

ENGLEWOOD AREA  
FIRE CONTROL DISTRICT

SEPTEMBER 30, 2023

FINANCIAL STATEMENTS  
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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**Englewood Area Fire Control District**  
**List of District Officials**  
**September 30, 2023**

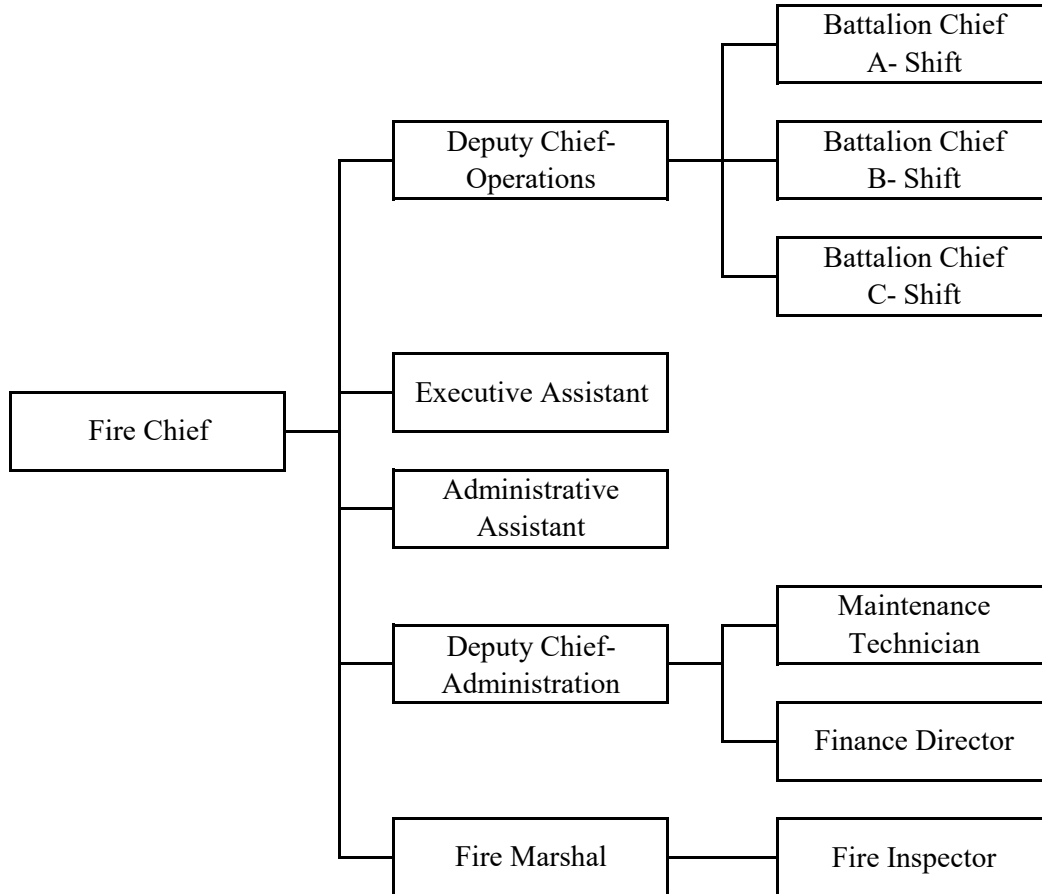
Elected Officials

Chairman	Ronald Davison
Vice Chairman	Eldon Loisell
Treasurer	Billy Kimberlin
Fire Commissioner	Ronald Benedetti
Fire Commissioner	Mark Knauf

Appointed Officials

Fire Chief	Kevin Easton
Attorney	Lori Wellbaum Emery
Finance Director	Jolanda DeWaard

**Englewood Area Fire Control District  
Organizational Chart  
September 30, 2023**





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366 E OLYMPIA AVE, PUNTA GORDA, FL 33950  
AshleyBrownCPAS.com

## **Independent Auditor's Report**

Board of Commissioners  
Englewood Area Fire Control District  
Englewood, FL

We have audited the accompanying financial statements of the governmental activities of the Englewood Area Fire Control District (the "District"), as of and for the year ended September 30, 2023, 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 of the District as of September 30, 2023, 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 Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's net proportionate share of net pension liability- pension plan and health insurance subsidy plan, schedules of district contributions- pension plan and health insurance subsidy plan and schedule of changes in the total OPEB liability and related ratios to 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.

**Required Supplementary Information, continued**

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 consideration the District's internal control over financial reporting and compliance.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

May 15, 2024



# **Englewood Area Fire Control District Management's Discussion and Analysis September 30, 2023**

As management of the Englewood Area Fire Control District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended September 30, 2023.

## **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2023 fiscal year by \$8,743,776.
- The District's total net position increased by \$2,489,182.
- As of the close of the 2023 fiscal year, the District's governmental funds (general fund, special revenue fund, and capital projects fund) reported an ending fund balance of \$6,152,952 an increase of \$1,189,144 in comparison with the prior year. Approximately \$590,953 is available for spending at the District's discretion.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of 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 themselves.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to a private-sector business. These statements include all assets and liabilities on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

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 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 (e.g. unused vacation leave).

The government-wide financial statements should distinguish functions of the Englewood Area Fire Control District that are principally supported by the District's residents and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the District's activities are governmental. The government-wide financial statements can be found on pages 10 and 11 of this report.

**Englewood Area Fire Control District  
Management's Discussion and Analysis  
September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

**Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more information about the District's general fund, capital projects fund, and training facilities fund - not the District as a whole. A fund is a grouping of related accounts that is 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 financial-related legal requirements. The District's funds consist of governmental and fiduciary fund categories.

**Governmental Funds**

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

Because the focus of governmental funds is narrower than that of 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 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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds: 1) the general fund; 2) the capital projects fund ; and 3) training facility fund. These funds are presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and in the changes in fund balance.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 12 and 14 of this report.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the district's own programs. Accounting used for fiduciary funds is much like that used for the government-wide financial statements. The fiduciary fund financial statements for the Firefighters' Pension Plan can be found on pages 16 and 17 of this report.

**Englewood Area Fire Control District  
Management's Discussion and Analysis  
September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 18 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the District's progress in funding its obligation to provide pension benefits to its firefighters. Required supplementary information can be found beginning on page 54.

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial conditions from the prior year.

The following is a condensed summary of net position for the primary government for the fiscal year 2023 and 2022:

Summary of Net Position  
September 30,

	2023	2022
<b>ASSETS</b>		
Current and other assets	\$ 6,405,590	\$ 8,159,794
Capital assets	4,730,722	4,683,911
Total assets	11,136,312	12,843,705
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	8,127,698	3,124,441
Total assets and deferred outflows of resources	19,264,010	15,968,146
<b>LIABILITIES</b>		
Current liabilities	832,763	414,025
Long term liabilities	9,056,351	3,910,272
Total liabilities	9,889,114	4,324,297
<b>DEFERRED INFLOWS OF RESOURCES</b>	631,120	5,389,255
Total liabilities and deferred inflows of resources	10,520,234	9,713,552
<b>NET POSITION</b>		
Investment in capital assets, net of related debt	2,498,925	2,142,989
Restricted	1,017,593	695,606
Unrestricted (deficit)	5,227,258	3,415,999
Total net position	\$ 8,743,776	\$ 6,254,594

**Englewood Area Fire Control District  
Management's Discussion and Analysis  
September 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

Current and other assets represent 57.5% of the total assets for fiscal year 2023. Current assets were comprised of cash and cash equivalents of \$6,250,862, accounts receivable of \$84,932, prepaid items of \$11,710 and lease receivable of \$58,086.

The following schedule reports the revenues, expenses, and changes in net position for the District for fiscal years 2023 and 2022:

	2023	2022
<b>REVENUES:</b>		
Program Revenues:		
Tuition	\$ 179,264	\$ 172,808
Charges for service	36,040	21,000
Grant revenue	81,043	-
Total program revenue	296,347	193,808
General Revenues:		
Property assessment	9,766,539	9,128,876
Impact fees	293,815	355,099
Interest income	302,435	21,945
Insurance proceeds	417,611	167,700
Other	225,057	-
Total general revenue	11,005,457	9,673,620
Total revenues	11,301,804	9,867,428
<b>EXPENSES</b>		
Public safety		
Fire protection	8,812,622	6,070,892
Change in net position	2,489,182	3,796,536
Net position - beginning of year	6,254,594	2,458,058
Net position - end of year	\$ 8,743,776	\$ 6,254,594

In comparison to the prior year, revenue increased \$1,434,376 or 12.7%. This is due primarily to a \$637,663 increase in property assessments, \$280,490 increase in interest income and \$417,611 in insurance proceeds from Hurricane Ian claims.

**Englewood Area Fire Control District  
Management's Discussion and Analysis  
September 30, 2023**

BUDGETARY HIGHLIGHTS

The District adopts an annual budget for its General Fund as required by Florida Statute. Budget versus actual comparisons are reported on pages 54-55. Budget transfers are made from time to time in the General Fund to manage unanticipated costs as they relate to originally estimated amounts. The General Fund difference between the final budgeted expenditures and actual expenditures represents a favorable variance of \$11,499 or 0.12%.

CAPITAL ASSETS

The following is a schedule of the District's capital assets as of September 30, 2023 and 2022:

Capital Assets September 30, 2023 and 2022	2023	2022
<b>CAPITAL ASSETS</b>		
Capital assets, not being depreciated		
Land	\$ 386,100	\$ 386,100
Total capital assets, not being depreciated	386,100	386,100
Capital assets, being depreciated		
Buildings and improvements	3,580,098	3,555,323
Vehicles	4,016,639	3,714,935
Equipment	1,521,008	1,306,728
Total capital assets, being depreciated	9,117,745	8,576,986
Accumulated depreciation		
Buildings and improvements	(2,371,377)	(2,299,925)
Vehicles	(1,592,833)	(1,275,886)
Equipment	(808,913)	(703,364)
Total accumulated depreciation	(4,773,123)	(4,279,175)
Capital assets, net	\$ 4,344,622	\$ 4,297,811

Additional information on the District's capital assets can be found in Note 4.

**Englewood Area Fire Control District  
Management's Discussion and Analysis  
September 30, 2023**

DEBT ADMINISTRATION

The District's outstanding debt is comprised of promissory notes, compensated absences, a net OPEB (other post-employment benefit) obligation for retiree health insurance, and net pension liability. The following is a schedule of the District's outstanding debt at September 30, 2023 and 2022:

	2023	2022
Promissory Notes	\$ 2,231,797	\$ 2,540,922
Compensated Absences	393,266	586,388
Net Pension Liabilities	6,030,172	(2,928,768)
Net OPEB Liability	1,032,253	1,025,459
Total long term liabilities	\$ 9,687,488	\$ 1,224,001

Compensated absences decreased by \$193,122 or 32.9% in comparison to the prior year. This liability represents the total amount the District has due at the termination of all employees' employment as of September 30, 2023. Promissory notes decreased \$309,125 or 12.2% in fiscal year 2023. Net pension liability of increased by \$8,958,940 or 305.9% in comparison to the prior year. The net OPEB Liability increased by \$6,794 or 0.7% between years.

Additional information on the District's long-term liabilities can be found in Note 5.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following factors were considered when next year's budget (2023-2024) was adopted:

- The rates of non-ad valorem special assessments imposed by the District as \$215.97 for residential, \$0.31 rate per square foot for non-residential, and \$54.47 per lot for vacant land.. The residential and non-residential rates changed from the prior year.
- The District will collect \$9,587,034 in assessment revenue, an increase of \$652,176 over the 2022-2023 fiscal year.
- The District's board of commissioners approved a \$10,340,346 expenditures budget for the 2023-2024 fiscal year, an increase of \$785,737 over the prior year's budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for the District's residents and creditors. Questions concerning this report or requests for additional financial information should be directed to: Englewood Area Fire Control District, Chief Kevin Easton, Fire Chief, 516 Paul Morris Drive, Englewood, Florida, 34223.

BASIC  
FINANCIAL STATEMENTS

**Englewood Area Fire Control District**  
**Statement of Net Position - Governmental Funds**  
**September 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,250,862
Accounts receivable	84,932
Prepaid items	11,710
Lease receivable	58,086
Capital assets:	
Capital assets not being depreciated	386,100
Capital assets, net of accumulated depreciation and amortization	4,344,622
Total assets	11,136,312
 <b>DEFERRED OUTFLOWS OF RESOURCES - PENSIONS</b>	 8,127,698
<b>LIABILITIES</b>	
Accounts payable	99,638
Accrued salaries and benefits payable	101,988
Long-term liabilities	
Long-term obligations due within one year	631,137
Long-term obligations due in more than one year	9,056,351
Total liabilities	9,889,114
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	580,108
Leases	51,012
Total deferred inflows of resources	631,120
 <b>NET POSITION</b>	
Invested in capital assets, net of related debt	2,498,925
Restricted for capital projects	1,017,593
Unrestricted	5,227,258
Total net position	\$ 8,743,776

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



**Englewood Area Fire Control District**  
**Statement of Activities**  
**For the fiscal year ended September 30, 2023**

**EXPENSES**

	Governmental Activities
Governmental Activities	
Public Safety - Fire Protection	
Personnel services	\$ 6,895,904
Operating expenses	1,348,932
Depreciation	496,248
Interest and fiscal charges	71,538
Total program expenses	8,812,622

**PROGRAM REVENUE**

Tuition	179,264
Grant revenue	81,043
Charges for services	36,040
Net program expenses	8,516,275

**GENERAL REVENUE**

Property assessments	9,766,539
Impact fees	293,815
Firefighter supplemental	17,420
Interest income	302,435
Rental income	115,581
Insurance reimbursement	417,611
Miscellaneous	92,056
Total general revenues	11,005,457

Change in net position	2,489,182
Net position - beginning, October 1, 2022	6,254,594
Net position - ending, September, 30, 2023	\$ 8,743,776

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

**Englewood Area Fire Control District**  
**Balance Sheet**  
**September 30, 2023**

	General Fund	Capital Projects Fund	Non-major Training Facility Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,021,918	\$ 1,017,593	\$ 211,351	\$ 6,250,862
Accounts receivable	79,324	-	5,608	84,932
Lease receivable	58,086	-	-	58,086
Prepaid expenses	8,875	-	2,835	11,710
Total assets	<u>\$ 5,168,203</u>	<u>\$ 1,017,593</u>	<u>\$ 219,794</u>	<u>\$ 6,405,590</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 87,548	\$ -	\$ 12,090	\$ 99,638
Accrued liabilities	101,988	-	-	101,988
Total liabilities	<u>189,536</u>	<u>-</u>	<u>12,090</u>	<u>201,626</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Leases	51,012	-	-	51,012
Total deferred inflow of resources	<u>51,012</u>	<u>-</u>	<u>-</u>	<u>51,012</u>
<b>FUND BALANCE</b>				
Restricted	-	1,017,593	-	1,017,593
Committed	4,336,702	-	-	4,336,702
Assigned	-	-	207,704	207,704
Unassigned	590,953	-	-	590,953
Total fund balances	<u>4,927,655</u>	<u>1,017,593</u>	<u>207,704</u>	<u>6,152,952</u>
Total liabilities and fund balances	<u>\$ 5,168,203</u>	<u>\$ 1,017,593</u>	<u>\$ 219,794</u>	<u>\$ 6,405,590</u>

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

**Englewood Area Fire Control District**  
**Reconciliation of the Balance Sheet To the Statement of Net Position**  
**September 30, 2023**

Total fund balance for governmental funds	\$	6,152,952
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported on the balance sheet:

Land	\$ 386,100	
Building and improvements	3,580,098	
Vehicles	4,016,639	
Equipment	1,521,008	
Less: accumulated depreciation	<u>(4,773,123)</u>	4,730,722

Deferred outflows and deferred inflows are applied to future periods and are therefore not reported in the governmental funds.

Deferred outflows related to pensions	8,127,698	
Deferred inflows related to pensions	<u>(580,108)</u>	7,547,590

Long-term liabilities are not due and payable in the current period and are therefore not reported on the balance sheet:

Net pension liability - FRS	(124,156)	
Net pension liability - HIS	(70,330)	
Net pension liability - Firefighters'	(5,835,686)	
Note payable	(2,231,797)	
Compensated absences	(393,266)	
Net OPEB liability	<u>(1,032,253)</u>	<u>(9,687,488)</u>

Net Position	\$	<u><u>8,743,776</u></u>
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*The accompanying notes are an integral and essential part of these financial statements.*

**Englewood Area Fire Control District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the fiscal year ended September 30, 2023**

	General Fund	Capital Projects Fund	Non-major Training Facility Fund	Total Governmental Funds
<b>REVENUES</b>				
Property assessments	\$ 9,766,539	\$ -	\$ -	\$ 9,766,539
Impact fees	-	293,815	-	293,815
Intergovernmental				
Firefighter supplemental	17,420	-	-	17,420
Grant revenue	81,043	-	-	81,043
Charges for services	36,040	-	-	36,040
Interest	267,684	28,147	6,604	302,435
Rental	105,621	-	9,960	115,581
Tuition	-	-	179,264	179,264
Insurance reimbursement	417,611	-	-	417,611
Miscellaneous	10,710	50	1,062	11,822
Total revenues	<u>10,702,668</u>	<u>322,012</u>	<u>196,890</u>	<u>11,221,570</u>
<b>EXPENDITURES</b>				
Public safety				
Personal services	7,766,816	-	73,190	7,840,006
Operating expenditures	1,285,847	25	63,060	1,348,932
Capital outlay	455,814	-	7,011	462,825
Debt Service				-
Principal	309,125	-	-	309,125
Interest	71,538	-	-	71,538
Total expenditures	<u>9,889,140</u>	<u>25</u>	<u>143,261</u>	<u>10,032,426</u>
Net change in fund balance	813,528	321,987	53,629	1,189,144
Fund balance, October 1, 2022	<u>4,114,127</u>	<u>695,606</u>	<u>154,075</u>	<u>4,963,808</u>
Fund balance, September 30, 2023	<u>\$ 4,927,655</u>	<u>\$ 1,017,593</u>	<u>\$ 207,704</u>	<u>\$ 6,152,952</u>

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

**Englewood Area Fire Control District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance to the Statement of Activities**  
**For the fiscal year ended September 30, 2023**

Net change in fund balance for governmental funds \$ 1,189,144

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, gains and losses on the disposition of capital assets are recorded on the statement of activities but not in the statement of revenues expenditures and changes in net position.

Capital outlay expenditure	\$ 462,825	
Donation	80,234	
Less: depreciation expense	<u>(496,248)</u>	46,811

The repayment of the principal of long-term debt is an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balance, but reduces long-term liabilities in the Statement of Net Position. 309,125

The increase in OPEB expense does not affect the use of financial resources and is not reflected as an increase in expenditures in the governmental funds. (6,794)

The decrease in pension expense does not affect the use of financial resources and is not reflected as an increase in expenditures in the governmental funds. 757,774

The decrease in compensated absences liability does not affect the use of financial resources and is not reflected as an increase in expenditures in the governmental funds. 193,122

Change in net position \$ 2,489,182

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

**Englewood Area Fire Control District**  
**Statement of Fiduciary Net Position - Fiduciary Fund**  
**September 30, 2023**

	Pension Fund
<b>ASSET</b>	
Cash and cash equivalents	\$ 324,276
Receivables:	
District contributions	509,164
Member contributions	13,975
State contributions	428,619
Investment income	20,313
Investments at fair value	
Fixed income	
U.S. bonds and bills	2,835,493
Federal agency guaranteed securities	779,139
Corporate bonds	520,782
Mutual funds - fixed income	3,971,122
Mutual funds - equity	28,817,672
Real estate	5,513,477
Total assets	43,734,032
 <b>LIABILITIES</b>	
Refunds of member contributions	15,508
Investment expense payable	9,567
Administrative expense payable	1,597
Total liabilities	26,672
 <b>NET POSITION</b>	
Held in trust for pension benefits	43,707,360
Total net position	\$ 43,707,360

**Englewood Area Fire Control District**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Fund**  
**Year Ended September 30, 2023**

	Pension Fund
<b>ADDITIONS</b>	
Contributions	
Member	\$ 380,360
District	1,863,761
State	435,389
Investment income (loss)	
Net increase in fair value of investments	1,818,924
Interest and dividends	1,747,122
Less: investment expense	(108,981)
Total additions	6,136,575
<b>DEDUCTIONS</b>	
Distributions to members	
Benefit payments	1,744,672
Lump sum DROP distributions	1,149,300
Lump sum Share distributions	16,051
Refunds of member contributions	40063
Administrative expenses	56,016
Total deductions	3,006,102
Change in net position	3,130,473
Net position - October 1, 2022	40,576,887
Net position - September 30, 2023	\$ 43,707,360

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies**

**Organization:** The Englewood Area Fire Control District (the "District") is a political subdivision of the State of Florida, located in Charlotte and Sarasota Counties in the southwest portion of the State. The District was incorporated in 1982 under the provisions of the Laws of Florida, Chapter 82-381 under a Board of Commissioners (the "Board") structure. In 2001, the Charter was codified, reenacted and amended to, among other items, provide for the redefinition of the boundaries of the District. The District is approximately eighty-three square miles in area. The District is governed by a five-member (5) elected Board of Commissioners. Commissioners serve on a staggered four (4) year term basis.

The District was organized to prevent and control damage, destruction or injury to people or property by fire, disaster, or other emergencies.

**Note 2. Summary of Significant Accounting Policies:**

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements:

**Reporting Entity:** Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity" (GASB 14), as amended, requires the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, as amended, there are no component units included and/or required to be included in the District's financial statements.

**Government-wide 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 activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement Number 33, "Accounting and Financial Reporting for Nonexchange Transactions" (GASB 33).



**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Government-wide Financial Statements, Continued:** Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

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

Program revenues are considered to be revenues generated by services performed and/or by fees charged, such as inspection and ambulance fees, as well as operating and capital grants.

**Fund Financial Statements:** The District adheres to GASB Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54).

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in aggregate for governmental funds. The fiduciary statements include information for the Englewood Area Fire Control District Firefighters' Pension Trust Fund (the "Plan"). The fiduciary fund represents assets held by the District in a custodial capacity for the benefit of other individuals. This fund is properly not reflected as part of the government-wide financial statements as the net assets of this fund are held in trust and are not available to support the District's operations.

**Governmental Funds:** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Governmental Funds, Continued:** The District's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" (GASB 34). The funds that do not meet the criteria of a major fund are considered non-major funds.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns on the fund financial statements.

**Fiduciary Fund:** A Fiduciary Fund accounts for assets held by the government in a trustee capacity or as an agent on behalf of others. Specifically, a trust fund accounts for assets held by the government under the terms of a formal trust agreement. The District has one fiduciary fund: a pension trust fund—(Public Safety Trust Fund) the Englewood Area Fire Control District Firefighters' Pension Trust Fund.

**Measurement Focus and Basis of Accounting:** Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

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 and 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 sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are ad valorem taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds are recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met. Inspection fees are not susceptible to accrual because generally they are not measurable until received in cash.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Measurement Focus and Basis of Accounting, Continued:** Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on the long-term debt, if any, which is recognized when due; and (2) expenditures, which are generally not divided between years by the recording of prepaid expenditures.

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

The Fiduciary Fund - (Firefighters' Pension Trust Fund) financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**Major Funds:** The District reports the following major governmental funds:

- **General Fund:** The General Fund is the District's primary operating fund. It accounts for all financial resources of the District.
- **Capital Projects Fund:** The Capital Projects Fund consists of impact fee revenues collected under Florida Statute, Section 191.009(4). The fees are restricted and can only be used for certain capital expenditures associated with growth within the District.

**Non-major Funds:** The District reports the following non-major governmental funds:

- **Training Facility Fund:** The Training Facility Fund is a special revenue fund which accounts for the tuition revenues and expenses incurred in the operation of the District's new firefighters' training facility.

**Fiduciary Funds:** Fiduciary funds are excluded in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The only type of fiduciary fund the District maintains is the Firefighters' pension plan, which accumulates resources for pension benefit payments to qualified public safety employees.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Deposits and Investments:** The District adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," as amended by GASB Number 79, "Certain External Investment Pools and Pool Participants", and Statement 40, "Deposit and Risk Investment Disclosures," an amendment to GASB Statement Number 3, and GASB Statement 72, "Fair Value Measurement and Application."

The District's investment policy is to maintain funds in investments which yield the highest possible efficiency and return within the limitations established by Florida Statutes, Chapter 166.261. Provisions of those statutes authorize the District to invest in:

- a. Florida State Board of Administration Local Government Pooled Investment Fund.
- b. Bonds, notes or other obligations of the United States or for which the credit of the United States is pledged for the payment thereof.
- c. Interest-bearing time deposits, savings accounts or collective investment funds in banks or savings and loan associations organized under the laws of the United States.
- d. Obligations of the federal farm credit banks and the Federal Home Loan Mortgage Corporation.
- e. Obligations of the Federal National Mortgage Association and the Government National Mortgage Association.

Investments in fixed income securities are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Investments held by the District's pension trust funds are reported at fair value.

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Prepaid Items:** Certain payments to vendors and for insurance premiums reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures using the purchase method. Under this method, prepaid items are recorded as expenditures when purchased. Prepaid items reported in the general fund are therefore equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Property Assessments:** Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector.

The special assessment levy (the "assessment") of the District is established by the Board of Commissioners on or after February 1 of each year and the Sarasota and Charlotte County Property Appraisers incorporate the District's assessment into the total tax levy. The District may change the rate of assessment from that assessed in the prior year as provided by Chapter 191, Florida Statutes. The 2023 rates of assessment by the District were as follows: \$215.97 for residential, \$0.31 rate per square foot for non-residential, and \$54.47 per lot for vacant land.

An assessment roll showing the assessment rate is prepared and completed by the Board of Commissioners on or before September 30 of each year. The Board of Commissioners, upon the adoption of the resolution fixing the rate of assessment, shall prepare an assessment and collection roll setting forth a description of each lot or parcel of land subject to taxation in the district together with the amount of assessment against the lot or parcel of land and attach thereto a certified copy of the resolution fixing the rate of assessment, and it shall, before September 15 each year, deliver the roll to the County Tax Collectors of Sarasota and Charlotte Counties, for collection of the assessments. All assessments shall be made against the land subject to assessment, and the roll shall set forth the names of the owners of such land.

All assessments are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid assessments become delinquent on April 1 following the year in which they are assessed.

Because of the Sarasota and Charlotte County Tax Collectors' Offices efficient system for selling tax certificates and remitting the proceeds to the District, any delinquent or uncollected assessments at year end are immaterial.

The District's assessment calendar is as follows:

Valuation Date	January 1
Levy Date	November 1
Due Date	March 31, succeeding year
Lien Date	April 1, succeeding year

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Capital Assets:** Capital assets, which include property, plant, equipment and right-to-use lease assets are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, if any, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building & Improvements	5 - 39
Equipment	5 - 15
Vehicles	5 - 10

**Compensated Absences:** It is the District's policy to permit employees to accumulate earned but unused sick pay, personal and compensatory time benefits. Vacation time is not accrued.

*Vacation Leave:* All full-time and part-time employees are eligible for vacation leave. Vacation leave earned for the calendar year shall be used by December 31. Upon termination of employment, unused vacation leave in that calendar year will be calculated on a quarterly basis and paid out accordingly based on the following compensation rate:

Years of Service	Vesting %
0 year thru 5 years	No compensation rate
6 year thru 10 years	30% compensation rate
11 year thru 15 years	60% compensation rate
16 year thru 20 years	80% compensation rate
21 year thru retirement	100% compensation rate

*Personal Time:* Personal time is earned at the rate of eight (8) hours per year by all full-time (forty-hour per week) employees - unused personal time may be accumulated and is payable at the rate of pay in effect at termination.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Compensated Absences, Continued:** *Sick leave:* Full-time (forty hours per week) employees earn eight (8) hours of sick leave for each full month of employment. Sick leave may be accumulated up to a maximum of three hundred and twenty (320) hours for all forty (40) hour per week employees. All full-time (fifty-six hours per week) employees earn fourteen (14) hours of sick leave for each full month of employment. Two (2) of the fourteen (14) hours goes into the sick leave bank or B-Bank each month. Sick leave may be accumulated up to a maximum of four hundred and eighty (480) hours for all fifty-six (56) hour per week employees. Sick leave is paid out upon termination after ten (10) years of service at 100% compensation rate.

*Compensatory (Comp) Time:* Compensatory time at the rate equal to that of overtime may be requested in lieu of overtime. Unused Comp time up to two hundred and forty (240) hours will be paid at the rate of pay in effect at termination.

Vested or accumulated sick leave, personal or comp time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated sick leave, personal or comp time that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

All sick pay, personal and comp time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and/or retirements.

**Long Term Obligations:** Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

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

**Leases:** GASB Statement No. 87 defines a lease as a contract that transfers the right to use another entity's asset for a specific period of time in an exchange or exchange-like transaction. The District leases its real property and structures to others. Under these contracts, the District recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term in the government-wide and governmental fund financial statements. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**SBITAs:** The District has reviewed the provisions of GASB 96, Subscription Based IT Arrangements (SBITA), and determined there were no material SBITAs that would be considered subject to the standard and, therefore, no SBITAs have been recorded.

**Deferred Outflows/Inflows of Resources:** In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period, which will not be recognized as an outflow of resources (expense/expenditure) until then. These amounts will be amortized and recognized in future years.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This represents an addition to net position that applies to a future period, which will not be recognized as an inflow of resources (revenue) until then. These amounts will be amortized and recognized in future years.

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

**Other Post Employment Benefits (OPEB):** The District expenses OPEB payments to retirees and changes in the Total OPEB Liability as a component of personal services expense.

**Net Position:** Government-wide statements utilize an economic resources measurement focus and categorize net position among the following components:

- *Invested in Capital Assets, Net of Related Debt:* The portion of net position which represents the District's equity in capital assets, less the amount of related debt.
- *Restricted Net Position:* The portion of net position which is segregated due to external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position:* The portion of net position which is available for general operations.



**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Fund Balance:** In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

The components of Fund Balance are:

- *Nonspendable Fund Balances:* Include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The District considers prepaid items as part of this category, as well as long-term receivables from which proceeds are not restricted, committed or assigned.
- *Spendable Fund Balances:* Spendable fund balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances.
- *Restricted Fund Balance:* Amounts that are restricted to specific purposes, and are restricted through enabling legislation and are legally enforceable. The legislation that creates the revenue stream must also stipulate the purposes for which that revenue can be used.
- *Committed Fund Balance:* Amounts that are committed for specific purposes by formal action of the governments' highest level of decision making authority. These amounts are not subject to legal enforceability as in restricted, however those amounts cannot be used for any other purpose unless the government removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.
- *Assigned Fund Balance:* Amounts that are intended by the government to be used for specific purposes but are neither restricted nor limited. Intent should be expressed by (a) the governing body itself, or (b) a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes.
- *Unassigned Fund Balance:* The residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, limited or assigned to specific purposes within the general fund.

Spending Order of Fund Balances - the District requires restricted amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 1. Organization and Summary of Significant Accounting Policies, Continued**

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Budgets:** Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to the requirements of the Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Expenditures should not exceed total appropriations. The District prepares a budget for the General Fund.

On or before June 1 of each year, the department heads of each of the District's divisions submit requests for appropriation to the Fire Chief so that a budget may be prepared. The budget is prepared by fund, function and activity (divisions), and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the Board of Commissioners (Board) for review by July 1. The Board holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Fire Chief and the Division head or the revenue estimates must be changed by an affirmative vote of a majority of the Board.

The District has elected to report budgetary comparison of the General fund as required supplementary information (RSI).

**Note 2. Cash and Investments:**

At year-end, the carrying amount of the District's deposits was \$6,250,862 and the bank balance was \$6,951,047. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act (the "Act"). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 3. Investments**

**District Investments**

The Florida Fixed Income Trust (FL FIT) Cash Pool (CP) is an external 2a7-like investment pool, which is self administered. Investments are managed to a dollar-in/dollar-out strategy and provides same day liquidity for participants. The Florida Fixed Income Trust (FL FIT) Cash Pool are stated at fair value. While seeking to preserve principal and maximize yield, the Cash Pool provides an investment option for local governments short-term funds.

At September 30, 2023, the District reported Florida Fixed Income Trust (FL FIT) Cash Pool investments of \$59,812.

**District Interest Rate Risk**

The Florida Fixed Income Trust (FL FIT) Cash Pool had a dollar weighted average days to maturity (WAM) of 23 days at September 30, 2023. The Florida Fixed Income Trust (FL FIT) Cash Pool weighted average days to final maturity (WAL) was 94 days at September 30, 2023. The Cash Pool's duration is as follows: expected target duration 0-.5 years; effective duration of .063 years. Rule 2a7 allows funds to use a constant of \$1.00 per share.

**District Concentration of Credit Risk**

The Florida Fixed Income Trust investment policies have established permitted investment sectors that are designed to reduce the concentration of credit risk of the Districts in the various local government investment pools.

**District Foreign Currency Risk**

The Florida Fixed Income Trust does not allow for investments in foreign currency. Therefore, the pool has no exposure to foreign currency risk.

**Fiduciary Investments**

Cash and cash equivalents and investments of the Pension Plan totaled \$324,276 and \$42,437,685 respectively, at September 30, 2023. Such investments are controlled by the Pension Plan's Board policy.

**Fiduciary Investment Authorization**

The Pension Plan's investment policy is determined by its Board of Trustees. The policy provides for the use of investment managers to oversee the investments of the Fund in a manner so that the assets will provide benefits to the participants and preserve capital while maximizing the rate of return.

The policy establishes certain investment objectives and asset class targets. The Pension Plan is expected to earn a return over time exceeding the actuarial earnings assumptions, and provide inflation protection by meeting Consumer Price Index plus by 3%.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 3. Investments, Continued**

**Fiduciary Investment Authorization, Continued**

The Board of Trustees adopted the following asset class targets, based on market value:

Asset Class	% Target	% Range	Benchmark Index
Domestic Equity	55%	40-70%	Russell 3000
International Equity	10%	5-15%	MSCI-ACW ex. US
Broad Market Fixed Income	10%	5-30%	Bloomberg Barclays
Global Tactical Asset Allocation	5%	0-10%	Strategy Index
Global Fixed Income	5%	0-10%	Bloomberg Barclays Global
Real Estate	15%	0-17.5%	NCREIF ODCE
	<u>100%</u>		

The following table indicates the Pension Plan's investments as of September 30, 2023:

Asset Class	Fair Value	% of Portfolio
Equity	\$28,817,672	67%
Fixed Income	8,106,536	19%
Real Estate	5,513,477	13%
Receipt & Disbursement	324,276	1%
	<u>\$42,761,961</u>	100%

**Fiduciary Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies, the pension trust fund manages its exposure to fair value losses arising from increasing interest rates. The fund limits the effective duration of its investment portfolio through the adoption of nationally accepted risk measure benchmarks.

**Fiduciary Credit Risk**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Pension Plan's investment policy utilizes portfolio diversification in order to control this risk. Consistent with state law, it is the Pension Plan's policy that the weighted average credit quality of the portfolio shall be "A-" or better.

**Fiduciary Foreign Currency Risk**

Foreign currency risk is the risk that fluctuations in the currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments. The Pension Plan's exposure to foreign currency risk derives mainly from its investments in international equity funds.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 3. Investments, Continued**

**Fiduciary Custodial Credit Risk**

Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Pension Plan requires all securities to be held by a third party custodian in the name of the Pension Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

The investments in mutual funds and investment partnerships are considered unclassified pursuant to the custodial credit risk categories of GASB Statement No.3, because they are not evidenced by securities that exist in physical or book-entry form.

**Fiduciary Concentration of Credit Risk**

The investment policy of the Pension Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Not more than 5% of the Pension Plan's assets shall be invested in the stock of one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. The value of bonds issued by any single corporation shall not exceed 3% of the total fund. Investments in real estate shall not exceed 17.5% of the market value of the total Pension Plan at the time of purchase.

**Fiduciary Fair Value Measurements**

The framework for measuring fair value provided a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

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

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are 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 to the valuation methodology are unobservable and significant to the fair value measurement.

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

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 3. Investments, Continued**

**Fiduciary Fair Value Measurements, Continued**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at September 30, 2023.

- *Equity Securities:* Valued at the closing price reported on the New York Stock Exchange.
- *Mutual and Money Funds:* These investments are valued at the daily closing price as reported by the fund. Mutual funds are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price.
- *US government securities:* Valued at the closing price reported in the active market in which the individual security is traded.
- *Corporate Bonds:* Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.
- *Mortgage Backed Securities:* The fair value of asset backed securities is estimated based on models that consider the estimated cash flows of each tranche of the entity, establishes a benchmark yield, and develops an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche.
- *Real Estate:* Valued on the basis of a discounted cash flow approach, which includes the future rental receipts, expenses, and residual values as the highest and best use of the real estate from a market participant view as rental property.

The following table sets forth by level, within the fair value hierarchy, the Pension Plan's assets at fair value at September 30, 2023:

Asset Type	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 324,276	\$ -	\$ -	\$ 324,276
US Government Obligations	2,835,493	-	-	2,835,493
Securities	779,139	-	-	779,139
Corporate Bonds	520,782	-	-	520,782
Mutual Funds- Fixed Income	3,971,122	-	-	3,971,122
Mutual Funds- Equity	28,817,672	-	-	28,817,672
Real Estate	-	5,513,477	-	5,513,477
	<u>\$37,248,484</u>	<u>\$ 5,513,477</u>	<u>\$ -</u>	<u>\$42,761,961</u>

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 4. Changes in General Fixed Assets**

The following is a summary of changes in capital assets activity for the year ended September 30, 2023:

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
Capital assets not being depreciated:				
Land	\$ 386,100	\$ -	\$ -	\$ 386,100
Total capital assets not being depreciated:	<u>386,100</u>	<u>-</u>	<u>-</u>	<u>386,100</u>
Capital assets being depreciated:				
Buildings and improvements	3,555,323	24,775	-	3,580,098
Vehicles	3,714,935	301,704	-	4,016,639
Equipment	1,306,728	216,580	(2,300)	1,521,008
Total capital assets being depreciated:	<u>8,576,986</u>	<u>543,059</u>	<u>(2,300)</u>	<u>9,117,745</u>
Less accumulated depreciation				
Buildings and improvements	(2,299,925)	(71,452)	-	(2,371,377)
Vehicles	(1,275,886)	(316,947)	-	(1,592,833)
Equipment	(703,364)	(107,849)	2,300	(808,913)
Total accumulated depreciation	<u>(4,279,175)</u>	<u>(496,248)</u>	<u>2,300</u>	<u>(4,773,123)</u>
Total capital assets being depreciated, net	<u>4,297,811</u>	<u>46,811</u>	<u>-</u>	<u>4,344,622</u>
Capital Assets, Net	<u>\$ 4,683,911</u>	<u>\$ 46,811</u>	<u>\$ -</u>	<u>\$ 4,730,722</u>

A brush truck, valued at \$50,000 was donated to the District.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 5. Long-Term Liabilities**

The following is a summary of changes in the District's long-term debt for the year ended September 30, 2023:

	<u>Balance</u> <u>Oct 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Sept 30, 2023</u>	<u>Due within</u> <u>one year</u>
Net pension liability -					
Pension Plan	\$ 128,683	\$ 34,180	\$ (38,707)	\$ 124,156	\$ -
HIS Plan	49,266	28,883	(7,819)	70,330	-
Firefighters'	(3,106,717)	13,160,177	(4,217,774)	5,835,686	-
Note payable	2,540,922	-	(309,125)	2,231,797	317,093
Compensated absences	586,388	612,021	(805,143)	393,266	314,044
Net OPEB liability	1,025,459	69,025	(62,231)	1,032,253	-
Total	<u>\$ 1,224,001</u>	<u>\$ 13,904,286</u>	<u>\$ (5,440,799)</u>	<u>\$ 9,687,488</u>	<u>\$ 631,137</u>

Long-term liabilities is comprised of the following at September 30, 2023:

**Note Payable**

\$438,611 refinanced promissory note collateralized by the land and building at 516 Paul Morris Drive dated December 6, 2016 (original promissory note dated September 6, 2012 for \$562,500), with a maturity of September 6, 2027, with interest at 2.58%. Principal and interest payable are due in monthly installments of \$3,905. \$ 172,546

\$805,000 promissory note collateralized by the training facility dated March 3, 2008, with a maturity date of September 3, 2029, with interest of 3.25%. Principal and interest payable are due in monthly installments of \$4,168. 283,293

\$1,281,735 promissory note collateralized by two Sutphen vehicles ((1) SP-70 Platform and (1) G-2 Pumper) dated June 15, 2017, with a maturity date of June 15, 2029, with interest at 3.24%. Principal and interest payable are due in annual installments of \$130,622. 701,969

\$1,414,076 promissory note collateralized by three Sutphen engines dated May 15, 2020, with a maturity date of July 15, 2028, with interest at 2.78%. Principal and interest payable are due in annual installments of \$153,165. 1,073,989

**Total Note Payable** \$ 2,231,797



**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 5. Long-Term Liabilities, Continued**

The annual debt service requirements at September 30, 2023, were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 317,093	\$ 63,568	\$ 380,661
2025	326,300	54,361	380,661
2026	335,775	44,886	380,661
2027	339,735	35,137	374,872
2028	730,337	24,732	755,069
2029	182,557	888	183,445
	\$ 2,231,797	\$ 223,572	\$ 2,455,369

**Compensated Absences**

The District's employees accumulate sick, vacation, personal and comp time based on length of service and job classification. Upon separation from the District, employees are entitled to unused vacation time based on their length of service. After 10 years of service, all unused sick time up to a maximum of four hundred-eighty hours is paid to employees upon separation. As of September 30, 2023, the District recorded a liability for accrued vacation and sick time of \$393,266.

**Note 6. Leases**

**District as Lessor**

The District as lessor had two lease agreements. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Later, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable. The deferred inflow of resources is recognized as revenue over the term of the lease.

The following are brief descriptions of each of the District's leases existing as of September 30, 2023:

On June 1, 2014, the District began leasing a portion of property located at Station 71 to an external party for a five-year term. The agreement allows the tenant the option to extend the term of the lease for five successive periods of five years each. The tenant may terminate the lease at any time with ninety days prior written notice to the District for any or no reason provided tenant pays to the District a termination fee equal to three months of the then current rent. The tenant is required to make monthly principal and interest payments of \$1,520. Annually, on the anniversary of the commencement date, the lease payment is increased by 3.0%.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 6. Leases, Continued**

**District as Lessor, Continued**

On March 1, 2010, the District began leasing a portion of property located at Station 72 to an external party for a five-year term. The agreement allows the tenant the option to extend the term of the lease for eight successive periods of five years each. The tenant may terminate the lease with a written thirty day notice of termination. The tenant is required to make monthly principal and interest payments of \$2,533. Annually, on the anniversary of the commencement date, the lease payment is adjusted for a change in the Consumer Price Index.

**Note 7. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases all of its insurance coverages from commercial insurance carriers.

The District also carries commercial insurance for all other risks of loss including employee accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District has not had any significant coverage reductions under these policies from the prior year.

**Note 8. Details of Constraints of Fund Balances of Governmental Funds**

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used.

The District has established the following committed fund balance reserves in the General Fund:

- *Station Construction Projects Reserve:* The Station Construction Projects Reserve fund balance is committed by the Commission as set forth in the annual budget (and any amendments thereto) to ensure the adequacy of funds for station projects as they arise in future years.
- *Fleet Service Reserve:* The Fleet Service Reserve fund balance is committed by the Commission in order to fund the replacement of fleet assets as well as maintenance of infrastructure at a level consistent with a depreciation based methodology or as recommended by an independent condition assessment. Funding shall be designated to maintain the condition of assets at a desirable service level without shifting the cost disproportionately to future rate (tax) payers.
- *General Operating Reserve:* The General Operating Reserve fund balance is committed by the Commission to operate the District in the event of a natural disaster or emergency.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 8. Details of Constraints of Fund Balances of Governmental Funds, Continued**

The District has established the following committed fund balance reserves in the General Fund, Continued:

- *Equipment Reserve:* The Equipment Reserve fund balance is committed by the Commission as outlined in the annual budget (and any amendments thereto) to ensure the adequacy of funds for capital equipment purchases as they arise in future years.
- *Health Insurance Reserve:* The Health Insurance Reserve fund balance is committed by the Commission as outlined in the annual budget (and any amendments thereto) to ensure the adequacy of funds for health insurance as they arise in future years.

Details of fund balances of the governmental funds are as follows:

	General Fund	Capital Projects Fund	Training Facility Fund
Fund Balances:			
Restricted for:			
Infrastructure	\$ -	\$ 1,017,593	\$ -
Committed for:			
Station construction projects	1,086,575	-	-
Fleet Service reserve	719,862	-	-
Operating reserve	2,117,781	-	-
Equipment reserve	349,482	-	-
Health Insurance reserve	63,002	-	-
Assigned for:			
Training facility	-	-	207,704
Unassigned	590,953	-	-
Total fund balance	\$ 4,927,655	\$ 1,017,593	\$ 207,704

**Note 9. Retirement Plans**

The following two retirement plans have been established by the District:

- Plan 1 - Firefighters' Pension Trust Fund (Florida Statute 175)
- Plan 2 - Florida Retirement System (FRS)

Employee participation in a specific plan is based on the respective employee's classification.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 1 - Firefighters' Pension Trust Fund (Florida Statute 175)**

The District maintains a single employer, defined benefit pension plan (Englewood Area Fire Control District Firefighters' Pension Trust Fund, the "Plan") which covers all full-time firefighters of the District. Participation in the Plan is required as a condition of employment. Originally established by District Resolution in 1995, and amended through 2017, the Plan provides for pension, death and disability benefits. The Plan is subject to provisions of Chapter 175 of the State of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five member pension board. Two firefighters who are elected by a majority of the members of the Plan, two are legal residents of the District and are appointed by the District and a fifth member elected by the other four members constitute the pension board. The District and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The District is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

Plan membership as of October 1, 2022:

Inactive plan members or beneficiaries currently receiving benefit	28
Inactive plan members entitled to but not yet receiving benefit	1
Active plan members	50
Total Plan Members	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">79</div>

**Basis of Accounting**

The Plan follows the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Asset Valuation**

Investments in common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the past reported bid and asked prices; investments in securities not having an established market value are valued at fair value as determined by the Board of Trustees. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale. Purchases and sales of investments are recorded on a trade date basis.

Investment income is recognized on the accrual basis as earned. Unrealized appreciation in fair value of investments includes the difference between cost and fair value of investments held. The net realized and unrealized investment appreciation or depreciation for the year is reflected in the Statement of Changes in Plan Net Position.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 1 - Firefighters' Pension Trust Fund (Florida Statute 175), Continued**

**Benefits Provided**

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

*Accrued Benefit*

The sum of the following:

- a. 3.50% of average final compensation (using the highest two-year average of pensionable earnings prior to January 6, 2012) for each year of credited service prior to January 6, 2012, plus
- b. 3.25% of average final compensation (using the highest five-year average of pensionable earnings earned after January 5, 2012) for each year of credited service earned after January 5, 2012.
- c. Members hired after September 30, 2017 accrue benefits at 3.00% for each year of credit service, subject to an 80% of average final compensation maximum, but not less than 2.75% for each year of credited service.

*Normal Retirement*

Date: Earlier of age 55 and 10 years of credited service, or 20 years (25 years for members hired after September 30, 2017) of credited service, regardless of age.

Form of Benefit : Ten Year Certain and Life Annuity (options available).

*Early Retirement*

Eligibility: Age 50 with 10 years of credited service.

Benefit: Accrued Benefit, reduced 3% per year.

*Cost of Living Adjustment*

Each October 1, after one full year of retirement, normal and early retirees receive a 1.7% (1.0% for members hired after September 30, 2017) increase in their monthly benefit.

*Vesting*

Schedule: 100% after 10 years of credited service.

Benefit: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise normal retirement date.

*Disability*

Eligibility: Service Incurred: Covered from date of employment. Non-Service Incurred: 10 years of credited service.

Benefit: Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred).

Duration: Payable for life with 120 payments guaranteed or until recovery (as determined by the Board).

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 1 - Firefighters' Pension Trust Fund (Florida Statute 175), Continued**

**Benefits Provided, Continued**

*Pre-Retirement Death Benefits*

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

*Post-Retirement Death Benefits*

Benefits payable to beneficiary in accordance with option selected at retirement.

*Contributions*

District Contributions: Remaining amount necessary to pay current costs and amortize past service cost, if any, over a period of up to 30 years. Minimum contribution by District is 16.6% of total salary of the members.

Member Contributions: Effective October 1, 2019, the member contribution rate is 10.0%.

**Investment Policy**

The following was the Board's adopted asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation
Domestic Equity	55%
International Equity	10%
Broad Market Fixed Income	10%
Global Bond	5%
Real Estate	15%
GTAA	5%
	100%

**Concentration:**

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

**Rate of Return:**

For the year ended September 30, 2023, the annual money-weighted rate of return on Pension Plan investments, net Pension Plan investment expense, was 8.68 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 1 - Firefighters' Pension Trust Fund (Florida Statute 175), Continued**

**Deferred Retirement Option Program (DROP)**

Eligibility: Satisfaction of normal retirement requirements.

Participation: Not to exceed 60 months, but may not participate beyond the date the Member has been employed as a firefighter for the District for 30 years.

Rate of Return: Member can elect either a) an effective annual rate of 2.65%, or b) actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited for each fiscal quarter.

The DROP balance as of September 30, 2023 was \$466,208.

**Net Pension Liability**

The measurement date is September 30, 2021. The measurement period for the pension expense was October 1, 2020 to September 30, 2021. The reporting period is October 1, 2022 to September 30, 2023. The District's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined as of that date.

The components of the Net Pension Liability of the District on September 30, 2023 were as follows:

Total pension liability	\$49,012,642
Plan fiduciary net position	(43,707,360)
District's net position liability	<u>\$ 5,305,282</u>
Plan fiduciary net position as a percentage of total pension liability	89.18%

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Service Based
Discount rate	7.30%
Investment rate of return	7.30%

*Mortality Rate Health Active Lives:*

- Female: PubS.H-2010 (below median) for employees, set forward one year.
- Male: PubS.H-2010 (below median) for employees, set forward one year.

*Mortality Rate Healthy Retiree Lives:*

- Female: PubS.H-2010 (above median) for healthy retirees, set forward one year.
- Male: PubS.H-2010 (above median) for healthy retirees, set forward one year.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 1 - Firefighters' Pension Trust Fund (Florida Statute 175), Continued**

**Actuarial Assumptions, Continued**

*Mortality Rate Beneficiary Lives:*

- Female: PubS.H-2010 (above median) for healthy retirees.
- Male: PubS.H-2010 (above median) for healthy retirees.

*Mortality Rate Disabled Lives:*

- 80%% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated September 9, 2022.

The long-term expected rate of return on pension 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 pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023, as provided by AndCo Consulting, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	55%	7.50%
International Equity	10%	8.50%
Broad Market Fixed Income	10%	2.50%
Global Bond	5%	3.50%
Real Estate	15%	4.50%
GTAA	5%	3.50%
	<u>100%</u>	



**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 1 - Firefighters' Pension Trust Fund (Florida Statute 175), Continued**

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.30%. 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 District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension 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 rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at September 30, 2022	\$ 43,418,074	\$46,524,791	\$ (3,106,717)
Changes during the year			
Service cost	1,115,936	-	1,115,936
Interest	3,211,640	-	3,211,640
Share plan allocation	9,277	-	9,277
Changes of assumptions	334,104	-	334,104
Changes of benefit terms	-	-	-
Contributions - employer	-	1,765,568	(1,765,568)
Contributions - state	-	415,428	(415,428)
Contributions - employees	-	360,321	(360,321)
Net investment income	-	(6,747,036)	6,747,036
Benefit payments	(1,676,457)	(1,676,457)	-
Administrative expenses	-	(65,727)	65,727
Net changes	<u>2,994,500</u>	<u>(5,947,903)</u>	<u>8,942,403</u>
Balance at September 30, 2023	<u>\$ 46,412,574</u>	<u>\$40,576,888</u>	<u>\$ 5,835,686</u>

**Sensitivity of the District's Proportionate Share of Net Pension Liability**

The following presents the District's net pension liability calculated using the discount rate of 7.30%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate:

	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
District's net pension liability	<u>\$ 11,665,587</u>	<u>\$ 5,835,686</u>	<u>\$ 1,041,129</u>

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 1 - Firefighters' Pension Trust Fund (Florida Statute 175), Continued**

**Deferred Inflows and Outflows of Resources Related to Pensions**

For the year ended September 30, 2023, the District will recognize a pension expense of 1,502,520. The District reported deferred inflows and outflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (545,048)
Change of assumptions	965,552	(18,470)
Net difference between projected and actual earnings on pension plan investments	4,815,313	-
Employer and State Contributions subsequent to the measurement date	2,299,150	-
Total	<u>\$ 8,080,015</u>	<u>\$ (563,518)</u>

The outcome of the deferred outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2023.

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 September 30,	Amount
2024	\$ 1,213,177
2025	759,692
2026	1,034,635
2027	2,154,159
2028	55,684
Thereafter	-

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 2 - Florida Retirement System (FRS)**

All of the District's general employees participate in the Florida Retirement System ("FRS"), a non-contributory cost-sharing, multiple-employer public employee retirement system.

**Defined Benefit Plans**

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

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

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

**Benefits Provided**

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 2 - Florida Retirement System (FRS)**

**Contributions**

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2023, were as follows:

	FRS	HIS
Regular class	13.57%	2.00%
Special risk class	32.67%	2.00%
Senior management service class	34.52%	2.00%
Elected officials	58.68%	2.00%
DROP from FRS	21.13%	2.00%

The District's contributions for the year ended September 30, 2023, were \$14,435 to the FRS Pension Plan and were \$2,858 to the HIS Program.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2023, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2023. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 124,156	\$ 70,330
Proportion at:		
Current measurement date	0.000312%	0.000443%
Prior measurement date	0.000346%	0.000465%
Pension (benefit) expense	\$ 30,287	\$ 27,539

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 2 - Florida Retirement System (FRS)**

**Pension Liabilities and Pension Expense, Continued**

At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,657	\$ -	\$ 1,030	\$ (165)
Change of assumptions	8,093	-	1,849	(6,094)
Net difference between projected and actual earnings on pension plan investments	5,185	-	36	-
Changes in proportion and differences between District contributions and proportionate share of contributions	11,140	(7,896)	3,834	(2,435)
District contributions subsequent to the measurement date	4,009		850	
	<u>\$ 40,084</u>	<u>\$ (7,896)</u>	<u>\$ 7,599</u>	<u>\$ (8,694)</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2024. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal year ending September 30:	FRS	HIS
2024	\$ 5,961	\$ 49
2025	840	66
2026	20,821	(179)
2027	553	(907)
2028	4	(808)
Thereafter	-	(166)

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 2 - Florida Retirement System (FRS)**

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2023. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2023. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.65%

Mortality assumptions for both plans were based on the PUB-2010 with Projection Scale MP-2018.

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

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.6%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.4%

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

**Plan 2 - Florida Retirement System (FRS)**

**Discount Rate**

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

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

	FRS		
	1% Decrease	Current	1% Increase
	(5.70%)	Discount Rate (6.70%)	(7.70%)
District's proportionate share of the net pension liability	\$ 214,719	\$ 124,156	\$ 48,434
	HIS		
	1% Decrease	Current	1% Increase
	(2.65%)	Discount Rate (3.65%)	(4.65%)
District's proportionate share of the net pension liability	\$ 80,236	\$ 70,330	\$ 62,119

**Pension Plans' Fiduciary Net Position**

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

**Defined Contribution Plan**

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. The District did not have any FRS Investment Plan contributions for the fiscal year ended September 30, 2023.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 9. Retirement Plans, Continued**

Combined totals of pension expense, net pension liability, deferred outflows of resources and deferred inflows of resources pertain to pensions for the District as a whole are as follows:

<u>Pension Expense (Benefit)</u>	<u>Amount</u>
Firefighters'	\$ 2,498,923
General employees' (FRS)	30,287
General employees' (HIS)	27,539
Total pension expense (benefit)	<u>\$ 2,556,749</u>
<u>Net Pension Liability</u>	
Firefighters'	\$ 5,835,686
General employees' (FRS)	124,156
General employees' (HIS)	70,330
Total net pension liability	<u>\$ 6,030,172</u>
<u>Deferred Outflows of Resources</u>	
Firefighters'	\$ 8,080,015
General employees' (FRS)	40,084
General employees' (HIS)	7,599
Total deferred outflows of resources	<u>\$ 8,127,698</u>
<u>Deferred Inflows of Resources</u>	
Firefighters'	\$ 563,518
General employees' (FRS)	7,896
General employees' (HIS)	8,694
Total deferred inflows of resources	<u>\$ 580,108</u>

**Note 10. Defined Contribution Component for Firefighters as Part of the Defined Benefit Plan**

The District provides pension benefits for its firefighters, as a supplement to the benefits provided under the Englewood Are Fire District- Firefighters' Pension Plan defined benefit pension plan, through the Chapter 175 Share Plan. Benefits from this plan depends solely on amounts contributed to the plan, plus investment earnings. Employer contributions to the plan are the proceeds of a tax on certain insurance companies collected by the State of Florida and distributed to qualified special districts, according to the Florida Statutes 175. The plan is administered by the Pension Board.

**Chapter 175 Share Plan**

Eligibility: Individual share accounts shall be established as of September 30, 2016 for all active members. Members who retired or entered DROP after September 30, 2015, and prior to September 30, 2015, are also entitled to an allocation of share monies.



**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 10. Defined Contribution Component for Firefighters as Part of the Defined Benefit Plan, Continued**

*Annual Crediting:* In addition to the initial \$166,671 allocation as of September 30, 2016 (based on a mutual consent agreement between the District and Membership), 50% of state monies received by the District in excess of \$396,874 shall be allocated to participant accounts on a pro-rata basis (based on credited service).

*Investment Earnings:* Net-of-fees plan performance realized for the fiscal year.

*Expenses:* Administrative expenses associated with share plan are allocated to participant accounts on a pro-rata basis (based on the percentage of each share balance to total plan assets).

**Note 11. Post-Employment Benefits Other Than Pension (OPEB)**

**Plan Description**

The Englewood Area Fire District’s Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the District. The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical and life insurance coverage as a participant in the District’s plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

**Employees Covered by Benefit Terms**

At September 30, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	58
	67

**Benefits Provided**

The benefits provided are the same as those provided for active employees. Dependents of eligible retirees are also eligible for medical coverage. All employees of the District are eligible to receive postemployment health care benefits. All retiree and dependent coverage is at the expense of the retiree. Medicare is assumed to become primary upon attainment of age 65.

Previously, the Plan did not allow for spouses of eligible retirees to be covered under the Plan. Effective in 2020, the Plan was amended to allow for spouse coverage. This change is reflected in the valuation as of September 30, 2020.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 11. Post-Employment Benefits Other Than Pension (OPEB)**

**Total OPEB Liability**

The measurement date is September 30, 2023.

The measurement period for the OPEB expense was October 1, 2022 to September 30, 2023.

The reporting period is October 1, 2022 through September 30, 2023.

The District's Total OPEB Liability was measured as of September 30, 2023.

**Actuarial Assumptions:**

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2022, updated to September 30, 2023, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.87%
Initial Trend Rate	7.25%
Ultimate Trend Rate	4.00%
Years to Ultimate	52

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

**Discount Rate**

Given the District's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 4.87%. The high quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

**OPEB Expense**

For the year ended September 30, 2023, the District will recognize OPEB Expense of \$59,578.

**Englewood Area Fire Control District**  
**Notes to Financial Statements**  
**September 30, 2023**

**Note 11. Post-Employment Benefits Other Than Pension (OPEB)**

**Changes in Total OPEB Liability**

Reporting Period Ending September 30, 2022	\$ 1,025,459
Changes for the year:	
Service Cost	20,347
Interest	48,678
Changes of Assumptions	(11,047)
Benefit Payments	(51,184)
Net Changes	6,794
Reporting Period Ending September 30, 2023	\$ 1,032,253

Changes of assumptions reflect a change in the discount rate from 4.77% for the fiscal year ending September 30, 2022 to 4.87% for the fiscal year ending September 30, 2023.

**Sensitivity of the Total OPEB Liability to changes in the Discount Rate:**

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

	1% Decrease	Current Discount Rate	1% Increase
	3.87%	4.87%	5.87%
Total OPEB Liability	\$ 1,151,351	\$ 1,032,253	\$ 930,972

**Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates**

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	3.00% - 6.25%	4.00% - 7.25%	5.00% - 8.25%
Total OPEB Liability	\$ 925,323	\$ 1,032,253	\$ 1,157,517

**Note 12. Subsequent Events**

Pursuant to the provisions set forth in GASB Statement No. 56, "Subsequent Events", management has considered subsequent events through May 15, 2024, which is the date that the financial statements were available to be issued and determined that there were no events to report.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**ENGLEWOOD AREA FIRE CONTROL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the fiscal year ended September 30, 2023**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Assessments	\$9,587,034	\$9,587,034	\$9,766,539	\$ 179,505
Intergovernmental				
Firefighter supplemental	17,400	17,400	17,420	20
Grant revenue	-	-	81,043	81,043
Charges for services	15,000	15,000	36,040	21,040
Interest income	10,000	10,000	267,684	257,684
Rental income	107,000	107,000	105,621	(1,379)
Insurance reimbursement	-	-	417,611	
Miscellaneous	-	-	10,710	10,710
Total revenues	<u>9,736,434</u>	<u>9,736,434</u>	<u>10,702,668</u>	<u>548,623</u>
<b>EXPENDITURES</b>				
Public safety				
Personnel services				
Executive salaries	369,000	369,000	276,000	93,000
Regular salaries	4,348,732	4,348,732	4,266,893	81,839
Overtime	200,000	200,000	264,575	(64,575)
Special pay	70,000	70,000	64,222	5,778
Compensated annual leave	40,000	40,000	30,709	9,291
Compensated sick leave	125,000	125,000	127,530	(2,530)
Compensated compensatory leave	-	-	4,934	(4,934)
FICA taxes	88,000	88,000	82,315	5,685
Retirement contributions	1,943,000	1,943,000	1,892,067	50,933
Life & health insurance	542,900	542,900	522,255	20,645
Workers' compensation	247,000	247,000	169,229	77,771
Total personnel services	<u>7,973,632</u>	<u>7,973,632</u>	<u>7,700,729</u>	<u>272,903</u>
Operating				
Professional services	140,000	140,000	99,915	40,085
Accounting and auditing	16,000	16,000	16,773	(773)
Court reporter services	600	600	261	339
Other services	20,000	20,000	11,741	8,259
Travel and per diem	10,000	10,000	7,559	2,441
Communication services	120,900	120,900	109,238	11,662
Freight and postage services	4,500	4,500	5,078	(578)
Utility services	64,500	64,500	65,169	(669)

**ENGLEWOOD AREA FIRE CONTROL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the fiscal year ended September 30, 2023**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
Public safety				
Operating				
Rental and leases	15,000	15,000	16,971	(1,971)
District insurance	75,000	75,000	101,627	(26,627)
Repairs and maintenance services	155,000	155,000	237,236	(82,236)
Printing and reproduction	1,000	1,000	304	696
Advertising and public relations	3,000	3,000	3,504	(504)
Other current charges	186,900	186,900	166,632	20,268
Office supplies	10,000	10,000	14,563	(4,563)
Operating supplies	282,000	282,000	260,274	21,726
Miscellaneous	1,825	1,825	-	1,825
Books, publications, and memberships	14,000	14,000	8,500	5,500
Training and educational	51,000	51,000	41,971	9,029
Ambulance and rescue services	30,000	30,000	15,413	14,587
Total operating expenditures	<u>1,201,225</u>	<u>1,201,225</u>	<u>1,182,729</u>	<u>18,496</u>
Capital outlay	175,000	175,000	455,814	(280,814)
Debt service	381,577	381,577	380,663	914
Total expenditures	<u>9,731,434</u>	<u>9,731,434</u>	<u>9,719,935</u>	<u>11,499</u>
Excess of revenues over (under) expenditures	5,000	5,000	982,733	537,124
Other financing sources (uses)				
Hurricane expenses	(5,000)	(5,000)	(133,346)	(128,346)
Specialty equipment expenses	-	-	(22,228)	(22,228)
Grant expenses	-	-	(13,631)	(13,631)
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(169,205)</u>	<u>(164,205)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	813,528	<u>\$ 372,919</u>
GAAP reconciliation				
Other financing sources (uses)			169,205	
Personnel services			(66,087)	
Operating expenses			<u>(103,118)</u>	
Net change in fund balance			813,528	
Fund balance, October 1, 2022			4,114,127	
Fund balance, September 30, 2023			<u>4,927,655</u>	

**Englewood Area Fire Control District  
 Schedule of Investments - Firefighters' Plan  
 Last Ten Fiscal Years**

Fiscal Year Ended	Annual Money Weighted Rate of Return Net of Investment Expense
9/30/2023	8.68%
9/30/2022	-14.52%
9/30/2021	22.90%
9/30/2020	11.01%
9/30/2019	-0.71%
9/30/2018	12.99%
9/30/2017	14.23%
9/30/2016	9.25%
9/30/2015	-0.13%
9/30/2014	11.24%

**Englewood Area Fire Control District**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Firefighters' Plan**  
**Last Nine Fiscal Years**

Reporting Period Ending Measurement Date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019
<b>Total Pension Liability</b>				
Service cost	\$ 1,115,936	\$ 1,039,531	\$ 1,058,772	\$ 999,561
Interest	3,211,640	3,033,671	2,812,182	2,674,461
Changes in excess state money	-	-	-	-
Share plan allocation	9,277	-	-	-
Changes in benefit terms	-	-	-	(3,694)
Difference between expected and actual experience	-	(161,538)	(328,369)	(98,750)
Changes in assumptions	334,104	-	931,794	221,455
Benefit payments, including refunds of employee contributions	(1,676,457)	(1,457,000)	(1,426,341)	(2,046,307)
Net Change in total pension liability	2,994,500	2,454,664	3,048,038	1,746,726
Total pension liability - beginning	43,418,074	40,963,410	37,915,372	36,168,646
Total pension liability - ending	<u>\$46,412,574</u>	<u>\$43,418,074</u>	<u>\$40,963,410</u>	<u>\$37,915,372</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 1,765,568	\$ 1,779,000	\$ 1,656,127	\$ 1,772,772
Contributions - state	415,428	395,820	378,934	371,666
Contributions - employee	360,321	375,396	337,985	297,230
Net investment income	(6,747,036)	8,445,268	3,571,313	(228,130)
Benefit payments, including refunds of employee contributions	(1,676,457)	(1,457,000)	(1,426,341)	(2,046,307)
Administrative expenses	(65,727)	(36,299)	(39,990)	(46,214)
Net Change in plan fiduciary net position	(5,947,903)	9,502,185	4,478,028	121,017
Plan fiduciary net position - beginning	46,524,791	37,022,606	32,544,578	32,423,561
Plan fiduciary net position - ending	<u>\$40,576,888</u>	<u>\$46,524,791</u>	<u>\$37,022,606</u>	<u>\$32,544,578</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 5,835,686	\$ (3,106,717)	\$ 3,940,804	\$ 5,370,794
Plan fiduciary net position as a percentage of the total pension liability	87.43%	107.16%	90.38%	85.83%
Covered employee payroll	\$ 3,603,199	\$ 3,754,348	\$ 3,379,850	\$ 3,262,375
Net pension liability as a percentage of covered employee payroll	161.96%	-82.75%	116.60%	164.63%



**Englewood Area Fire Control District**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Firefighters' Plan, Continued**  
**Last Nine Fiscal Years**

Reporting Period Ending	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement Date	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
<b>Total Pension Liability</b>					
Service cost	\$ 982,723	\$ 924,574	\$ 812,539	\$ 830,190	\$ 907,603
Interest	2,599,311	2,527,569	2,360,906	2,206,787	2,048,033
Changes in excess state money	24,522	(357,863)	54,059	91,911	37,771
Share plan allocation	-	178,931	-	-	-
Changes in benefit terms	-	2,287	-	-	-
Difference between expected and actual experience	(529,451)	(392,858)	(631,754)	(117,198)	-
Changes in assumptions	209,205	(129,288)	933,482	-	-
Benefit payments, including refunds of employee contributions	(2,000,992)	(1,954,853)	(779,795)	(914,610)	(608,388)
Net Change in total pension liability	1,285,318	798,499	2,749,437	2,097,080	2,385,019
Total pension liability - beginning	34,883,328	34,084,829	31,335,392	29,238,312	26,853,293
Total pension liability - ending	<u>\$36,168,646</u>	<u>\$34,883,328</u>	<u>\$34,084,829</u>	<u>\$31,335,392</u>	<u>\$29,238,312</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 1,325,142	\$ 1,439,455	\$ 1,315,488	\$ 1,098,040	\$ 1,022,327
Contributions - state	376,216	421,396	450,934	488,785	434,646
Contributions - employee	260,018	229,766	214,858	204,823	215,077
Net investment income	3,666,038	3,510,405	2,043,545	(27,879)	2,051,288
Benefit payments, including refunds of employee contributions	(2,000,992)	(1,954,853)	(779,795)	(914,610)	(608,388)
Administrative expenses	(60,227)	(47,741)	(40,861)	(51,582)	(30,621)
Net Change in plan fiduciary net position	3,566,195	3,598,428	3,204,169	797,577	3,084,329
Plan fiduciary net position - beginning	28,857,366	25,258,938	22,054,769	21,257,192	18,172,863
Plan fiduciary net position - ending	<u>\$32,423,561</u>	<u>\$28,857,366</u>	<u>\$25,258,938</u>	<u>\$22,054,769</u>	<u>\$21,257,192</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 3,745,085	\$ 6,025,962	\$ 8,825,891	\$ 9,280,623	\$ 7,981,120
Plan fiduciary net position as a percentage of the total pension liability	89.65%	82.73%	74.11%	70.38%	72.70%
Covered employee payroll	\$ 3,235,813	\$ 3,283,434	\$ 3,068,303	\$ 3,689,554	\$ 3,072,530
Net pension liability as a percentage of covered employee payroll	115.74%	183.53%	287.65%	251.54%	259.76%

The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

**Englewood Area Fire Control District**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Firefighters' Plan, Continued**  
**Last Nine Fiscal Years**

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters' Plan**

*Changes of Benefit Terms:*

For measurement date 9/30/2019, amounts reported as changes in benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

For measurement date 9/30/2017, amounts reported as changes in benefit terms resulted from:

- For Members hired prior to October 1, 2017, an increase in the member contribution rate, to be phased in through October 1, 2019.
- A change in the normal retirement date, benefit accrual rate, maximum benefit percentage, cost-of-living adjustment, and member contribution rate for members hired after September 30, 2017.

*Changes of Assumptions:*

For measurement date 9/30/2023, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.30% to 7.20%.

For measurement date 9/30/2022, as a result of an experience study dated September 9, 2022, the Board of Trustees has implemented the following changes:

- Investment Rate - Reduced from 7.35% to 7.30% per year, net of investment related expenses
- Salary Increases - Reduced rates prior to completion of 5 years of service
- Normal Retirement Rates - Reduced rates resulting in a later assumed retirement age
- Withdrawal Rates - Increased rates overall prior to completion of 8 years of service

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 9/30/2019, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.40% to 7.35%.

For measurement date 9/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.45% to 7.40%.

For measurement date 9/30/2017, as a result of the Experience Study dated September 22, 2017, the Board has adopted changes to the following assumptions in conjunction with the 10/01/2017 valuation of the Plan:

- Payroll growth
- Salary increase
- Investment return
- Mortality rates
- Normal and early retirement rates
- Withdrawal rates

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**Englewood Area Fire Control District  
Schedule of Contributions - Firefighters' Plan  
Last Ten Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a percentage of Covered Payroll
9/30/2023	\$ 1,301,284	\$ 2,279,893	\$ (978,609)	\$ 3,803,594	59.94%
9/30/2022	1,506,964	2,171,719	(664,755)	3,603,199	60.27%
9/30/2021	1,506,964	2,174,820	(667,856)	3,754,348	57.93%
9/30/2020	1,783,970	2,035,061	(251,091)	3,379,850	60.21%
9/30/2019	1,980,232	2,144,438	(164,206)	3,262,375	65.73%
9/30/2018	1,934,443	1,904,006	30,437	3,235,813	58.84%
9/30/2017	1,823,234	2,015,261	(192,027)	3,283,434	61.38%
9/30/2016	1,671,305	1,712,362	(41,057)	3,068,303	55.81%
9/30/2015	1,494,914	1,494,914	-	3,689,554	40.52%
9/30/2014	1,419,201	1,419,201	-	3,072,560	46.19%

The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

**Notes to the Schedule**

Valuation Date: 10/1/2021

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2021 Actuarial Valuation for the Englewood Area Fire Control District Firefighter Retirement System prepared by Foster & Foster Actuaries and Consultants.

**Englewood Area Fire Control District  
Schedule of District Contributions  
For the Fiscal Year Ended September 30, 2023  
Last Ten Fiscal Years**

Florida Retirement System (FRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 14,435	\$ 15,399	\$ 13,504	\$ 10,025	\$ 8,009	\$ 6,643	\$ 5,771	\$ 5,555	\$ 6,764	\$ 9,414
Contributions in relation to contractually require contribution	(14,435)	(15,399)	(13,504)	(10,025)	(8,009)	(6,643)	(5,771)	(5,555)	(6,764)	(9,414)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 163,486	\$ 175,382	\$ 157,960	\$ 141,101	\$ 121,354	\$ 102,391	\$ 97,703	\$ 123,172	\$ 110,469	\$ 95,848
Contributions as a percentage of covered-employee payroll	8.83%	8.78%	8.55%	7.10%	6.60%	6.49%	5.91%	4.51%	6.12%	9.82%

Health Insurance Subsidy Program (HIS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,858	\$ 2,911	\$ 2,826	\$ 2,342	\$ 2,309	\$ 2,278	\$ 2,200	\$ 1,965	\$ 1,482	\$ 1,541
Contributions in relation to contractually require contribution	(2,858)	(2,911)	(2,826)	(2,342)	(2,309)	(2,278)	(2,200)	(1,965)	(1,482)	(1,541)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 163,486	\$ 175,382	\$ 170,267	\$ 141,101	\$ 139,058	\$ 137,231	\$ 132,434	\$ 123,172	\$ 110,469	\$ 95,848
Contributions as a percentage of covered-employee payroll	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.60%	1.34%	1.61%

**Englewood Area Fire Control District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**For the Fiscal Year Ended June 30, 2023**  
**For the Last Ten Fiscal Years Ended June 30**

Florida Retirement System (FRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.000312%	0.000346%	0.000328%	0.000292%	0.000264%	0.000257%	0.000247%	0.000228%	0.000277%	0.000430%
District's proportionate share of the net pension liability	\$ 124,156	\$ 128,683	\$ 24,754	\$ 126,675	\$ 91,062	\$ 77,438	\$ 72,928	\$ 57,516	\$ 35,832	\$ 26,223
District's covered-employee payroll	\$ 175,441	\$ 160,281	\$ 151,353	\$ 143,845	\$ 110,661	\$ 102,900	\$ 95,562	\$ 123,172	\$ 110,469	\$ 95,848
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	70.77%	80.29%	16.36%	88.06%	82.29%	75.26%	76.31%	46.70%	32.44%	27.36%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Health Insurance Subsidy Program (HIS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.000443%	0.000465%	0.000436%	0.000414%	0.000420%	0.000422%	0.000409%	0.000383%	0.000388%	0.000450%
District's proportionate share of the net pension liability	\$ 70,330	\$ 49,266	\$ 53,510	\$ 50,605	\$ 46,938	\$ 44,636	\$ 43,732	\$ 44,674	\$ 39,540	\$ 42,053
District's covered-employee payroll	\$ 175,441	\$ 169,511	\$ 154,430	\$ 143,845	\$ 140,301	\$ 137,740	\$ 130,359	\$ 123,172	\$ 110,469	\$ 95,848
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	40.09%	29.06%	34.65%	35.18%	33.46%	32.41%	33.55%	36.27%	35.79%	43.87%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

**Englewood Area Fire Control District**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
For the Last Six Fiscal Year Ended September 30,

Reporting Period Ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
<b>Total OPEB Liability</b>						
Service cost	\$ 20,347	\$ 31,938	\$ 33,059	\$ 25,035	\$ 21,601	\$ 23,532
Interest	48,678	28,884	26,207	32,778	34,640	31,638
Differences between expected and actual experience	-	309,696	-	107,039	-	-
Changes of benefit terms		-	-	151,478	-	-
Changes of assumptions	(11,047)	(476,244)	(45,118)	28,271	65,441	(58,200)
Benefit payments	(51,184)	(50,707)	(47,390)	(39,689)	(36,749)	(33,870)
Net Change in Total OPEB Liability	6,794	(156,433)	(33,242)	304,912	84,933	(36,900)
Total OPEB Liability - Beginning	1,025,459	1,181,892	1,215,134	910,222	825,289	862,189
Total OPEB Liability - Ending	<u>\$1,032,253</u>	<u>\$1,025,459</u>	<u>\$1,181,892</u>	<u>\$1,215,134</u>	<u>\$ 910,222</u>	<u>\$ 825,289</u>
Covered employee payroll	\$4,608,275	\$4,495,878	\$3,886,844	\$3,792,043	\$3,731,033	\$3,640,333
Total OPEB Liability as a percentage of covered employee payroll	22.40%	22.81%	30.41%	32.04%	24.40%	22.67%

**Notes to Schedule:**

*Covered Payroll:* Covered payroll is projected to the measurement date based on actual covered payroll as of the valuation date using applicable salary increase assumptions.

*Changes of Assumptions:* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rate used in each period:

Fiscal Year Ending September 30, 2023:	4.87%
Fiscal Year Ending September 30, 2022:	4.77%
Fiscal Year Ending September 30, 2021:	2.43%
Fiscal Year Ending September 30, 2020:	2.14%
Fiscal Year Ending September 30, 2019:	3.58%

*Benefit Payments:* The District did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2023. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

**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***

Board of Commissioners  
Englewood Area Fire Control District  
Englewood, FL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Englewood Area Fire Control District, (the "District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements, and have issued our report thereon dated May 15, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

May 15, 2024



## **Management Letter**

Board of Commissioners  
Englewood Area Fire Control District  
Englewood, FL

### **Report on the Financial Statements**

We have audited the financial statements of the Englewood Area Fire Control District, (the "District"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 15, 2024.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 15, 2024, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the proceeding 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 this management letter, unless disclosed in the notes to the financial statements. The District had no component units as of September 30, 2023.

## **Financial Condition and Management**

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

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

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

## **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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., 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 is 61.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year is 8 from the general fund and 15 from the training facility fund.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$5,034,862.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is \$195,170 from the general fund and \$77,215 from the training facility fund.
- e. The District did not have any construction project with a total cost of at least \$65,000 that is scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, is located on pages 54-55.

**Special District Component Units, continued**

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 rates of non-ad valorem special assessments imposed by the District as \$215.97 for residential, \$0.31 rate per square foot for non-residential, and \$54.47 per lot for vacant land.
- b. The total amount of assessments collected by or on behalf of the District is \$9,766,539.
- c. The District does not have any bonds.

**Additional Matters**

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

**Purpose of this Letter**

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

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
May 15, 2024

## **Independent Accountant's Examination Report**

Board of Commissioners  
Englewood Area Fire Control District  
Englewood, FL

We have examined the Englewood Area Fire Control District's (the "District") compliance with Section 218.415, Florida Statutes, in regards to investments for the year ended September 30, 2023.

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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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, 2023.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
May 15, 2024