IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT

BASIC FINANCIAL STATEMENTS TOGETHER WITH ADDITIONAL REPORTS

YEAR ENDED SEPTEMBER 30, 2023

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HSC/Tuscan
& Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Iona McGregor Fire Protection and Rescue Service District
6061 South Pointe Blvd.
Fort Myers, Florida 33919

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary fund of Iona McGregor Fire Protection and Rescue Service 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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
General Fund	Unmodified
Fiduciary Fund	Unmodified

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the fiduciary fund of Iona McGregor Fire Protection and Rescue Service 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.

Matter of Emphasis

During the year ended September 30, 2023, the District implemented GASB Statement No. 96 "Subscription-based Information Technology Arrangements (SBITA's)" as further described in Note P. The net position was not required to be restated as of October 1, 2022.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

We did not audit the financial statements of Florida Retirement Systems Pension Plan (FRS) or Health Insurance Subsidy Pension Plan (HIS) as of and for the year ended June 30, 2023. The District is required to record its proportionate share of the FRS and HIS liability in the District's government-wide financial statements as of September 30, 2023, and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Iona McGregor Fire Protection and Rescue Service District's government-wide financial statements, is based on the report of the other auditors.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i - viii, Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to Required Supplementary Information and Schedules of Changes in the Net OPEB Liability (Asset) and Related Ratios GASB

No. 74/75 and Related Notes to the Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to Required Supplementary Information and Schedules of Changes in the Net OPEB Liability (Asset) and Related Ratios GASB No. 74/75 and Related Notes to the Schedules, as listed in the table of contents, 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 required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to Required Supplementary Information and Schedules of Changes in the Net OPEB Liability (Asset) and Related Ratios GASB No. 74/75 and Related Notes to the Schedules, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iona McGregor Fire Protection and Rescue Service District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit 1 - Management's Response to Independent Auditor's Report to Management and Exhibit 2 - Florida Rules of the Auditor General - Rule 10.554(1)(i)6-8 Compliance - Unaudited are not a required part of the basic financial statements but are required by Government Auditing Standards and/or Rules of the Auditor General, Section 10.554(i), respectively. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated June 15, 2024, on our consideration of Iona McGregor Fire Protection and Rescue Service District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Iona McGregor Fire Protection and Rescue Service District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 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, contract 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Iona McGregor Fire Protection and Rescue Service District's internal control over financial reporting and compliance.

HSC/Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
June 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's Discussion and Analysis

This discussion and analysis of the Iona McGregor Fire Protection and Rescue Service District (the "District") financial statements is designed to provide a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2023, and to serve as the introduction to the basic financial statements. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and footnotes. This report also contains supplementary information in addition to the basic financial statements.

Financial Highlights

- The District had a net position of $1,541,539 at the close of the fiscal year. Of that amount, $10,922,412 was a deficit unrestricted net position.
- The District's total net position increased by $4,285,443, or 156 percent in comparison to the prior year**.**
- Total revenues increased $3,810,736 or 17%, in comparison to prior year**.**
- Total expenses decreased $4,200,288, or 16%, in comparison to prior year due to the large decrease in the pension liability due to increase in retirement plan costs.
- At the close of the current fiscal year, governmental funds reported ending fund balance of $14,745,484, an increase of $2,748,404. $1,484 of the fund balance is available for spending at the District's discretion (unassigned fund balance).

Government-wide Financial Statements

Government-wide financial statements are intended to provide readers a broad overview of the District's finances, in a manner similar to private sector financial statements. These statements also allow readers to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Both of the government-wide financial statements report the District's single function (fire suppression, crash and rescue prevention and education) that is principally supported by taxes and intergovernmental revenue.

The *Statement of Net Position* (page 5) presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* (page 6) presents revenue and expense information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the revenue is earned or the expense is incurred, regardless of the timing of related cash flows. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statements

The accounts of the District are organized on the basis of governmental 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
- revenues
- expenditures

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.

The focus of the governmental funds is narrower than that of the government-wide financial statements. It is useful to compare the information presented for governmental funds with the government-wide financial statements. 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. Governmental fund financial statements (found on pages 7 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus.

Fiduciary Funds

The fiduciary fund reported is used to account for resources held for the benefit of retired employees. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The accounting used for the fiduciary fund is much like that used for governmental proprietary funds. The fiduciary fund financial statements can be found on pages 11 and 12.

Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 13. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Statements of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position.

The following is a condensed summary of net position for the District for fiscal years 2022 and 2023:

Iona McGregor Fire Protection and Rescue Service District
Summary of Net Position
September 30

Assets:	2022	2023
Current and other assets	$ 13,197,136	$ 15,721,237
Non-current assets	10,978,654	12,587,679
Total assets	24,175,790	28,308,916
Deferred outflows of resources - pensions	7,789,688	9,561,022
Liabilities:		
Current liabilities	1,289,621	1,065,318
Non-current liabilities	28,929,298	32,282,942
Total liabilities	30,218,919	33,348,260
Deferred inflows of resources - pensions	4,490,463	2,980,139
Net position:		
Net investment in capital assets	10,495,109	10,678,111
Restricted	483,545	1,785,840
Unrestricted (deficit)	(13,722,558)	(10,922,412)
Total Net Position (Deficit)	$ (2,743,904)	$ 1,541,539

At September 30, 2022, current and other assets represent 55 percent of total assets. Current assets are comprised of cash and cash equivalents of $1,668,376, investments of $11,278,499 and amounts due from other governments of $250,261.

At September 30, 2023, current and other assets represent 56 percent of total assets. Current assets are comprised of cash and cash equivalents of $698,950, investments of $14,480,480, amounts due from other governments of $425,556, and the subscription asset, current portion of $116,251.

At September 30, 2022, current liabilities are comprised of accounts payable of $123,097, unearned revenue of $9,053, accrued expenses of $722,759, current portion of long-term liabilities of $89,565, and amounts due to other governments of $345,147. Non-current liabilities are comprised of capital leases payable of $0, compensated absences payable of $703,824, net pension liability of $23,047,160, and net OPEB liability of $5,178,314.

At September 30, 2023, current liabilities are comprised of accounts payable of $29,692, subscription liability, current portion of $116,251, accrued expenses of $709,128, current portion of compensated absences of $89,565, and amounts due to other governments of $120,682. Non-current liabilities are comprised of compensated absences payable of $750,535, net pension liability of $26,690,482, and net OPEB liability of $4,718,197.

At September 30, 2022, the largest portion of the District's net position, $10,495,109, reflects the District's net investment in capital assets. Capital assets are comprised of land, buildings, and equipment and machinery, and are reported net of accumulated depreciation and the outstanding related debt used to acquire the assets. The District uses those assets to provide services to its citizens; as a result, these assets are not available for future spending.

At September 30, 2023, a large portion of the District's net position, $10,678,111, reflects the District's net investment in capital assets. Capital assets are comprised of land, buildings, and equipment and machinery, and are reported net of accumulated depreciation and the outstanding related debt used to acquire the assets. The District uses those assets to provide services to its citizens; as a result, these assets are not available for future spending.

At September 30, 2022, the restricted net position of $483,545 represents the District's OPEB actuarially determined net asset related to the Retiree Insurance Trust -VEBA reported on the District's statements pursuant to accounting rules and is unavailable for spending. Unrestricted net position (deficit) of ($13,722,558) results from adherence to GASB Statement No. 68 and recording the District's proportionate share of the retirement liability of the State's Retirement System as well as the adherence to GASB Statement No. 75 which requires the recording of the District's net OPEB liability.

At September 30, 2023, the restricted net position of $1,785,840 represents the District's OPEB actuarially determined net asset related to the Retiree Insurance Trust -VEBA reported on the District's statements pursuant to accounting rules and is unavailable for spending. Unrestricted net position (deficit) of ($10,922,412) results from adherence to GASB Statement No. 68 and recording the District's proportionate share of the retirement liability of the State's Retirement System as well as the adherence to GASB Statement No. 75 which requires the recording of the District's net OPEB liability.

Net position decreased $3,725,581 in fiscal year 2022. The decrease is primarily due to the effects from recording personnel expenses related to an increase in pension liabilities.

Net position increased $4,285,443 in fiscal year 2023. The increase is primarily due to the effects from recording personnel expenses related to pension liabilities.

Statements of Activities

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

Iona McGregor Fire Protection and Rescue Service District
Statement of Activities
For the Year Ended September 30

Revenues:	2022	2023
General Revenues:		
Ad valorem taxes, net	$ 22,215,024	$ 24,634,489
Fees and assessments - impact fees	100,670	189,665
Miscellaneous:		
Investment earnings (loss)	117,216	914,077
Rents	35,501	26,878
Donations from private sources	2,055	8,200
Loss on disposition of capital assets	(1,072)	(12,112)
Other	74,116	754,849
Program Revenues:		
Charges for services - inspections	57,730	36,865
Charges for services - education	1,960	1,640
Operating grants and contributions	192,283	51,668
Total Revenues	22,795,483	26,606,219
Expenses:		
Public Safety - Fire and Rescue Services		
Personnel services	23,040,160	18,247,043
Operating expenditures	2,754,095	3,347,673
Depreciation	726,161	726,060
Interest and fiscal charges	648	-
Total Expenses	26,521,064	22,320,776
Increase (Decrease) in Net Position	(3,725,581)	4,285,443
Net Position (Deficit) - Beginning	981,677	(2,743,904)
Net Position (Deficit) - End of Year	$ (2,743,904)	$ 1,541,539

The FY 2022 increase in revenue was largely due to an increase in tax collection as a result of an increase in millage and property values. The millage rates levied for 2022 and 2021 were 2.5000 mills and 2.3775 mills, respectively.

The FY 2023 increase in revenue was in part due to insurance proceeds from Hurricane Ian and interest earnings from higher interest rates. As such, property values increased causing the net ad valorem revenue to increase approximately $2,419,465. The millage rates levied for 2022 and 2023 were 2.5 mills and 2.5 mills, respectively.

Total FY 2022 expenses increased by $9,850,943 as noted previously. This was largely due to the effects to personnel expense increasing from an increase in the pension liabilities resulting from the poor investment performance.

Total FY 2023 expenses decreased by $4,200,288 as noted previously. This was largely due to the effects to personnel expense resulting from a reduction in the pension liabilities.

Budgetary Highlights

The District adopted one budget amendment that adjusted the District's cash carried forward to actual and to provide for receipt of Hurricane Ian insurance proceeds. Budget amendments for significant operating expense variances were not adopted.

Budget versus actual comparisons are reported in the required supplementary information on pages 70 through 73.

Capital Assets

Non-depreciable capital assets include land. Depreciable capital assets include buildings, vehicles, and equipment.

Iona McGregor Fire Protection and Rescue Service District

Capital Assets

September 30

Capital Assets Not Being Depreciated:	2022	2023
Land	$ 878,471	$ 878,471
Construction in progress	176,520	571,237
	1,054,991	1,449,708
Capital Assets Being Depreciated:		
Buildings and improvements	9,614,966	9,614,966
Equipment and machinery	8,101,417	8,291,193
Total Capital Assets Being Depreciated	17,716,383	17,906,159
Less Accumulated Depreciation:		
Buildings and improvements	(4,846,421)	(5,080,618)
Equipment and machinery	(3,429,844)	(3,597,138)
Total Accumulated Depreciation	(8,276,265)	(8,677,756)
Total Capital Assets Being Depreciated, Net	9,440,118	9,228,403
Capital Assets, Net	$ 10,495,109	$ 10,678,111

The District's capital asset purchases/projects that took place in fiscal year 2022 included the purchase of the following:

- (3) 2022 F-350 super squad rescue truck chassis $133,260
- Mobile radios $18,441
- 2022 Tahoe $43,259
- Approximately $34,048 of miscellaneous equipment

The District disposed of approximately $44,449 of equipment during the year ended September 30, 2022.

The District's capital asset purchases/projects that took place in fiscal year 2023 included the purchase of the following:

- Starting Hurricane Ian repairs to Stations 71 and 72 - $571,237
- 2023 Ford F350 - $81,604
- Equipment - $54,025
- Final upfit of 3 rescue vehicle chassis purchased in 2022 - $335,000

The District also disposed of approximately $457,581 of vehicles and equipment during the year ended September 30, 2023.

Additional information on the District's capital assets can be found in Note D on page 33.

Debt Administration

At September 30, 2022, the District had $29,018,863 of outstanding debt, consisting of one capital lease totaling $0, compensated absences of $793,389, net OPEB liability of $5,178,314 and net pension liability of $23,047,160.

At September 30, 2023, the District had $32,248,779 of outstanding debt, consisting of compensated absences of $840,100, net OPEB liability of $4,718,197 and net pension liability of $26,690,482.

Iona McGregor Fire Protection and Rescue Service District
Outstanding Obligations
September 30

	2022	2023
Current Portion of long-term obligations	$ 89,565	$ 89,565
Noncurrent liabilities	28,929,298	32,159,214
Total Outstanding Obligations	$ 29,018,863	$ 32,248,779

At September 30, 2022:

The District's debt payments consist of quarterly lease/purchase payments of principal and interest of $25,011 for 2 engines. The engines had a final payment on June 5, 2022. Interest rate on the lease/purchase agreement is 1.74 percent.

The amount reported as compensated absences of $793,389 represents the total amount the District has due at the termination of all employees' employment.

At September 30, 2023:

The District had no outstanding financing leases or notes payable at September 30, 2023.

The amount reported as compensated absences of $840,100 represents the total amount the District has due at the termination of all employees' employment.

Additional information on the District's long-term debt activity may be found in Note E on pages 35-36 of this report.

Governmental Funds

The focus on the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The District maintains 1 governmental fund. The general fund is the only operating fund of the District.

General Fund

At the end of the fiscal year the general fund reported ending fund balance of $14,745,484, an increase of 23 percent compared to the prior year. $1,484 constitutes unassigned fund balance which is available for spending at the District's discretion. Assigned fund balance was $14,744,000. The assigned fund balance represents 62 percent of total fund expenditures.

Impact fees associated with building permits collected by the County are remitted to the District to be used for qualifying expenditures related to growth. Current year expenditures of impact fees were used for the purchase of capital equipment needed for growth in the District.

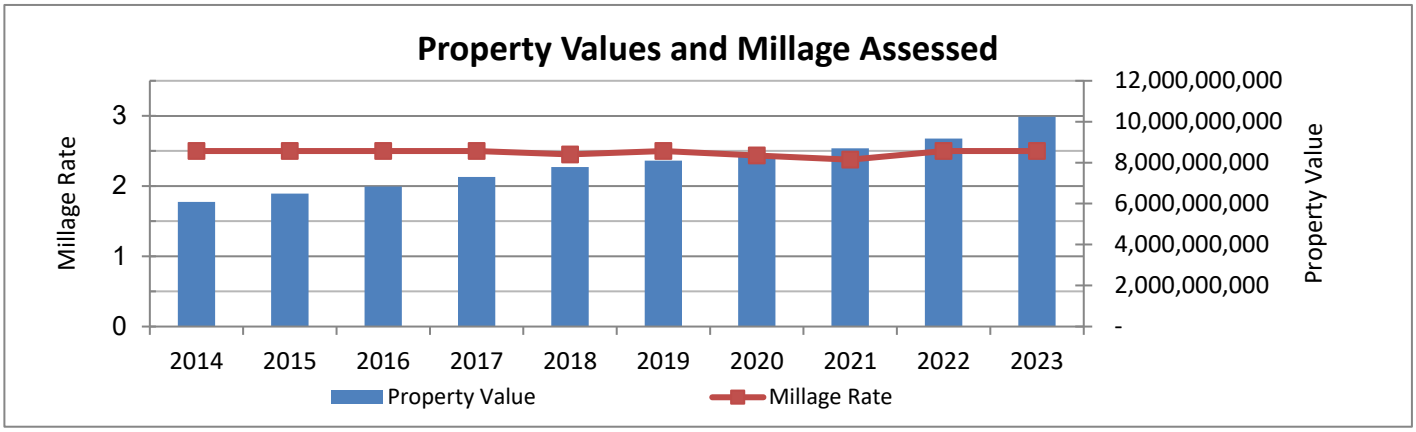
Economic Factors and Next Year's Budget Rates

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

- Assessed property values decreased for FY 24. The District's millage levied was 2.5 mills. At that rate, the District expects ad valorem tax revenues to be $23,730,327, a decrease of $904,162 or approximately 4 percent as a result of hurricane damage to property in the District and a change to the property appraiser's assessment method. (See graph for property values and assessed millage rates for previous and current year).

- Wages and benefits were budgeted higher for 2024 than the prior year mainly due to contractual increases contained in the District's two collective bargaining agreements and increases in retirement and insurance costs.

- Management continues to evaluate all other operating expenditures based on the priorities of mandatory, critical, or important to the ability to deliver a consistent level of service. Management is also carefully monitoring the economic effects of Hurricane Ian. Despite the economic downturn, property values continue to rise. Management expects this trend to continue in the near term.



Request for information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to: Iona McGregor Fire Protection and Rescue Service District, Mark Winzenread, Chief Financial Officer, 6061 South Point, Fort Myers, Florida, 33919, or phone (239) 433-0660.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 698,950
Investments	14,480,480
Due from other governments	425,556
Right of use subscription asset, current	116,251
Total current assets	15,721,237
Noncurrent assets:	
Capital assets:	
Land	878,471
Construction in progress	571,237
Depreciable buildings and improvements, equipment and machinery (net of $8,677,756 accumulated depreciation)	9,228,403
Total capital assets	10,678,111
Right of use subscription asset, net of current	123,728
Net OPEB asset	1,785,840
Total noncurrent assets	12,587,679
TOTAL ASSETS	28,308,916
DEFERRED OUTFLOWS OF RESOURCES	9,561,022
LIABILITIES	
Current liabilities:	
Accounts payable	29,692
Accrued expenses	709,128
Due to other governments	120,682
Current portion of long-term obligations	89,565
Right of use subscription liability, current	116,251
Total current liabilities	1,065,318
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	32,159,214
Right of use subscription liability, net of current	123,728
Total noncurrent liabilities	32,282,942
TOTAL LIABILITIES	33,348,260
DEFERRED INFLOWS OF RESOURCES	2,980,139
NET POSITION (DEFICIT)	
Net investment in capital assets	10,678,111
Restricted for OPEB	1,785,840
Unrestricted (deficit)	(10,922,412)
TOTAL NET POSITION (DEFICIT)	$ 1,541,539

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

	Governmental Activities
EXPENSES	
Governmental Activities	
Public Safety - Fire Protection	
Personnel services	$ 18,247,043
Operating expenses	3,347,673
Depreciation	726,060
Interest and fiscal charges	-
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	22,320,776
PROGRAM REVENUES	
Charges for services:	
Inspection fees	36,865
Safety and education fees	1,640
Operating grants and contributions	51,668
TOTAL PROGRAM REVENUES	90,173
NET PROGRAM EXPENSES	22,230,603
GENERAL REVENUES	
Ad Valorem taxes, net	24,634,489
Fees - impact fees	189,665
Miscellaneous:	
Interest and increase in fair market value of SBA	914,077
Rents	26,878
Donations	8,200
Other	754,849
Loss on disposition of capital assets	(12,112)
TOTAL GENERAL REVENUES	26,516,046
INCREASE (DECREASE) IN NET POSITION	4,285,443
NET POSITION (DEFICIT) - Beginning	(2,743,904)
NET POSITION - Ending	$ 1,541,539

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

	General	Total Governmental Funds
ASSETS		
Cash and cash equivalents	$ 698,950	$ 698,950
Investments	14,480,480	14,480,480
Due from other governments	425,556	425,556
TOTAL ASSETS	$ 15,604,986	$ 15,604,986
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$ 29,692	$ 29,692
Accrued expenses	709,128	709,128
Due to other governments	120,682	120,682
TOTAL LIABILITIES	859,502	859,502
FUND BALANCE		
Nonspendable	-	-
Assigned	14,744,000	14,744,000
Unassigned	1,484	1,484
TOTAL FUND BALANCE	14,745,484	14,745,484
TOTAL LIABILITIES AND FUND BALANCE	$ 15,604,986	$ 15,604,986

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2023

		Amount
Total fund balance for governmental funds		$ 14,745,484
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Right of use-subscription asset	239,979	
		239,979
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land	878,471	
Construction in progress	571,237	
		1,449,708
Governmental capital assets being depreciated:		
Building and improvements, equipment and machinery	17,906,159	
Less accumulated depreciation	(8,677,756)	
		9,228,403
Net OPEB asset - VEBA is not a current spendable financial resource and, therefore, is not reported in the governmental funds.	1,785,840	
		1,785,840
Deferred outflows and deferred inflows are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pensions	6,053,461	
Deferred outflows related to OPEB - District	1,193,373	
Deferred outflows related to OPEB - VEBA	2,314,188	
		9,561,022
Deferred inflows related to pensions	(1,173,774)	
Deferred inflows related to OPEB - District	(885,242)	
Deferred inflows related to OPEB - VEBA	(921,123)	
		(2,980,139)
Right of use-subscription liability	(239,979)	
		(239,979)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(840,100)	
Net pension liability - FRS	(22,122,739)	
Net pension liability - HIS	(4,567,743)	
Net OPEB liability - District	(4,718,197)	
		(32,248,779)
Total net position of governmental activities		$ 1,541,539

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2023

REVENUES	General	Total Governmental Funds
Ad Valorem taxes, net	$ 24,634,489	$ 24,634,489
Fees - impact fees	189,665	189,665
Intergovernmental revenues	51,668	51,668
Charges for services	38,505	38,505
Miscellaneous	1,704,004	1,704,004
TOTAL REVENUES	26,618,331	26,618,331
EXPENDITURES		
Current		
Public safety		
Personnel services	19,601,080	19,601,080
Operating expenditures	3,347,673	3,347,673
Capital outlay	1,042,074	1,042,074
Debt service		
Principal reduction	-	-
Interest and fiscal charges	-	-
TOTAL EXPENDITURES	23,990,827	23,990,827
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,627,504	2,627,504
OTHER FINANCING SOURCES		
Proceeds from disposition of capital assets	120,900	120,900
	120,900	120,900
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	2,748,404	2,748,404
FUND BALANCE - Beginning	11,997,080	11,997,080
FUND BALANCE - Ending	$ 14,745,484	$ 14,745,484

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

		Amount
Net change (revenues and other financing sources in excess of expenditures and other financing uses) in fund balance - total governmental funds		$ 2,748,404
The increase (change) in net position reported for governmental activities in the Statement of Activities is 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.		
Plus: expenditures for capital assets	1,042,074	
Less: current year depreciation	(726,060)	
Less: proceeds from disposition of capital assets	(120,900)	
Less: loss on disposition of capital assets	(12,112)	
		183,002
The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.		
Repayments (principal retirement):		
Financing lease payable (engines)	-	
		-
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
(Increase) decrease in net OPEB liability - District	460,117	
Increase (decrease) in net OPEB VEBA asset	1,302,295	
(Increase) decrease in compensated absences, net	(46,711)	
(Increase) decrease in net pension liability - FRS	(2,135,850)	
(Increase) decrease in net pension liability - HIS	(1,507,472)	
Increase (decrease) in deferred outflow - Pensions	140,373	
(Increase) decrease in deferred inflow - Pensions	449,448	
Increase (decrease) in deferred outflow - OPEB VEBA	1,749,029	
(Increase) decrease in deferred inflow - OPEB VEBA	1,796,565	
Increase (decrease) in deferred outflow - OPEB - District	(118,068)	
(Increase) decrease in deferred inflow - OPEB - District	(735,689)	
		1,354,037
Increase (decrease) in net position of governmental activities		$ 4,285,443

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
September 30, 2023

	Retiree Insurance Trust - VEBA
ASSETS	
Cash and cash equivalents	$ 271
Investments, at fair value:	
International equity	1,267,732
Domestic equity	9,196,045
Fixed income	3,221,624
TOTAL INVESTMENTS	13,685,401
Dividend receivable	-
TOTAL ASSETS	13,685,672
LIABILITIES	
Accounts payable and accrued expenses	61,363
TOTAL LIABILITIES	61,363
NET POSITION	
Restricted for OPEB health insurance benefits and other purposes	13,624,309
TOTAL NET POSITION	$ 13,624,309

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
Year Ended September 30, 2023

	Retiree Insurance Trust - VEBA
ADDITIONS	
Contributions:	
Employer contribution	$ 592,714
Total contributions	592,714
Investment income:	
Net appreciation in fair value of investments	1,605,103
Net realized gain on sales of investments	30,844
Interest and dividends	204,171
	1,840,118
Less: investment expenses	(9,686)
Net investment income (loss)	1,830,432
TOTAL ADDITIONS	2,423,146
DEDUCTIONS	
Benefits paid	499,163
Administrative expenses	32,520
TOTAL DEDUCTIONS	531,683
NET INCREASE (DECREASE) IN NET POSITION	1,891,463
NET POSITION - BEGINNING	11,732,846
NET POSITION - ENDING	$ 13,624,309

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Iona McGregor Fire Protection and Rescue Service District (the "District") is an independent special district established July 5, 1975, by Laws of Florida, Chapter 75-421 as amended, under the provisions of Florida Statute 633, and as further amended by Laws of Florida, Chapter 97-340. The District, also, has the general and special powers prescribed by Florida Statutes Chapters 189 and 191. Laws of Florida, Chapter 2000-384 codified, reenacted, amended and repealed its prior enabling acts. The District was created for the purpose of providing fire control, protection and rescue services, for a designated area in central Lee County. The District is governed by an at-large elected five (5) member Board of Commissioners serving staggered four (4) year terms. The District had five (5) station houses and approximately 104 employees at September 30, 2023.

During the year ended September 30, 2008, the District established a fiduciary fund (trust) to account for the assets and net position restricted for retiree insurance benefits trust - VEBA.

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

The District adheres to Governmental Accounting Standards Board Statement Number 14, "Financial Reporting Entity" (GASB 14), as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" (GASB 39) and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34". These statements require the basic 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, or required to be included, in the District's basic financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the 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. The District uses only one governmental fund.

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).

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

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 safety and education fees, as well as operating grants.

Fund Financial Statements

The District adheres to GASB Statement Number 54 "Fund Balance Reporting and Government Fund Type Definitions."

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 net position, 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 Retiree Insurance Trust Fund (VEBA). The fiduciary fund represents assets held by the Iona McGregor Retiree Insurance Trust in a custodial capacity for the benefit of retirees. This fund is properly not reflected as part of the government-wide financial statements, as the net assets of this fund are not available for use in District operations.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources.

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." The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns on the fund financial statements.

Fiduciary Fund

The insurance trust fund accounts for the activities of the Retiree Insurance Trust (VEBA), which accumulates resources for the payment of post employment benefits other than pension to qualified retirees.

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

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 tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are property 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 is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

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 long-term debt, if any, which are recognized when due; and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

The Fiduciary Fund - Retiree Insurance Trust Fund (VEBA) 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Non-current Government Assets/Liabilities

GASB 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes payable and capital leases, to be reported in the governmental activities column in the government-wide Statement of Net Position.

Major Fund

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Impact fees are levied by the District, and imposed and collected by Lee County based on new construction within the District, are minimal and accounted for in the General Fund. The impact fees are restricted and can only be used for certain capital expenditures or repayment of debt issued to acquire those capital assets, associated with growth within the District. The District has determined all impact fees collected will be used to service debt approved to be paid by such fees and/or growth related capital asset purchases. Specifically, impact fees are being used to reimburse the General Fund for debt paid by the General Fund, qualified to be paid by impact fees.

Fiduciary Fund

Additionally, the District reports the following fund type:

The fiduciary fund is excluded in the government-wide financial statements because the resources of that fund are not available to support the District's operations. The only type of fiduciary fund the District reports is the Retiree Insurance Trust Fund (VEBA), which accounts for the assets held by the plan in a formal trust that are payable to qualified retirees for post employment healthcare benefits other than retirement.

Budgetary Information

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments

The District adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement No. 31, and/or GASB Statement No. 79 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" in which all investments are reported at fair value. Specifically, the District (not including the VEBA) has adopted a policy to adhere to Florida Statute Chapter 218.415(17).

Investments in the District's governmental funds consist of U.S. Government securities held in money market funds and securities of U.S. Government agencies unconditionally guaranteed by the U.S. Government.

Investments held by the District's fiduciary fund (VEBA) include marketable securities, bonds, time deposits, mutual funds, money market funds, and depository accounts. The VEBA has adopted a separate investment policy from that of the District in accordance with Florida Statute Chapter 218.415 (1-16).

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the government-wide financial statements. The District has elected to treat these items under the consumption method for the governmental fund financial statements. As such, the costs are recorded as prepaid expenses in the governmental funds and offset by nonspendable fund balance.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment and machinery, are reported in the government-wide Statement of Net Position. The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of $5,000 or more and have a useful life in excess of one year.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets, continued

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, are not capitalized, as the District generally does not acquire such assets. No debt-related interest expense was capitalized as part of capital assets in accordance with GASB Statement No. 34.

Maintenance, repairs and minor renovations are not capitalized. Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide statements, but rather are capitalized and depreciated.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and improvements	10-40
Equipment and Machinery (including vehicles)	3-20

Budgets and Budgetary Accounting

The District has adopted an annual budget for the General Fund.

No budget was legally required or adopted for the Fiduciary Fund - VEBA.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, continued

The District follows these procedures in establishing budgetary data for the General Fund:

1. During the spring/summer of each year, the District Fire Chief submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget amounts, as shown in these financial statements, are as originally adopted or as amended by the Board of Commissioners.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.

During the year ended September 30, 2023, the Board of Commissioners, in accordance with Florida Statutes, approved one (1) budget amendment in the General Fund. The budget amendment increased the total budgeted revenues, other financing sources and expenditures in the General Fund by $1,701,149.

Impact Fees

Through an inter-local agreement, the District levies an impact fee on new construction within the District. The intent of the fee is for growth within the District to pay for capital improvements needed due to the growth. The fee is collected by Lee County and remitted to the District. The fee is refundable if not expended by the District within twenty (20) years from the date of collection. The District records this fee as revenue when received or receivable. The District, therefore, records this fee as restricted cash and as unearned revenue, in the general fund, until the date of expenditure, at which time it is recognized as revenue and charged to growth related debt service in the fund financial statements and debt reduction in the government-wide financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Due To/From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by funds affected in the period in which transactions are executed.

Due From Other Governments

No allowance for losses on uncollectible accounts has been recorded since the District considers all receivable balances to be fully collectible.

Compensated Absences/Separation Pay

The District's employees accumulate annual leave (vacation leave) based on the number of years of continuous service. Certain administrative employees are entitled to separation pay as defined by the District Non-Bargaining Unit Employee Handbook. Upon termination of employment, employees can receive payment of these benefits if certain criteria are met, up to 500 hours, in general. The costs of vacation leave benefits (compensated absences) and separation pay are recorded in the respective operating funds when payments are made to employees. However, the liability for all accrued vacation leave and separation benefits is recorded in the government-wide Statement of Net Position. Sick time accrued is paid out on September 30, annually. Therefore, no sick time is accrued at September 30.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because, at present, it is not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control.

Management estimates

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net Position

In the government-wide financial statements no net assets have been identified as restricted except those net assets restricted for OPEB. Restricted net position reflects those net assets that have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law.

Fund Balances

The governmental fund financial statements the District maintains may include nonspendable, restricted, committed, assigned and unassigned fund balances. Nonspendable fund balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, for example, prepaid expenses and inventory.

Restricted fund balance consists of amounts that can be spent only on specific purposes stipulated by constitutional provisions or enabling legislation or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. The District maintained no restricted fund balances at September 30, 2023.

Committed fund balance consists of amounts that represent resources whose use is constrained by limitations the Board (highest decision making) imposes upon itself. These constraints made by the Board remain binding unless removed in the same manner. The District maintained no committed fund balances at September 30, 2023.

Assigned fund balance represents the portion of fund balance that reflects the District's intended use of resources. Such intent can only be established by the Board. The District maintained assigned fund balance for various uses at September 30, 2023.

Unassigned fund balance is the portion of fund balance representing resources in excess of what can properly be classified in one of the other categories.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Interfund Transactions

The District considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as reduction of expenditures/expenses in the fund that is reimbursed.

Pensions

In the government-wide Statement of Net Position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) defined benefit plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments, (including refunds of employees contributions) are recognized when due and payable in accordance with the benefit terms.

The District's retirement plans and related amounts are described in a subsequent note.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized an as outflow of resources (expense/expenditure) until then. The deferred amount on pensions and OPEB is reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pensions and OPEB are discussed in a subsequent note.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred Outflows/Inflows of Resources, continued

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The deferred amount on pension and OPEB is reported only in the government-wide Statement of Net Position. A deferred amount on pension and OPEB results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with benefits through the plans except earnings which are amortized over five to seven years.

Leases

During the year ended September 30, 2022, the District adopted GASB Statement No. 87 - Leases. This Statement requires the recognition of certain lease assets and liabilities in the Statement of Net Position for leases that previously were classified as operating leases. The District determined their current lease agreements to be immaterial, therefore, there was no effect from GASB Statement No. 87 at September 30, 2023.

New Accounting Guidance

GASB 94: *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
In March 2020, the GASB issued Statement No. 94 (*Public-Private and Public-Public Partnerships and Availability Arrangements)* to bring a uniform guidance on how to report public-private and public-public partnership arrangements, will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangement in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Guidance, continued

underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District, however, had no arrangements that met this Statement's reporting criteria and/or the related arrangement costs were considered immaterial.

GASB 96: *Subscription-Based Information Technology Arrangements (SBITAs)*
In May 2020, the GASB issued Statement No. 96 (*Subscription-Based Information Technology Arrangements (SBITAs)),* which defined the SBITAs and provides accounting and financial reporting for SBITAs by governments. This Statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for the SBITAs. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District had arrangements that met this Statement's reporting criteria and have reported them as right-of-use - subscription asset and liability, respectively, on the Government-Wide financial statements. For further discussion see Note P.

Subsequent Events

Subsequent events have been evaluated through June 15, 2024, which is the date the financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

At September 30, 2023, cash was $698,950 (excluding the Retiree Insurance Trust Fund VEBA).

Deposits - VEBA

Additionally, the Retiree Insurance Trust Fund (VEBA) as later defined, held restricted cash and cash equivalents of $271 (book and bank balance as deposits), at September 30, 2023, in a money market fund. This cash account is not subject to coverage under the Federal Depository Insurance Corporation (FDIC) or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute 280).

NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED

Deposits - District

The District's deposit policy allows deposits to be held in demand deposit or money market accounts consistent with Florida Statute Chapter 218.415(17). All District deposits were held in banks or savings institutions designated as qualified depositories by the State Treasurer.

At September 30, 2023, the carrying amount of the District's deposits was $698,950 in the General Fund and the bank balance was $765,146. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute 280).

NOTE C - INVESTMENTS

District Investments

The District adheres to GASB Statement No. 31 and/or GASB Statement No. 79, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB 31). Under this Statement, the District has elected to show all investments at fair value, with the exception of the Local Government Surplus Funds Investment Pool Trust Fund (State Board of Administration), an external 2a7-like investment pool. The Local Government Surplus Funds Investment Pool Trust Fund's shares are stated at amortized cost, which approximates fair value.

Florida Statutes and District policy authorize investments in Local Government Surplus Funds Trust Fund (SBA) administered by the Florida State Board of Administration, U.S. government securities (held in a money market fund) and certificates of deposit held in financial institutions.

The District does not have a written investment policy and as such, its practice is to follow Florida Statute 218.415(17), which limits the types of investments that a local government may invest in. Local governments electing not to adopt a written investment policy in accordance with policies developed by the State may only invest surplus public funds in the state pool or similar, highly rated money market funds, time deposits, savings accounts, or direct obligations of the U.S. Treasury.

NOTE C - INVESTMENTS, CONTINUED

District Investments, continued

District investments consisted of the following at September 30, 2023:

	Cost	Market / Carrying Amount
General Fund		
Local Government Surplus Trust Fund (SBA) PRIME	$ 9,459,537	$ 9,459,537
Interest bearing Money Market	5,020,943	5,020,943
Total investments	$ 14,480,480	$ 14,480,480

The money market account is held as public funds with a financial institution.

The Local Government Surplus Funds Trust Fund (PRIME) is an external 2a7-like investment pool, administered by the Florida State Board of Administration. The Local Government Surplus Funds Investment Pool Trust Fund is not categorized, as it is not evidenced by securities that exist in physical or book entry form. The Local Government Surplus Trust Funds Investment Pool's shares are stated at amortized cost (NAV), which approximates fair value. These investments are subject to the risk that the market value of an investment, collateral protecting a deposit or securities underlying a repurchase agreement, will decline. The District's investment in the Fund represented less than 1% of the Fund's total investments. Investments held in the Fund include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. These short-term investments are stated at cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

NOTE C - INVESTMENTS, CONTINUED

District Investments, continued

At September 30, 2023, the District reported investments of $9,459,537 for amounts held in PRIME. PRIME carried a credit rating of AAAm by Standard and Poors interest rate risk. Florida PRIME had a dollar weighted average days to maturity (WAM) of 35 days at September 30, 2023. The Weighted Average Life (WAL) of Florida PRIME at September 30, 2023, was 75 days. Rule 2a7 allows funds to use amortized cost to maintain a constant NAV of $1.00 per share. Accordingly, the District's investment in Florida PRIME is reported at the account balance (pooled shares) using amortized cost, which is considered fair value.

The District adheres to GASB Statement No. 79 which requires the following disclosures related to its Florida PRIME investment:

Redemption Gates: Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to a payment at any time from the moneys in the trust fund. However, the Executive Director of the fund may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on the contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

NOTE C - INVESTMENTS, CONTINUED

District Investments, continued

Liquidity Fees: Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosures in the enrollment materials of the amount and purpose of such fees. At September 30, 2023, no such disclosure has been made.

Redemption Fees: As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Fair Value: The carrying value of the cash, cash equivalents, and investments held by the District are measured at amortized cost which approximate fair value.

Foreign Currency: Florida PRIME was not exposed to foreign currency risk during the period October 1, 2022, through September 30, 2023.

Securities Lending: Florida PRIME did not participate in securities lending program during the period October 1, 2022, through September 30, 2023.

Florida PRIME does provide separate audited financial statements as of and for the year ended June 30, 2023.

Retiree Insurance Trust Fund (VEBA) Investments

Investments of the Retiree Insurance Trust Fund totaled $13,685,401 at September 30, 2023. Such investments are controlled by Retiree Insurance Trust Fund (VEBA) Board policy.

Investment Authorization

The Retiree Insurance Trust Fund investment policy is determined by its Board of Trustees. The policy has been identified by the Board to conduct the operations of the Retiree Insurance Trust Fund in a manner so that the assets will provide benefits to the participants and preserve capital while maximizing the rate of return. The Trustees are authorized to acquire time or savings accounts of FDIC insured banks or savings institutions, obligations issued or guaranteed by the United States Government, bonds issued by a domestic corporation listed on one or more of the recognized national stock exchanges or the National Market System of the

NOTE C - INVESTMENTS, CONTINUED

Retiree Insurance Trust Fund (VEBA) Investments, continued

Investment Authorization, continued

NASDAQ stock market, equity investment in a corporation listed on one or more of the recognized national stock exchanges or the National Market System of the NASDAQ stock market, mutual funds whose investments meet the above restrictions, and real estate investments through commingled investments and/or real estate trusts (REITs). All investments of the VEBA are in mutual funds to maximize income and minimize risk.

Investments in equity securities shall range between 50% and 85% with a target allocation of 75%. Not more than 5% of the Fund's assets shall be invested in the stock of any one issuing company nor shall the aggregate investment in any one issuing company exceed 5% of the company's outstanding capital stock. No more than 20% of Plan assets shall be invested in foreign securities and no more than 30% shall be invested in bonds, convertible bonds, or other indebtedness. Real estate investments are limited to 10% of Plan assets. The Plan's assets shall be rebalanced at least annually to meet the target allocations.

The following is a summary of the Plan's assets at September 30, 2023:

Mutual Fund Type	Target Allocation	Percent of Portfolio	Fair Value
Equity			
Vanguard International Growth Fund	5%	5%	$ 612,955
Vanguard International Value Fund	5%	5%	654,777
Vanguard Total Stock Market Index Fund	65%	67%	9,196,045
Fixed Income			
Vanguard Federal Money Market Fund	5%	1%	160,119
Vanguard Intermediate-Grade Bond Fund	10%	11%	1,532,283
PIMCO Total Return Instl.	10%	11%	1,529,222
Total Investments	100%	100%	$ 13,685,401

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. As a means of limiting its exposure to interest rate risk, the Fund diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

NOTE C - INVESTMENTS, CONTINUED

Retiree Insurance Trust Fund (VEBA) Investments, continued

Interest Rate Risk, continued:

Information about the sensitivity of the fair values of the Fund's fixed income investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Fund's fixed income investments by maturity at September 30, 2023:

Investment Type - Fixed Income	Weighted Average Maturity (years)	Duration Years	Fair Value
Vanguard Federal Money Market Fund	.04*	N/A	$ 160,119
Vanguard Intermediate-Term Investment Grade Bond Fund	7.5	6.0	1,532,283
PIMCO Total Return Instl.	8.1	5.9	1,529,222
Total			$ 3,221,624

*14 days

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 Fund's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit rating by fixed income investment type at September 30, 2023, if applicable:

Investment Type - Fixed Income	Average Quality Rating	Fair Value
Vanguard Federal Money Market Fund	Not rated	$ 160,119
Vanguard Intermediate-Term Investment Grade Bond Fund	Not rated	1,532,283
PIMCO Total Return Instl.	Not rated	1,529,222
Total		$ 3,221,624

NOTE C - INVESTMENTS, CONTINUED

Retiree Insurance Trust Fund (VEBA) Investments, continued

Concentration of Credit Risk:

The investments policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represented 5% or more of plan net position at September 30, 2023, as all investments were in mutual funds, nor did any type of investment exceed the target mix.

Custodial Credit Risk:

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. Consistent with the Fund's investment policy, the investments are held by Fund's custodial bank and registered in the Plan's name.

NOTE D - CAPITAL ASSETS ACTIVITY

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

	Balance October 1, 2022	Increases/ Additions	Decreases/ Deletions	Adjustments	Balance September 30, 2023
Capital Assets Not Being Depreciated:					
Land	$ 878,471	$ -	$ -	$ -	$ 878,471
Construction in Progress	176,520	906,445	-	(511,728)	571,237
Total Capital Assets Not Being Depreciated	1,054,991	906,445	-	(511,728)	1,449,708
Capital Assets Being Depreciated:					
Buildings and Improvements	9,614,966	-	-	-	9,614,966
Equipment and Machinery	8,101,417	135,629	(457,581)	511,728	8,291,193
Total Capital Assets Being Depreciated	17,716,383	135,629	(457,581)	511,728	17,906,159
Less Accumulated Depreciation:					
Buildings and Improvements	(4,846,421)	(234,197)	-	-	(5,080,618)
Equipment and Machinery	(3,429,844)	(491,863)	324,569	-	(3,597,138)
Total Accumulated Depreciation	(8,276,265)	(726,060)	324,569	-	(8,677,756)
Total Capital Assets Being Depreciated, Net	9,440,118	(590,431)	(133,012)	-	9,228,403
Capital Assets, Net	$ 10,495,109	$ 316,014	$ (133,012)	$ -	10,678,111
				Related debt	-
				Net investment in capital assets	$ 10,678,111

Depreciation expense was charged to the following functions during the year ended September 30, 2023:

	Amount
General Government	$ 726,060
Total Depreciation Expense	$ 726,060

NOTE E - LONG-TERM LIABILITIES

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

	Balance October 1, 2022	Additions	Retirements / Adjustments	Balance September 30, 2023	Amounts Due Within One Year
Compensated absences	$ 793,389	$ 993,790	$ (947,079)	$ 840,100	$ 89,565
Net pension liability - FRS	19,986,889	2,135,850	-	22,122,739	-
Net pension liability - HIS	3,060,271	1,507,472	-	4,567,743	-
Net OPEB liability - District	5,178,314	-	(460,117)	4,718,197	-
	$ 29,018,863	$ 4,637,112	$ (1,407,196)	$ 32,248,779	$ 89,565

The following is a summary of the long-term obligations at September 30, 2023:

	Amount
Accrued compensated absences. Employees of the District are entitled to paid leave based on length of service and job classification.	$ 840,100
Net pension liability - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	22,122,739
Net pension liability - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	4,567,743
Net OPEB liability - District. This amount is calculated annually based on actuarial valuations of the OPEB Plans - GASB Statements Nos. 75/74	4,718,197
	32,248,779
Less: Current Portion	(89,565)
	$ 32,159,214

NOTE E - LONG-TERM LIABILITIES, CONTINUED

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

Years Ending September 30	Total Principal	Total Interest	Total
2023	$ -	$ -	$ -
Total financing leases	-	-	-
Accrued compensated absences	840,100	-	840,100
Net pension liability - FRS	22,122,739	-	22,122,739
Net pension liability - HIS	4,567,743	-	4,567,743
Net OPEB liability	4,718,197	-	4,718,197
Total long-term debt	$ 32,248,779	$ -	$ 32,248,779

Interest expenditures for the year ended September 30, 2023, were $0.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN

General Information about the Florida Retirement System

The Florida Retirement System ("FRS") was created in Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan ("Pension Plan") for participating public employees. All District employees are participants in the Statewide Florida Retirement System (FRS) under authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide an integrated defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a separate cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

General Information about the Florida Retirement System, continued

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans (Pension and HIS Plans) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information dated June 30, 2023, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The District's pension expense $6,237,010 for the year ended September 30, 2023, is recorded in the government-wide financial statements. Total District retirement actual contribution expenditures were $3,183,509, $2,659,421 and $2,403,678 for the years ended September 30, 2023, 2022 and 2021, respectively. The District contributed 100% of the required contributions.

FRS Pension Plan

Plan Description. The FRS Pension Plan ("Plan") is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class - Members of the FRS who do not qualify for membership in the other classes.

Senior Management Service Class (SMSC) - Members in senior management level positions.

Special Risk Class - Members who are employed as certified firefighters and meet the criteria to qualify for this class.

Elected Officials - Members who are elected by the voters within the District boundaries.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for those members classified as special risk who are eligible for normal retirement benefits at age 55 and 6 years of service or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 and 8 years of service or at any age after 30 years of service. Members of both Plans (Pension and HIS) may include up to 4 years of credit for military service toward creditable service. However, effective July 1, 2023, for special risk who enrolled on or after July 1, 2011, normal retirement date changed to the earlier of 25 years of creditable service or age 55 and 6 years of service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. Effective July 1, 2023, an employee may participate in DROP for a period not to exceed 96 months (8 years) after electing to participate, except for certain instructional personnel who can participate for 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. Interest accrues at 4% on DROP accumulation held on or after July 1, 2023, and at 1.3% prior. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits. The restricted 12 month election window was removed. Participants may now elect to enter DROP at anytime after becoming fully vested and reaching normal retirement age.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. 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 the 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 retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value of each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	%Value
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Senior Management Service Class	2.00
Elected Officer's Class	3.00

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2023, were as follows:

	Percent of Gross Salary*		
Class (2)	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	11.91	13.57
Florida Retirement System, Senior Management Service	3.00	31.57	34.52
Florida Retirement System, Special Risk	3.00	27.83	32.67
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	18.60	21.13
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	57.00	58.68

Notes:

(1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/22 - 6/30/23.

(2) Contribution rates are dependent upon retirement class in which reemployed.

(3) Employer rates include 2.0 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/23 - 6/30/24.

* As defined by the Plan.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan. At September 30, 2023, the District reported a FRS pension liability of $22,122,739 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At September 30, 2023, the District's proportionate share was .055519438 percent, which was an increase of .001802846 percent from its proportionate share measured as of September 30, 2022.

For the year ended September 30, 2023, the District recognized FRS pension expense of $5,862,789. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,077,134	$ -
Change of assumptions	1,442,144	-
Net difference between projected and actual earnings on pension plan investments	923,905	-
Changes in proportion and differences between District contributions and proportionate share of contributions	431,670	692,424
District contributions subsequent to the measurement date	777,180	-
Total	$ 5,652,033	$ 692,424

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

The deferred outflows of resources related to the FRS pension, totaling $777,180, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 5.3 years as follows:

Fiscal Years Ending September 30	Amount
2024	$ 988,771
2025	988,771
2026	988,771
2027	988,772
2028	757,795
Thereafter	(530,451)
Total	$ 4,182,429

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation
Actuarial cost method	individual entry age

Mortality rates were based on the Pub-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.9%	2.9%	1.1%
Fixed income	19.80%	4.5%	4.4%	3.4%
Global equity	54.00%	8.7%	7.1%	18.1%
Real estate (property)	10.30%	7.6%	6.6%	14.8%
Private equity	11.10%	11.9%	8.8%	26.3%
Strategic investments	3.80%	6.3%	6.1%	7.7%
Total	100.00%			
Assumed inflation - Mean			2.40%	1.40%

(1) As outlined in the Plan's investment policy

Money Weighted Rate of Return. The annual money weighted rate of return on the FRS Pension Plan investments for the year ended June 30, 2023, was 7.58%.

Discount Rate. The discount rate used to measure the total pension liability was 6.70 percent. The Plan'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.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability	$ 37,790,143	$ 22,122,739	$ 9,015,081

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report ("FRS ACFR") dated June 30, 2023.

The FRS ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000

850-488-5706 or toll free at 877-377-1737

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2023, the District reported a payable of $113,441 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2023.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan

Plan Description. The Health Insurance Subsidy Plan ("HIS Plan") is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are at least $30 but not more than $150 per month, pursuant to Section 112.363, Florida Statutes. Subsequent to July 1, 2023, eligible retirees and beneficiaries received $7.50 for each year of service monthly. Maximum benefit is $225 per month or $2,700 annually. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the year ended September 30, 2023, the contribution rate ranged between 1.66 percent and 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2023, the District reported a HIS liability of $4,567,743 for its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability was used to calculate the net pension liability which was determined by an actuarial valuation as of July 1,

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

2023. The District's proportionate share of the net HIS liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At September 30, 2023, the District's proportionate share was .028761706 percent, which was a decrease of .000131682 percent from its proportionate share measured as of September 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized HIS expense of $374,221. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 66,869	$ 10,721
Change of assumptions	120,085	395,810
Net difference between projected and actual earnings on HIS pension plan investments	2,359	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	155,499	74,819
District contributions subsequent to the measurement date	56,616	-
Total	$ 401,428	$ 481,350

The deferred outflows of resources related to HIS, totaling $56,616, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 6.3 years as follows:

Fiscal Years Ending September 30	Amount
2024	$ (25,617)
2025	(25,617)
2026	(25,617)
2027	(25,618)
2028	(26,207)
Thereafter	(7,862)
Total	$ (136,538)

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.65 percent
Actuarial Cost Method	Individual entry age

Mortality rates were based on the Generational Pub-2010 with Projected Scale MP-2018.

Because the HIS plan is funded on a pay-as-you-go basis, no experience study has been completed for this plan.

Discount Rate. The discount rate used to measure the total HIS liability was 3.65 percent. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 3.65 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
District's proportionate share of the net HIS liability	$ 5,211,081	$ 4,567,743	$ 4,034,458

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Annual Comprehensive Financial Report ("FRS ACFR") dated June 30, 2023.

The FRS ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000

850-488-5706 or toll free at 877-377-1737

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2023, the District reported a payable of $7,241 for the outstanding amount of contributions to the HIS Plan required for the fiscal ended September 30, 2023.

FRS - Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS - Defined Contribution Pension Plan, continued

are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-23 fiscal year were as follows:

	Percent of Gross Salary*		
Class (2)	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	6.30	8.30
Florida Retirement System, Senior Management Service	3.00	7.67	9.67
Florida Retirement System, Special Risk	3.00	14.00	16.00
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	11.34	13.34

Notes:

(1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/22 - 6/30/23.

(2) Contribution rates are dependent upon retirement class in which reemployed.

(3) Employer rates include 2.0 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/23 - 6/30/24.

* As defined by the Plan.

Effective July 1, 2023, employer contribution rates increased by 2% in all membership classes.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

NOTE F - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS - Defined Contribution Pension Plan, continued

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled $227,284 (which is included in the FRS expense amount) for the fiscal year ended September 30, 2023.

Payables to the Investment Plan. The District reported a payable of $0 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2023.

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The District adheres to GASB Statements No. 74 and 75: Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions (OPEB), which established new accounting standards for postemployment benefits. These Standards do not require funding of OPEB expense, but any difference between the actuarially determined total OPEB liability and the amount funded is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB liability.

Plan Description and Funding Policy

The District provides post-retirement health and dental benefits in accordance with Section 112.0801, Florida Statutes, to all eligible employees, their spouses and eligible dependents who retire from the District. As such, the District provides retirees the opportunity to obtain health and dental coverage. Additionally, the District established a VEBA Plan, effective October 1, 2006, and funds the Plan in

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Plan Description and Funding Policy, continued

accordance with certain agreements. The Plan provides retirees with funds intended to be used to purchase health and dental insurance. Insurance costs in excess of VEBA benefits provided are the responsibility of the insured. The employee's contributions vary depending on certain specified criteria and, in particular, length of creditable employment with the District. As of September 30, 2023, forty-one (41) retirees were buying insurance through the District. The District finances the benefits on a pay-as-you-go basis and recognizes expenditures at the time premiums are due. The District does not fund the cost of coverage for its retirees except for one retiree. The District paid 100% of the cost for family coverage for one retiree totaling $24,466 during the year ended September 30, 2023. The Plan does not issue a separate financial report.

As such, the District has two actuarial studies performed in order to comply with GASB Statements No. 74 and No. 75. One study determines the Net OPEB (non-VEBA) liability of the District for the projected cost of providing the opportunity for retirees and their dependents to buy health insurance. The other is to project the net OPEB liability (asset) for the projected cost of providing the defined benefit of the VEBA Plan, set at $650 per month from January 1, 2012, through December 31, 2018. Effective January 1, 2019, the benefit is $750 per month which increases by 2% each January 1, thereafter. The defined monthly VEBA benefit was $765 effective January 1, 2020, $780.30 effective January 1, 2021, $795.90 effective January 1, 2022, $811.82 effective January 1, 2023, as expected.

Actuarial Methods and Assumptions - District's net OPEB Liability

At September 30, 2023, the District's net OPEB liability of $4,718,197 was determined by an actuarial valuation as of September 30, 2022, using census data from the twelve month period (measurement date) ended September 30, 2022. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Inflation Rate			2.50%		
Salary Increases			6.00%		
Discount Rate	4.77% (2023)	2.43% (2022)	2.14% (2021)	3.58% (2020)	4.18% (2019)
Initial Trend Rate			7.25%		
Ultimate Trend Rate			4.00%		
Years to Ultimate			52		
Measurement Date			September 30, 2022		
Actuarial Valuation Date			September 30, 2022 for September 30, 2023		

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Actuarial Methods and Assumptions - District's net OPEB Liability, continued

The discount rate was based on the 20 Year Municipal Bond Rate with AA average rating. (4.77% for 2023) (2.43% for 2022) (2.14% for 2021) (3.58% for 2020)

Entry age normal cost method was used.

Mortality rates were based on the Pub-2010 Generational Healthy Mortality Table with Scale MP-2021.

The actuarial valuation at September 30, 2022 was based on results of an actuarial experience study (measurement date) performed for the FRS Retirement Plan at July 1, 2021.

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumptions changes summarized above are to best reflect the current market conditions and recent plan experience.

No separate audit of the District's OPEB plan is available.

Membership of the Plan consisted of the following at October 1, 2021, measurement date:

	Retiree Insurance Trust Fund Census
Active plan participants	97
Inactive retirees, beneficiaries and disabled participants receiving benefits	33
Covered spouses	17
Total OPEB program participants	147
Number of participating employers	1

Changes in Assumptions:

Discount rate 2.43% at September 30, 2022, to 4.77% at September 30, 2023.
Updated health care costs and premiums.

Difference between expected and actual experience reflects the impact of changes to the census data from the prior valuation to the current valuation.

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Changes in the District's Net OPEB Liability

	Amount
Balance at September 30, 2022	$ 5,178,314
Changes for the year:	
Service Cost	382,759
Interest	133,339
Difference Between Expected and Actual Experience	135,878
Changes in Assumptions	(963,481)
Change in benefit terms	-
Contributions from Employer	-
Benefit Payments	(148,612)
Administrative Expense	-
Other Changes	-
Net Changes	(460,117)
Balance at September 30, 2023	$ 4,718,197

Changes in assumptions:
Discount Rate: 2.43% for 2022 and 4.77% for 2023.
Updated health care costs and premiums.

The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or 1 percent lower than the current discount rate.

	1% Decrease 3.77%	Current Rate 4.77%	1% Increase 5.77%
Net OPEB Liability	$ 5,197,432	$ 4,718,197	$ 4,295,634

The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using healthcare trend rates that are 1 percent higher or 1 percent lower than the current healthcare trend rate.

	1% Decrease 3.00 - 6.25%	Trend Rate 4.00 - 7.25%	1% Increase 5.00 - 8.25%
Net OPEB Liability	$ 4,228,459	$ 4,718,197	$ 5,291,842

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Changes in the District's Net OPEB Liability, continued

For the year ended September 30, 2023, the District recognized OPEB expense of $629,142. At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 113,232	$ 82,341
Changes in Assumptions	844,639	802,901
Net difference between projected and actual earnings	-	-
Employer contribution subsequent to measurement date	235,502	-
Total	$ 1,193,373	$ 885,242

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended September 30:	Amount
2024	$ 132,198
2025	97,905
2026	59,046
2027	(78,587)
2028	(137,933)
Thereafter	-
Total	$ 72,629

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Plan description and provisions - Retiree Insurance Trust Fund - VEBA

To fund the cost of providing retirees a defined benefit intended to be used to purchase certain insurance coverage the Iona McGregor Retiree Insurance Trust (the "Trust" fund) was established on June 30, 2008. It was established, specifically, to fund a portion of the cost of medical, dental, and prescription drug benefits for retirees. None of the forty-six (46) retirees receiving benefits retired prior to the establishment of the Trust.

The following brief description of the Iona McGregor Retiree Insurance Trust Fund, a voluntary employees' beneficiary association ("VEBA") established under Internal Revenue Code Section 501(c)(9) and related benefit plan (the "Plan"), is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan. The VEBA Plan identification number is 001. The Iona McGregor Retiree Insurance Trust Fund does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or of another entity except for the financial statements of the District itself.

The VEBA is governed by a five (5) member Board of Trustees. Three (3) of the Trustees are appointed by the District Vice President for District Number 7 of the Southwest Florida Professional Firefighters & Paramedics, Local 1826, IAFF, Inc. (the "Union"). The remaining two (2) Trustees are appointed by the District's Fire Chief. On June 30, 2008, Board of Trustees of the VEBA retroactively provided for the establishment and funding of a single employer defined benefit plan for the payment of post employment benefits other than pensions ("OPEB"). The effective date of the Plan is October 1, 2006. This District is the only participating District.

Employees eligible to become participants in the Plan are those who were employed full-time on or after October 1, 2006, for whom the District (employer) made contributions to the VEBA. In addition, employees are eligible for benefits from the VEBA if they were hired before October 1, 2006, and completed at least ten (10) years of service with the District; or, if they were hired after October 1, 2006 and completed at least twenty (20) years of service with the Iona McGregor Fire Protection and Rescue Service District at the time of application for benefits. Eligible employees become participants of the VEBA upon having met these criteria.

NOTE G- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Plan description and provisions - Retiree Insurance Trust Fund - VEBA, continued

Funding Policy - Contributions to the VEBA may be derived from two sources: employer and participants. However, currently, only employer contributions are being contributed. No employee contributions are required or being contributed to the VEBA. Employer contributions are contractually required as provided for in the applicable collective bargaining agreement for union employees or employee handbook for non-union employees. The contractually required District VEBA contribution for the year ended September 30, 2023, was $592,714 and was paid timely by the District. The District obtained an actuarial valuation for the VEBA to measure the current year's subsidies and project these subsidies into the future, making an allocation of that cost to different years.

Concentrations - The District's VEBA did not hold investments in any one organization that represent 5 percent or more of the Trust's Fiduciary Net Position.

Rate of return - For the year ended September 30, 2023, the estimated annual money-weighted rate of return on investments, net of investment expense, was 14.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Income recognition - Interest income is recorded on the accrual basis. Investments are reported at market value. Short-term investments are reported at cost, which approximates market value.

Actuarial present value of accumulated plan benefits - Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired employees or (b) beneficiaries of retired employees who have died. Benefits under the Plan are based on employees' age at entry to the Plan. Benefits payable under all circumstances are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

NOTE G- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Plan description and provisions - Retiree Insurance Trust Fund - VEBA, continued

The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the actuarial valuation as of October 1, 2022 were :

Actuarial Methods and Assumptions

At the September 30, 2023 measurement date, the District's VEBA net OPEB asset of $1,785,840 was measured as of September 30, 2023, and was determined by an actuarial valuation as of that date based on October 1, 2022, participant data. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Salary Increases	6.00%
Discount Rate	7.00%
Inflation Rate	2.50%
Assumed Investment Rate of Return	7.00%
Annual Benefit Increase Rate	2.00%

Entry age normal cost method was used.

Health Care Participation: 100%

Mortality rates were based on the Pub-2010 Generational Healthy mortality Table with adjustments from Scale MP-2021.

VEBA benefit is $650 per month per retiree/disabled employee beginning January 1, 2010, and effective January 1, 2019, the monthly benefit increased to $750 per month with annual increases of 2% per year effective each January 1, thereafter. The benefit was $795.90 and $811.82 per month per participant for the years ended September 30, 2022 and 2023, respectively. Benefits are paid annually in a lump sum. The Plan has a survivor benefit equal to 12 months benefit.

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumptions changes summarized above are to best reflect the current market conditions and recent plan experience.

NOTE G- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Demographic Assumptions

Retirement Rates - Tier 1 (enrolled in FRS before July 1, 2011)

Regular Class - 100% are assumed to retire at age 62 and 6 years of service or upon completion of 30 years of service, regardless of age.

Special Risk Class - 100% are assumed to retire at age 55 and 6 years of service or upon completion of 25 years of service, regardless of age.

Retirement Rates - Tier 2 (enrolled in FRS after July 1, 2011)

Regular Class - 100% are assumed to retire at age 65 and 8 years of service or upon completion of 33 years of service, regardless of age.

Special Risk Class - 100% are assumed to retire at age 60 and 8 years of service or upon completion of 30 years of special risk, regardless of age.

Effective July 1, 2023, special risk class can retire at age 55 and 6 years service or completion of 25 years of special risk, regardless of age.

Disability and termination assumptions were made.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan terminated, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Plan description and provisions - Retiree Insurance Trust Fund - VEBA

Beginning January 1, 2012, benefits were paid from the Plan to eligible participants (retirees). Effective January 1, 2019, the VEBA benefit amount is equal to $750 per month plus 2% increase annually each January 1, thereafter. To be eligible, retirees must be receiving a retirement benefit from the Florida Retirement System, and, if hired prior to October 1, 2006, have completed at least 10 years of service with the District, or, if hired after October 1, 2006, completed at least 20 years of service with the District. The eligible retiree must annually submit proof of continuous or continuing health insurance coverage.

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Plan description and provisions - Retiree Insurance Trust Fund - VEBA, continued

Participants may elect to seek health coverage from sources other than the District but must apply for Medicare when eligible. Benefits are payable annually with the monthly benefit being paid in one lump-sum payment in January of each year. Upon the death of an eligible retiree, a survivor benefit equal to the amount of one additional annual benefit payment may be made to a qualifying beneficiary.

Membership of the Plan consisted of the following at October 1, 2022:

	Retiree Insurance Trust Fund Census
Active plan members	97
Inactive plan members or beneficiaries receiving benefits	46
Total VEBA Plan participants	143
Number of participating employers	1

A copy of the Plan can be obtained by writing the Board of Trustees of Iona McGregor Retiree Insurance Trust Fund at 6061 South Pointe Blvd., Fort Myers, Florida 33919, or by calling (239) 433-0660.

The components of the Net OPEB Liability/(Asset) of the VEBA at September 30, 2023, were as follows:

	Amount
Total OPEB Liability	$ 11,838,469
Plan Fiduciary Net Position	13,624,309
VEBA's Net OPEB Liability/(Asset)	$ (1,785,840)

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability: 115.09%

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Changes in the Net OPEB Liability/(Asset) - VEBA

	Amount
Total OPEB Liability:	
Balance at September 30, 2022	$ 11,249,301
Changes for the year:	
Service Cost	238,689
Interest	789,385
Change in benefit terms	-
Difference Between Expected and Actual Experience	9,219
Changes in Assumptions	-
Benefit Payments	(448,125)
Net Changes	589,168
Balance at September 30, 2023	$ 11,838,469

	Amount
Plan Fiduciary Net Position:	
Balance at September 30, 2022	$ 11,732,846
Contributions - Employer	592,714
Net Investment Income	1,830,432
Benefit Payments	(499,163)
Administrative Expense	(32,520)
Net Change in Plan Fiduciary Net Position	1,891,463
Balance at September 30, 2023	$ 13,624,309
District's Net OPEB Liability/(Asset)	$ (1,785,840)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability/(Asset)	115.09%
Covered Employee Payroll (Projected)	$ 10,183,000
District's Net OPEB Liability/(Asset) as a percentage of Covered Employee Payroll	0.00%

The following presents the net OPEB liability of the VEBA as well as what the VEBA's net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percent higher or 1 percent lower than the current discount rate.

	1% Decrease 6.0%	Current Rate 7.0%	1% Increase 8.0%
Net OPEB Liability/(Asset)	$ (408,038)	$ (1,785,840)	$ (3,035,795)

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Changes in the Net OPEB Liability/(Asset) - VEBA, continued

The following presents the net OPEB liability/(asset) of the VEBA as well as what the VEBA's net OPEB liability/(asset) would be if it were calculated using healthcare trend rates that are 1 percent higher or 1 percent lower than the current healthcare trend rate.

		Healthcare Cost	
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability	$(3,197,747)	$ (1,785,840)	$ (209,550)

For the year ended September 30, 2022, the VEBA recognized OPEB expense (revenue) credit of ($48,654). At September 30, 2023, the VEBA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 811,389
Changes in Assumptions	201,887	109,734
Net difference between projected and actual earnings	1,519,587	-
Employer contribution subsequent to measurement date	592,714	-
Total	$ 2,314,188	$ 921,123

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended September 30:	Amount
2024	$ 45,680
2025	(13,384)
2026	154,873
2027	642,496
2028	(29,314)
Total Thereafter	-
	$ 800,351

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Plan description and provisions - Retiree Insurance Trust Fund - VEBA, continued

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial value of the OPEB assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Any excess of these assets over actuarial accrued liability is amortized as a level percentage of projected payroll over an open 30-year period.

Fair Value of Financial Investments - VEBA

VEBA adheres to GASB Statement No. 72, (GASB 72) "Fair Value Measurements and Application." This Standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. This Standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. This Standard establishes a fair value hierarchy which consists of three levels on inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that VEBA has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices or securities with similar characteristics or discounted cash flows.

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED

Fair Value of Financial Investments - VEBA, continued

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The table below presents assets and liabilities measured at fair value on a recurring basis by level within the hierarchy at September 30, 2023:

September 30, 2023	Total	Level 1	Level 2	Level 3
Domestic Equities	$ 9,196,045	$ 9,196,045	$ -	$ -
International Equities	1,267,732	1,267,732	-	-
Fixed Income:				
Money market fund	160,119	160,119	-	-
Intermediate-Grade bond	1,532,283	-	1,532,283	-
Bond total return	1,529,222	1,529,222	-	-
	$ 13,685,401	$ 12,153,118	$ 1,532,283	$ -

Level 1: Classifications consist of commingled funds where detailed holdings were available and the funds fair value could be determined based on market prices, such as money markets and certificates of deposits.

NOTE H - PROPERTY TAXES

Property taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related recordkeeping of all property taxes is performed for the District by the Lee County Tax Collector. No accrual for the property tax levy becoming due in November 2023 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

NOTE H · PROPERTY TAXES, CONTINUED

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. As of September 30, 2023, $164,667 was due from the Lee County Tax Collector to the District for ad valorem taxes and excess fees.

Important dates in the property tax cycle are as follows:

Assessment roll certified	July 1
Millage resolution approved	No later than 93 days following certification of assessment roll
Taxes due and payable (Levy date)	November with various discount provisions through March 31
Property taxes payable - maximum discount (4 percent)	30 days after levy date
Beginning of fiscal year for which taxes have been levied	October 1
Due date	March 31
Taxes become delinquent (lien date)	April 1
Tax certificates sold by the Lee County Tax Collector	Prior to June 1

For the year ended September 30, 2023, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of $2.5 per $1,000 (2.5 mills) of the 2022 net taxable value of real property located within the District.

NOTE I - FUND BALANCE ALLOCATIONS

Fund balance was allocated the following purposes at September 30, 2023:

Nonspendable Fund Balance	Amount
Prepaid Expenses	$ -
Total Nonspendable Fund Balance	-

Assigned Fund Balance	Amount
90 Day Operating Reserve	$ 5,846,000
Hurricane/ Disaster	2,923,000
Apparatus/capital replacement	5,975,000
Total Assigned Fund Balance - General Fund	14,744,000
Unassigned	1,484
Total Fund Balance - General Fund	$ 14,745,484

NOTE J - IMPACT FEE ACTIVITY

During the year ended September 30, 2023, the District had the following Impact Fee activity:

	Amount
Unearned revenue, October 1, 2022	$ -
Impact fee receipts	190,130
Impact fees receivable*	8,463
Interest receipts	-
Capital outlay	(198,593)
Unearned revenue, September 30, 2023	$ -

*Receivable recorded in the General Fund of the District as due from other governments

NOTE K - RISK MANAGEMENT

The District is exposed to risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

Insurance programs for general/professional liability, automobile, property and workers' compensation are covered by commercial insurance. The District retains the risk of loss up to a deductible amount (ranging from $0 to $5,000) with the risk of loss in excess of this amount transferred to the insurance carrier with limits of liability of up to $1 million per occurrence and $3 million aggregate. The District also maintains excess liability coverage.

The District has obtained employee health insurance coverage from a commercial company. For the fiscal year ended September 30, 2023, the District paid premiums of $1,764,762, which are net amounts paid by employees and retirees, during the year ended September 30, 2023.

There has been no significant reduction in insurance coverage from the prior year and there have been no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the District for the year ended September 30, 2023.

NOTE L - COMMITMENTS AND CONTINGENCIES

On April 24, 2007, the District entered into an agreement with Lee County, Florida (the "County") to construct and rent space in the County Annex at Pine Ridge Road located at 15650 Pine Ridge Road, Fort Myers, Florida 33908 ("Station 75") to house District personnel, equipment and vehicles. The agreement is for 99 years with automatic renewal for additional three (3) year terms if neither party notifies the other of termination at 365 days prior to renewal. The District is required to pay 64.5% of shared utility costs and annual maintenance costs. The District has recorded a total of $34,957 of expenses related to the operating lease for the year ending September 30, 2023.

On September 29, 2009, the District entered into an agreement with Lee County, Florida (the "County") for emergency vehicle preemption equipment and traffic signal maintenance. The original agreement was for a term of three years; Amendment 1 to the agreement extends the term for subsequent annual periods until terminated by either party with 12 months advance written notice. The District has agreed to pay to the County a base fee quarterly. Beginning in 2012/2013, the base fee will be $25 per intersection per month until 2015/2016 when the base fee will be increased annually by the consumer price index. The District has recorded a total of $11,999 of expenses related to the operating lease for the year ending September 30, 2023.

The cost associated with these operating leases is considered immaterial and, therefore, the District did not apply GASB Statement No. 87.

On May 2, 2022, the District ordered a custom pumper truck for $637,935. By ordering the truck the District locked the price of the truck. Delivery is expected in July 2025. The truck is subject to final inspection upon delivery. The truck will be recorded upon acceptance.

On June 21, 2023, the District entered into an agreement for the repair and remodel of Station #71 to remedy damage from Hurricane Ian in the amount of $1,069,435. As of September 30, 2023, approximately $134,841 has been expended under this contract.

On June 21, 2023, the District entered into an agreement for the repair and remodel of Station #72 to remedy damage from Hurricane Ian in the amount of $3,314,139. As of September 30, 2023, a total of $0 has been expended under this contract.

NOTE M - LITIGATION

The District, from time to time, is involved as a defendant and a plaintiff in certain litigation and claims in the ordinary course of operations. As such, the District maintains third party insurance coverages. In the opinion of legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the District. The District intends to vigorously defend all claims unless first settled. Potential losses, if any, may be recoverable through insurance coverages less any deductibles. No loss contingencies have been recorded by the District at September 30, 2023.

NOTE N - DEFICIT UNRESTRICTED NET POSITION (NET ASSETS)

At September 30, 2023, the District's unrestricted net position (net assets) balance remained a deficit of $(10,922,412), due substantially to recording the current year actuarially determined net pension liability of $(26,690,482) and the net OPEB liability of $(4,718,197). The District's overall net position was $1,541,539 at September 30, 2023. The District's total available fund balance at September 30, 2023, remains approximately equal to six (6) months of actual expenditures. However, the Board assigned $14,744,000 of the $14,745,484 available fund balance for specific purposes.

NOTE O - LEASED VEHICLES

On November 17, 2017, the District entered into a master operating lease agreement with a fleet management company to lease staff vehicles. The District agreed to lease six (6) vehicles under a (60) month operating lease with a monthly payment of $3,140. The vehicles were ordered from the manufacturer and the District took delivery near the end of April, 2018. The lease ended during the year ended September 30, 2023, and therefore does not meet the recording requirements of GASB Statement No. 87. On December 16, 2022, the District leased an additional vehicle for an amount deemed to be immaterial to GASB Statement No. 87.

NOTE O · LEASED VEHICLES, CONTINUED

The minimum annual lease payments are as follows:

Years Ending September 30	Amount
2024	$ 8,302
2025	11,069
2026	11,069
2027	11,069
2028	11,069
2029	2,770
	$ 55,348

In addition to the above vehicle leases, the District also leases various office equipment through operating leases. Total lease expense for the year ended September 30, 2023, was $73,088. Lease expense attributable to the above vehicles was $36,949 for the year ended September 30, 2023.

NOTE P - SUBSCRIPTION LIABILITY

The District entered into multiple subscription-based information technology arrangements ("SBITA's") for various software. The software have various terms and have fixed payments. The District aggregated the subscriptions for reporting purposes. The District used a discount rate of 6.25% (prime rate) to record the present value of the future minimum payments as of the date of implementation.

The District is capitalizing the arrangements over a 3-year term consistent with its fixed asset capitalization policy.

The future minimum subscription payments as of September 30, 2023, is as follows:

Years Ending September 30		Amount
2024		$ 131,687
2025		131,687
		263,374
	Impact of present value discount	(23,395)
	Present value	$ 239,979

NOTE P - SUBSCRIPTION LIABILITY, CONTINUED

The amortization of the right of use - subscription liability for the year ended September 30, 2023 was $22,437.

At September 30, 2023 the right of use subscription asset and right of use - subscription liability balances are as follows:

	Amount
Right of use subscription asset, current	$ 116,251
Right of use subscription asset, noncurrent	123,728
	$ 239,979
Right of use subscription liability, current	$ 116,251
Right of use subscription liability, noncurrent	123,728
	$ 239,979

NOTE Q - SUBSEQUENT EVENTS

Subsequent to the year ended September 30, 2023, the District entered a contract to purchase an engine for $998,335. The engine is expected to arrive in 38-44 months. The engine will be recorded upon acceptance at delivery.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - SUMMARY STATEMENT
Year Ended September 30, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes, net	$ 24,781,228	$ 24,781,228	$ 24,634,489	$ (146,739)
Fees - impact fees	50,000	181,260	189,665	8,405
Intergovernmental revenues	52,680	52,680	51,668	(1,012)
Charges for services	51,500	51,500	38,505	(12,995)
Miscellaneous	193,211	1,617,915	1,704,004	86,089
Carryover	11,972,795	11,997,080	-	(11,997,080)
TOTAL REVENUES	37,101,414	38,681,663	26,618,331	(12,063,332)
EXPENDITURES				
Current				
Public safety				
Personnel services	19,650,231	19,650,231	19,601,080	49,151
Operating expenditures	4,110,762	4,058,602	3,347,673	710,929
Capital outlay	606,250	1,259,337	1,042,074	217,263
Debt service				
Principal reduction	-	-	-	-
Interest and fiscal charges	-	-	-	-
Reserves	12,734,171	13,834,393	-	13,834,393
TOTAL EXPENDITURES	37,101,414	38,802,563	23,990,827	14,811,736
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(120,900)	2,627,504	2,748,404
OTHER FINANCING SOURCES				
Proceeds from disposition of capital assets	-	120,900	120,900	-
	-	120,900	120,900	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	$ -	$ -	2,748,404	$ 2,748,404
FUND BALANCE - Beginning			11,997,080	
FUND BALANCE - Ending			$ 14,745,484	

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - DETAILED STATEMENT
Year Ended September 30, 2023

	General Fund			
REVENUES	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Ad valorem taxes	$ 24,781,228	$ 24,781,228	$ 24,634,489	$ (146,739)
Fees - impact fees				
Impact fees	50,000	181,260	189,665	8,405
Intergovernmental revenues:				
Federal grants	-	-	-	-
State shared revenue	52,680	52,680	51,668	(1,012)
Charges for services:				
Inspection fees	50,000	50,000	36,865	(13,135)
CPR books & masks	1,500	1,500	1,640	140
Miscellaneous:				
Interest	152,000	832,000	914,077	82,077
Rents	36,211	26,878	26,878	-
Donations	5,000	8,200	8,200	-
Other	-	750,837	754,849	4,012
Carryover	11,972,795	11,997,080	-	(11,997,080)
TOTAL REVENUES	37,101,414	38,681,663	26,618,331	(12,063,332)
EXPENDITURES				
Current				
Public safety				
Personnel services:				
Commissioner compensation	30,000	30,000	30,000	-
Salaries/wage and other	12,387,648	12,417,648	12,345,803	71,845
Benefits	7,232,583	7,202,583	7,225,277	(22,694)
Subtotal - Personnel services	19,650,231	19,650,231	19,601,080	49,151

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating expenditures:				
Professional fees	1,332,586	564,805	403,714	161,091
Contracted services	-	767,781	739,855	27,926
Travel and per diem	155,455	80,455	51,190	29,265
Communications	122,075	122,075	110,531	11,544
Utilities	151,150	108,320	98,165	10,155
Rental & lease	-	71,530	73,088	(1,558)
Insurance	167,000	175,000	174,015	985
Repairs & maintenance	872,315	910,615	717,372	193,243
Promotional activities	34,266	34,266	31,769	2,497
Small tools & equipment	441,630	425,130	302,878	122,252
Annual medical exams	-	53,000	52,084	916
Other	166,685	113,685	74,450	39,235
Fuel	110,000	100,000	99,730	270
Supplies	152,060	152,060	124,019	28,041
Books, publications, subscriptions	239,880	239,880	181,894	57,986
Training	165,660	140,000	112,919	27,081
Subtotal - Operating expenditures	4,110,762	4,058,602	3,347,673	710,929

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Capital outlay:				
Equipment	82,250	82,250	56,025	26,225
Vehicles	524,000	524,000	416,813	107,187
Buildings	-	653,087	569,236	83,851
Subtotal - Capital outlay	606,250	1,259,337	1,042,074	217,263
Debt service:				
Principal reduction	-	-	-	-
Interest and fiscal charges	-	-	-	-
Subtotal - Debt service	-	-	-	-
Reserves				
General operating	12,734,171	13,834,393	-	13,834,393
Subtotal - Reserves	12,734,171	13,834,393	-	13,834,393
TOTAL EXPENDITURES	37,101,414	38,802,563	23,990,827	14,811,736
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(120,900)	2,627,504	2,748,404
OTHER FINANCING SOURCES				
Proceeds from disposition of capital assets	-	120,900	120,900	-
	-	120,900	120,900	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	$ -	$ -	2,748,404	$ 2,748,404
FUND BALANCE - Beginning			11,997,080	
FUND BALANCE - Ending			$ 14,745,484	

The accompanying notes are an integral part of this statement.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN (1)

	2023	2022	2021	2020
District's proportion of the net pension liability	0.055519438%	0.053716592%	0.054427603%	0.057275649%
District's proportionate share of the net pension liability	$ 22,122,739	$ 19,986,889	$ 4,111,387	$ 24,824,110
District's covered-employee payroll	$ 11,815,709	$ 11,431,296	$ 10,255,657	$ 9,880,713
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	187.23%	174.84%	40.09%	251.24%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

SCHEDULE OF DISTRICT CONTRIBUTIONS - FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN (1)

	2023	2022	2021	2020
Contractually required contribution	$ 2,992,498	$ 2,499,856	$ 2,259,457	$ 2,081,190
Contributions in relation to the contractually required contribution	2,992,498	2,499,856	2,259,457	2,081,190
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 11,815,709	$ 11,431,296	$ 10,255,657	$ 9,880,713
Contributions as a percentage of covered-employee payroll	25.33%	21.87%	22.03%	21.06%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

2019	2018	2017	2016	2015	2014
0.059062342%	0.058800732%	0.058377848%	0.064363318%	0.054055522%	0.052946175%
$ 20,340,248	$ 17,711,085	$ 17,273,703	$ 16,251,788	$ 6,981,996	$ 3,230,495
$ 9,479,796	$ 9,369,216	$ 8,673,620	$ 8,770,204	$ 8,620,723	$ 8,241,903
214.56%	189.03%	199.15%	185.31%	80.99%	39.20%
82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

2019	2018	2017	2016	2015	2014
$ 1,942,370	$ 1,821,568	$ 1,686,607	$ 1,649,322	$ 1,487,383	$ 1,363,728
1,942,370	1,821,568	1,686,607	1,649,322	1,487,383	1,363,728
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,479,796	$ 9,369,216	$ 8,673,620	$ 8,770,204	$ 8,620,723	$ 8,241,903
20.49%	19.44%	19.45%	18.81%	17.25%	16.55%

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN (1)

	2023	2022	2021	2020
District's proportion of the net pension liability	0.028761706%	0.028893388%	0.028947331%	0.026824571%
District's proportionate share of the net pension liability	$ 4,567,743	$ 3,060,271	$ 3,550,825	$ 3,275,236
District's covered-employee payroll	$ 11,815,709	$ 11,431,296	$ 10,255,657	$ 9,880,713
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.66%	26.77%	34.62%	33.15%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

SCHEDULE OF DISTRICT CONTRIBUTIONS - HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN (1)

	2023	2022	2021	2020
Contractually required contribution	$ 191,011	$ 159,565	$ 144,221	$ 156,649
Contributions in relation to the contractually required contribution	191,011	159,565	144,221	156,649
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 11,815,709	$ 11,431,296	$ 10,255,657	$ 9,880,713
Contributions as a percentage of covered-employee payroll	1.62%	1.40%	1.41%	1.59%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

2019	2018	2017	2016	2015	2014
0.027886697%	0.027523543%	0.026414226%	0.029204571%	0.027775691%	0.026998081%
$ 3,120,242	$ 2,913,123	$ 2,824,331	$ 3,403,672	$ 2,832,684	$ 2,524,386
$ 9,479,796	$ 9,369,216	$ 8,673,620	$ 8,770,204	$ 8,620,723	$ 8,241,903
32.91%	31.09%	32.56%	38.81%	32.86%	30.63%
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

2019	2018	2017	2016	2015	2014
$ 146,200	$ 137,107	$ 126,949	$ 131,803	$ 121,151	$ 92,581
146,200	137,107	126,949	131,803	121,151	92,581
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,479,796	$ 9,369,216	$ 8,673,620	$ 8,770,204	$ 8,620,723	$ 8,241,903
1.54%	1.46%	1.46%	1.50%	1.41%	1.12%

Changes of Assumptions

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

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments remained unchanged at 6.70%. The Plan'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 uses a pay-as-you-go funding structure, a municipal bond rate, which was increased from 3.54% to 3.65%, was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on Pub-2010 base table projected generationally with Scale MP-2018.

Florida Retirement System Pension Plan

There were changes in actuarial assumptions. As of June 30, 2023, the inflation rate assumption remained at 2.4 percent, the real payroll growth assumption remained at 0.85 percent and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained constant at 6.70 percent. The mortality tables used changed from Generational RP-2000 with projection BB tables to Pub-2010 base table projected generationally with Scale MP-2018.

Changes of Assumptions, continued

Health Insurance Subsidy Pension Plan
The municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent.

Pension Expense and Deferred Outflows/Inflows of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)

- Differences between expected and actual earnings on pension plan investments - amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at September 30, 2023, decreased from 5.5 years to 5.3 years for FRS and was reduced to 6.3 years for 2023 from 6.4 years for 2022 and 2021 for HIS.

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS GASB 75 AND RELATED NOTES TO THE SCHEDULE - DISTRICT

Changes in Employer's Net OPEB Liability and Related Ratios as of September 30:

Net OPEB Liability	2023	2022	2021
Service Cost	$ 382,759	$ 311,914	$ 210,438
Interest Cost	133,339	102,300	129,057
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	135,878	(55,167)	(15,893)
Changes in Assumptions	(963,481)	411,244	841,697
Benefit Payments	(148,612)	(120,236)	(62,510)
Net Change in net OPEB Liability	(460,117)	650,055	1,102,789
Net OPEB Liability - Beginning of Year	5,178,314	4,528,259	3,425,470
Net OPEB Liability - End of Year	$ 4,718,197	$ 5,178,314	$ 4,528,259

NOTE: Information for FY 2017 and earlier is not available.

Plan Fiduciary Net Position as of September 30:

	2023	2022	2021
Contributions - Employer	$ -	$ -	$ -
Net Investment Income	-	-	-
Benefit Payments	-	-	-
Administrative Expense	-	-	-
Net Change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
Fiduciary Net Position - End of Year	$ -	$ -	$ -
Net OPEB Liability	$ 4,718,197	$ 5,178,314	$ 4,528,259
Fiduciary Net Position as a % of Net OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll *			
Net OPEB Liability as a % of Payroll *			

* Because this OPEB plan does not depend of salary, no information is provided.

NOTE: Information for FY 2017 and earlier is not available.

Notes to the Schedule:

Benefit Changes	None
Changes of Assumptions	The discount rate was changed as follows:
9/30/17	4.00%
9/30/18	3.64%
9/30/19	4.18%
9/30/20	3.58%
9/30/21	2.14%
9/30/22	2.43%
9/30/23	4.77%

Updated health care costs and premiums
Population covered by Plan: 97 active 33 retired
Plan has no specific trust established.

2020	2019	2018
$ 158,788	$ 150,618	$ 160,766
129,279	97,271	81,268
-	-	-
(85,893)	(53,944)	-
319,042	259,693	(192,371)
(58,902)	(24,072)	(22,135)
462,314	429,566	27,528
2,963,156	2,533,590	2,506,062
$ 3,425,470	$ 2,963,156	$ 2,533,590

2020	2019	2018
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
$ -	$ -	$ -
$ 3,425,470	$ 2,963,156	$ 2,533,590
0.00%	0.00%	0.00%

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS GASB 74/75 AND RELATED NOTES TO THE SCHEDULE - VEBA

Changes in Employer's Net OPEB Liability and Related Ratios as of September 30:

Total OPEB Liability	2023	2022	2021
Service Cost	$ 238,689	$ 243,016	$ 246,375
Interest Cost	789,385	733,809	721,062
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	9,219	(408,699)	(333,500)
Changes in Assumptions	-	232,795	-
Benefit Payments	(448,125)	(393,924)	(353,338)
Net Change in total OPEB Liability	589,168	406,997	280,599
Total OPEB Liability - Beginning of Year	11,249,301	10,842,304	10,561,705
Total OPEB Liability - End of Year	$ 11,838,469	$ 11,249,301	$ 10,842,304

NOTE: Information for FY 2017 and earlier is not available.

Plan Fiduciary Net Position as of September 30:

	2023	2022	2021
Contributions - Employer	$ 592,714	$ 553,321	$ 508,822
Net Investment Income	1,830,432	(2,733,045)	2,777,284
Benefit Payments	(499,163)	(393,924)	(353,338)
Administrative Expense	(32,520)	(27,641)	(27,346)
Net Change in Fiduciary Net Position	1,891,463	(2,601,289)	2,905,422
Fiduciary Net Position - Beginning of Year	11,732,846	14,334,135	11,428,713
Fiduciary Net Position - End of Year	$ 13,624,309	$ 11,732,846	$ 14,334,135
Net OPEB Liability/(Asset)	$ (1,785,840)	$ (483,545)	$ (3,491,831)
Fiduciary Net Position as a % of Total OPEB Liability (Asset)	115.09%	104.30%	132.21%
Covered-Employee Payroll (Projected)	$ 10,183,000	$ 11,774,652	$ 11,493,732
Net OPEB Liability as a % of Payroll	0.00%	0.00%	0.00%

NOTE: Information for FY 2017 and earlier is not available.

Schedule of District Contributions

	2023	2022	2021
Actuarially Determined Contribution	$ 282,664	$ 275,310	$ 294,153
Contributions in relation to the Actuarially Determined Contributions	592,714	553,321	508,822
Contribution Deficiency (Excess)	$ (310,050)	$ (278,011)	$ (214,669)
Covered Employee Payroll (Projection)	$ 10,183,000	$ 11,774,652	$ 11,493,732
Contributions as a percentage of Covered Employee Payroll	5.82%	4.70%	4.43%

Notes to the Schedule:

Benefit Changes - Effective January 1, 2019, the monthly benefit increased from $650 to $750 plus 2% increase each January 1, thereafter.

Differences between expected and actual experience due to updated census data at October 1, 2022.

Discount Rate: 2018-2023 7%

2020	2019	2018
$ 178,481	$ 163,739	$ 172,562
545,872	465,722	457,639
2,602,407	1,122,160	-
(338,864)	(237,110)	-
(219,471)	23,679	-
(325,020)	(288,000)	(250,250)
2,443,405	1,250,190	379,951
8,118,300	6,868,110	6,488,159
$ 10,561,705	$ 8,118,300	$ 6,868,110

2020	2019	2018
$ 497,525	$ 470,963	$ 448,566
1,362,909	367,985	1,033,747
(325,020)	(288,000)	(250,250)
(26,905)	(29,516)	(33,626)
1,508,509	521,432	1,198,437
9,920,204	9,398,772	8,200,335
$ 11,428,713	$ 9,920,204	$ 9,398,772
$ (867,008)	$ (1,801,904)	$ (2,530,662)
108.21%	122.20%	136.85%
$ 10,134,325	$ 9,986,259	$ 9,631,461
0.00%	0.00%	0.00%

2020	2019	
$ 291,891	$ 236,200	N/A
497,525	470,963	
$ (205,634)	$ (234,763)	
$ 10,134,325	$ 9,986,259	
4.91%	4.72%	

ADDITIONAL REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Iona McGregor Fire Protection and Rescue Service District
6061 South Pointe Blvd.
Fort Myers, Florida 33919

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the basic financial statements of the governmental activities, each major fund and the fiduciary fund of Iona McGregor Fire Protection and Rescue Service 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 and have issued our report thereon dated June 15, 2024.

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 basic financial statements will not be prevented or detected and

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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, as defined previously. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

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

HSC/Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
June 15, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Board of Commissioners
Iona McGregor Fire Protection and Rescue Service District
6061 South Pointe Blvd.
Fort Myers, Florida 33919

We have examined Iona McGregor Fire Protection and Rescue Service District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management is responsible for Iona McGregor Fire Protection and Rescue Service District's compliance with those requirements. Our responsibility is to express an opinion on Iona McGregor Fire Protection and Rescue Service District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Iona McGregor Fire Protection and Rescue Service District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Iona McGregor Fire Protection and Rescue Service District's compliance with specified requirements.

In our opinion, Iona McGregor Fire Protection and Rescue Service District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

HSC/ Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
June 15, 2024

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Commissioners
Iona McGregor Fire Protection and Rescue Service District
6061 South Pointe Blvd.
Fort Myers, Florida 33919

We have audited the accompanying basic financial statements of Iona McGregor Fire Protection and Rescue Service District (the "District") as of and for the year ended September 30, 2023, and have issued our report thereon dated June 15, 2024.

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 of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated June 15, 2024, should be considered in conjunction with this report to management.

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

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

- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

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- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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

- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a.

- Pursuant to Section 10.554(1)(i)5b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.

- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this District (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.

- Pursuant to Section 10.554(1)(i)6, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires an independent special district that imposes ad valorem taxes to disclose certain related unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)8, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.

- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the District's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated June 15, 2024, included herein.

PRIOR YEAR COMMENTS:

There were no financially significant comments noted.

CURRENT YEAR COMMENTS:

There were no financially significant comments noted.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Commissioners, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

HSC/Tuscan & Company, P.A.

HSC/TUSCAN & COMPANY, P.A.
Fort Myers, Florida
June 15, 2024

EXHIBIT 1

IONA McGREGOR FIRE DISTRICT
6061 SOUTH POINTE BLVD
FORT MYERS, FLORIDA 33919

MAIN OFFICE: (239) 433-0660
FAX: (239) 425-9301

June 15, 2024

Jeffrey M. Tuscan, CPA
HSC/Tuscan & Company, P.A.
1470 Royal Palm Square Blvd
Fort Myers, FL 33919

Dear Mr. Tuscan,

I am writing in response to your Independent Auditor's Report to Management ("management letter") included with the Iona McGregor Fire Protection and Rescue Service District's audited financial statements for the year ended September 30, 2023.

I am pleased to acknowledge that the management letter includes no current year comments nor recommendations.

Respectfully submitted,

Mark L. Winzenread, CPA
Chief Financial Officer

EXHIBIT 2

UNAUDITED
COMPLIANCE WITH REPORTING REQUIRED BY:

Auditor General Rule 10.554(1)(i)6
For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district as provided in Section 218.39(3)(a), Florida Statutes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information):

a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). 104

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes). 4

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited) $ 12,375,803

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE) $240,687

e. Each construction project with a total cost of at least $65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes). N/A

f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). See attached page 3.

Auditor General Rule 10.554(1)(i)7
For an independent special district that imposes ad valorem taxes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)4., Florida Statutes).

a. The millage rate or rates imposed by the district. 2.5 mills

b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. $ 24,634,489

c. The total amount of outstanding bonds issued by the district and terms of such bonds. N/A

Auditor General Rule 10.554(1)(i)8
For an independent special district that imposes non-ad valorem special assessments, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)5., Florida Statutes).

a. The rate or rates of such assessment imposed by the district. N/A

b. The total amount of special assessments collected by or on behalf of the district. N/A

c. The total amount of outstanding bonds issued by the district and the terms of such bonds. N/A

IONA MCGREGOR FIRE PROTECTION AND RESCUE SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - SUMMARY STATEMENT (UNAUDITED)
Year Ended September 30, 2023

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad Valorem taxes, net	$ 24,781,228	$ 24,634,489	$ (146,739)
Permits, fees & special assessments	50,000	189,665	139,665
Intergovernmental revenues	52,680	51,668	(1,012)
Charges for services	51,500	38,505	(12,995)
Miscellaneous	193,211	1,704,004	1,510,793
Carryover	11,972,795	-	(11,972,795)
TOTAL REVENUES	37,101,414	26,618,331	(10,483,083)
EXPENDITURES			
Current			
Public safety			
Personnel services	19,650,231	19,601,080	49,151
Operating expenditures	4,110,762	3,347,673	763,089
Capital outlay	606,250	1,042,074	(435,824)
Debt service			
Principal reduction	-	-	-
Interest and fiscal charges	-	-	-
Reserves	12,734,171	-	12,734,171
TOTAL EXPENDITURES	37,101,414	23,990,827	13,110,587
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,627,504	2,627,504
OTHER FINANCING SOURCES			
Proceeds from disposition of capital assets	-	120,900	120,900
	-	120,900	120,900
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	$ -	2,748,404	$ 2,748,404
FUND BALANCE - Beginning		11,997,080	
FUND BALANCE - Ending		$ 14,745,484	

The accompanying notes are an integral part of this statement.