**	**9/30/2024**	**9/30/2023**	**9/30/2022**	**9/30/2021**
Annual money-weighted rate of return:					
Net of investment expense*	8.71%	20.10%	5.31%	14.44%	14.18%

*The covered payroll amounts are in compliance with GASB 82.

*This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

COMPLIANCE SECTION

Warren Averett
CPAs AND ADVISORS

350 W Cedar Street, Suite 400
Pensacola, FL 32502
850.435.7400
warrenaverett.com

INDEPENDENT AUDITORS' 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 Commissioners
Pace Fire Rescue District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund and the pension trust fund of Pace Fire Rescue 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 16, 2026.

Report on Internal Control Over Financial Reporting
In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) as a basis for determining 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 District'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, where applicable, 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pensacola, Florida
June 16, 2026

Warren Averett
CPAs AND ADVISORS

350 W Cedar Street, Suite 400
Pensacola, FL 32502
850.435.7400
warrenaverett.com

INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

To the Board of Commissioners
Pace Fire Rescue District

We have examined Pace Fire Rescue District's (hereinafter referred to as "the District") compliance with Florida Statute 218.415, in regard to investments for the year ended September 30, 2025.

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence that 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 for the year ended September 30, 2025.

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

Warren Averett, LLC

Pensacola, Florida
June 16, 2026

Warren Averett
CPAs AND ADVISORS

350 W Cedar Street, Suite 400
Pensacola, FL 32502
850.435.7400
warrenaverett.com

MANAGEMENT LETTER

To the Board of Commissioners
Pace Fire Rescue District

Report on the Financial Statements
We have audited the financial statements of Pace Fire Rescue District (the "District"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 16, 2026.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, if any, which are dated June 16, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit. There were no such findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority
Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The legal authority for the District is disclosed in Note 1 to the financial statements. There are no component units related to the District.

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in 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. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs
As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the District did not operate within its geographical boundaries, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, during the fiscal year under audit.

Special District Component Units
Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality or special district to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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

a. The total number of District employees compensated in the last pay period of the District's fiscal year as 45.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as one.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $2,377,263.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $27,350.
e. The District has no construction projects with a total cost of $65,000 approved by the District that are scheduled to begin on or after October 1st 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, as $2,475,745.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, *Rules of the Auditor General*, the District reported:

a. The rates imposed for non-ad valorem special assessments are $150 per residential dwelling unit up to 1,600 square feet with an additional $0.1245 per square foot in excess of 1,600 square feet, $30.96 for vacant land, $500 for commercial up to 950 square feet with an additional $0.1544 per square foot in excess of 950 square feet and $30.96 for unimproved acreage up to three acres, with an additional $10.32 per acre in excess of three acres.

b. The total amount of special assessments collected by or on behalf of the District as $5,813,847.
c. The District does not have any outstanding bonds.

The specific information reported in the previous paragraphs has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Additional Matters
Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

Pensacola, Florida
June 16, 2026