SANIBEL FIRE & RESCUE DISTRICT

BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR

YEAR ENDED
SEPTEMBER 30, 2023

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TUSCAN
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Certified Public Accountants & Consultants

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Florida Institute of Certified Public Accountants
American Institute of Certified Public Accountants
Private Companies Practice Section
Tax Division

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Sanibel Fire & Rescue District
2351 Palm Ridge Road
Sanibel, Florida 33957

Opinions
We have audited the accompanying financial statements of the governmental activities and each major fund of Sanibel Fire & Rescue 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
Impact Fee 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 and each major fund of Sanibel Fire & Rescue 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.

Matters 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 K. The net position was not required to be restated as of October 1, 2022.

As discussed in Note A to the financial statements for the year ended September 30, 2023, the District elected to change from an acceptable accounting principle to another acceptable accounting principle related to impact fees and their revenue recognition. As a result of the change, the District reported a restatement of net position and fund balance, respectively, for the change. Our opinion is not modified with respect to this matter.

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 Sanibel Fire & Rescue District's government-wide financial statements, is based on the report of the other auditors.

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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 - vi, 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 the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - 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 the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, 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 the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, 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 Sanibel Fire & Rescue 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(l)(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.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Section 218.415, Florida Statutes
In accordance with Section 218.415, Florida Statutes, we have also issued a report dated March 29, 2024, on our consideration of Sanibel Fire & Rescue 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 Sanibel Fire & Rescue 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 March 29, 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 Sanibel Fire & Rescue District's internal control over financial reporting and compliance.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 29, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Sanibel Fire and Rescue District, Sanibel, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the fiscal year ended September 30, 2023 resulting in a net position balance of $7,306,890.

- The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the fiscal year ended September 30, 2022 resulting in a net position balance of $4,717,552.

- The District's total net position in FY 23 increased by $2,710,158 or 59 percent, in comparison to the prior year. The increase mostly results from higher property tax revenue as the millage was increased in the current year along with increases in property values and receipt of approximately $2,200,000 of insurance proceeds from Hurricane Ian damage.

- The District's total net position in FY 22 increased by $1,664,379 or 55 percent, in comparison to the prior year. The increase mostly results from higher property tax revenue as the millage was increased in the current year along with increases in property values.

- At September 30, 2023, the District's governmental funds reported combined ending fund balances of $10,555,387, an increase of $3,630,745, or 52 percent, in comparison with the prior year. The total fund balance is assigned for vacation/sick payout and a county EMS lease agreement, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

- At September 30, 2022, the District's governmental funds reported combined ending fund balances of $7,045,462, an increase of $1,651,414, or 31 percent, in comparison with the prior year. The total fund balance is restricted for capital projects, committed to emergency services, apparatus purchases, vacation/sick payout, major medical equipment, major fire equipment, and a county lease agreement, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

- Total revenues, in the FY 23 government-wide statements, increased ($10,627,119 – $7,445,019) by $3,182,100 or 43 percent, in comparison to the prior year.

- Total revenues, in the FY 22 government-wide statements, increased ($7,445,019 - $6,287,852) by $1,157,167 or 18 percent, in comparison to the prior year.

- Total expenses in the FY 23 government-wide statements increased ($7,916,961 – $5,780,640) by $2,136,321, or 37 percent, in comparison to the prior year.

- Total expenses in the FY 22 government-wide statements increased ($5,780,640 - $4,162,809) by $1,617,831, or 39 percent, in comparison to the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements include all governmental activities that are principally supported by property tax revenues. The District does not have any business-type activities. The governmental activities of the District include the public safety (personnel and operations) function.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund. The general and special revenue funds are considered major funds.

The District adopts an annual appropriated budget for each fund (general and special revenue). Budgetary comparison schedules have been provided for the general and special revenue funds to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes to the financial statements explain in detail the District's significant accounting policies and certain data contained in the following statements. These notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

The following is a condensed summary of net position for the primary government for the year ended September 30, 2023, compared to September 30, 2022:

	September 30, 2023	September 30, 2022	Change
Assets:			
Current and other assets	$ 11,514,985	$ 7,584,833	$ 3,930,152
Non-current assets	3,795,498	4,084,752	(289,254)
Total assets	15,310,483	11,669,585	3,640,898
Deferred outflows of resources	1,298,141	1,515,729	(217,588)
Liabilities			
Current liabilities	959,598	792,427	167,171
Non-current liabilities	7,701,825	7,156,090	545,735
Total liabilities	8,661,423	7,948,517	712,906
Deferred inflows of recources	640,311	519,245	121,066
Net Position:			
Net investment in capital assets	3,761,208	3,836,820	(75,612)
Restricted	-	120,820	(120,820)
Unrestricted	3,545,682	759,912	2,785,770
Total net position	$ 7,306,890	$ 4,717,552	$ 2,589,338

The District's net position reflects its investment in capital assets (land, fire and rescue equipment, buildings, fire and rescue vehicles and furniture, fixtures and equipment) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. An additional portion of the District's net position is unrestricted and is available for spending although a portion of this balance has been assigned by the District for specific needs.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the receipt of approximately $2,200,000 of insurance proceeds from damage incurred by Hurricane Ian.

The following schedule reports the revenues, expenses, and changes in net position for the District for the fiscal year ended September 30, 2023 compared to September 30, 2022.

	September 30, 2023	September 30, 2022	Change
Revenues:			
General revenues			
Property taxes	$ 7,750,480	$ 7,253,682	$ 496,798
Impact fees	-	23,034	(23,034)
Investment earnings	246,200	20,962	225,238
Miscellaneous revenue	2,260,153	108,191	2,151,962
Grants and contributions	71,444	13,333	58,111
Program revenues			
Charges for services	298,842	25,817	273,025
Total revenues	10,627,119	7,445,019	3,182,100
Expenses:			
Public safety - Fire and Rescue			
Personnel services	5,456,207	4,702,552	753,655
Operating expenditlures	1,780,205	722,329	1,057,876
Interest	1,026	7,148	(6,122)
Loss on disposal of fixed assets	319,451	2,434	317,017
Depreciation	360,072	346,177	13,895
Total expenses	7,916,961	5,780,640	2,136,321
Increase (decrease) in net position	2,710,158	1,664,379	1,045,779
Net position, beginning, as reclassified	4,596,732	3,053,173	$ 1,543,559
Net position, ending	$ 7,306,890	$ 4,717,552	$ 2,589,338

The District determined during the year ended September 30, 2023, the September 30, 2022 impact fee fund balance of $120,820 should more properly be reclassified to unearned revenue. As such, the prior year fund balance was reclassified.

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2023 was $7,916,961. The costs of the District's activities were primarily funded by property taxes. Property taxes increased from the prior fiscal year as a result of increases in property values and millage. Expenses increased primarily as a result of salaries and benefits and costs to repair Station 1 from Hurricane Ian damage.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of unreserved resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As noted earlier, the general fund fund balance increased by $3,630,745 in comparison with the prior year. Assigned fund balance indicates that the amounts are not available for new spending because they have already been set aside for other items. The remainder is unassigned fund balance, which is available for spending at the District's discretion.

The general fund is the operating fund of the District and includes all activities related to providing management and operating services.

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. The Board of Commissioners must approve any budget amendments that increase the aggregate budgeted appropriations.

Budget versus actual comparisons for the general fund and special revenue fund are reported as required supplementary information. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023. The general fund actual expenditures were under budget by a total of $6,843,143, mainly as a result of not expending any of their budgeted fund balance.

CAPITAL ASSETS

At September 30, 2023, the District had $5,978,661 invested in land, fire and rescue equipment and vehicles, buildings, and furniture, fixtures and equipment. Depreciation of $2,217,453 has been taken, which resulted in a net book value of $3,761,208.

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

	2023	2022
Land	$ 273,062	$ 273,062
Construction in progress	117,148	-
Buildings and improvements	1,873,174	2,447,793
Vehicles	1,139,770	1,046,030
Furniture and equipment	358,054	317,867
Total capital assets, net depreciation	$ 3,761,208	$ 4,084,752

Additional information on the District's capital assets is found in Note C.

LONG TERM DEBT

At September 30, 2023, the District had $0 outstanding in notes payable and $350,630 in compensated absences. Additional information on the District's long-term debt is found in Note D.

ECONOMIC FACTS AND NEXT YEAR'S BUDGET MILLAGE RATES

The following factors were taken into consideration when the budget for fiscal year ended September 30, 2024 was prepared.

The District did adjust the millage rate from 1.2365 mills ($1.2365 per $1,000 of value) to 1.400 mills for fiscal year ending September 30, 2024. The District anticipated a 30% decrease in assessed property values for fiscal year 2024 due to Hurricane Ian devastation. The District budgeted an increase in the 2024 vs. 2023 budget for personnel increase and a significant reduction in operation expenses as Station 1 repairs were completed in 2023. The District budgeted capital outlay in 2024 to reflect the reconstruction of Station 2. The District budgeted the receipt of State funding to pay for the construction of Station 2 and loss of tax dollar State revenue of $2 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. Questions regarding any information provided in this report should be directed to: Greta Fulkerson, Administrative Assistant, Sanibel Fire and Rescue District, 2351 Palm Ridge Road, Sanibel, FL 33957, phone (239) 472-5525

SANIBEL FIRE & RESCUE DISTRICT
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	$ 5,967,274
Cash and cash equivalents - restricted	459,407
Investments	4,264,920
Accounts receivable	93,193
Due from other governments, including restricted amount of $0	697,973
Right of use subscription asset, current	32,218
Total current assets	11,514,985
Noncurrent assets:	
Right of use subscription asset, net of current	34,290
Capital assets:	
Land	273,062
Construction in progress	117,148
Depreciable buildings, equipment and vehicles (net of $2,217,453 accumulated depreciation)	3,370,998
Total noncurrent assets	3,795,498
TOTAL ASSETS	15,310,483
DEFERRED OUTFLOWS OF RESOURCES	1,298,141
LIABILITIES	
Current liabilities:	
Accounts payable	132,393
Other accrued expenses	335,580
Unearned revenue - impact fees - restricted	114,769
Unearned revenue - EMS Lease	344,638
Current portion of long-term obligations	-
Right of use subscription liability, current	32,218
Total current liabilities	959,598
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	7,667,535
Right of use subscription liability, net of current	34,290
TOTAL LIABILITIES	8,661,423
DEFERRED INFLOWS OF RESOURCES	640,311
NET POSITION	
Net investment in capital assets	3,761,208
Restricted for:	
Capital projects	-
Unrestricted	3,545,682
TOTAL NET POSITION	$ 7,306,890

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

	Governmental Activities
EXPENSES	
Governmental Activities	
Public Safety - Fire Protection	
Personnel services	$ 5,456,207
Operating expenses	1,780,205
Depreciation	360,072
Interest and fiscal charges	1,026
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	7,597,510
PROGRAM REVENUES	
Operating grants and contributions	71,444
Charges for services - inspection fees	-
Charges for services - permit fees	298,842
NET PROGRAM EXPENSES	7,227,224
GENERAL REVENUES	
Ad valorem taxes	7,750,480
Impact fees	-
Gain (loss) on disposition of capital assets	(319,451)
Interest	246,200
Other	2,260,153
TOTAL GENERAL REVENUES	9,937,382
INCREASE (DECREASE) IN NET POSITION	2,710,158
NET POSITION - Beginning of the year, as reclassified	4,596,732
NET POSITION - End of the year	$ 7,306,890

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

	General Fund	Impact Fee Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 5,967,274	$ -	$ 5,967,274
Cash and cash equivalents - restricted	344,638	114,769	459,407
Investments	4,264,920	-	4,264,920
Accounts receivable	93,193	-	93,193
Due from other governments	697,973	-	697,973
TOTAL ASSETS	$ 11,367,998	$ 114,769	$ 11,482,767
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	$ 132,393	$ -	$ 132,393
Accrued expenses	335,580	-	335,580
Unearned revenue	344,638	114,769	459,407
TOTAL LIABILITIES	812,611	114,769	927,380
FUND BALANCE			
Nonspendable	-	-	-
Assigned	695,268	-	695,268
Unassigned	9,860,119	-	9,860,119
TOTAL FUND BALANCE	10,555,387	-	10,555,387
TOTAL LIABILITIES AND FUND BALANCE	$ 11,367,998	$ 114,769	$ 11,482,767

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2023

		Amount
Total fund balance for governmental funds		$ 10,555,387
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Right of use - subscription asset	66,508	
		66,508
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	273,062	
Construction in progress	117,148	
		390,210
Governmental capital assets being depreciated:		
Building, equipment and vehicles	5,588,451	
Less accumulated depreciation	(2,217,453)	
		3,370,998
Deferred outflows and deferred inflows are applied to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows related to pensions	1,298,141	
Deferred outflows related to OPEB	-	
		1,298,141
Deferred inflows related to pensions	(640,311)	
Deferred inflows related to OPEB	-	
		(640,311)
Right of use - subscription liability	(66,508)	
		(66,508)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Net pension liability - FRS	(5,162,850)	
Net pension liability - HIS	(1,117,560)	
Note payable	-	
Compensated absences	(350,630)	
Total OPEB liability	(1,036,495)	
		(7,667,535)
Total net position of governmental activities		$ 7,306,890

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2023

	General Fund	Impact Fee Fund	Total Governmental Funds
REVENUES			
Ad valorem taxes	$ 7,750,480	$ -	$ 7,750,480
Intergovernmental revenues:			
State firefighter supplement	12,378	-	12,378
State grant	-	-	-
Local grant - LC-EMS CAM	59,066	-	59,066
Fees:			
Impact fee	-	-	-
Permits and fees	298,842	-	298,842
Miscellaneous:			
Interest	246,200	-	246,200
Other	2,260,153	-	2,260,153
TOTAL REVENUES	10,627,119	-	10,627,119
EXPENDITURES			
Current			
Public safety			
Personnel services	4,606,108	-	4,606,108
Operating expenditures	1,780,205	-	1,780,205
Capital outlay	373,379	-	373,379
Debt service			
Principal reduction	247,932	-	247,932
Interest and fiscal charges	6,150	-	6,150
TOTAL EXPENDITURES	7,013,774	-	7,013,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,613,345	-	3,613,345
OTHER FINANCING SOURCES			
Proceeds from disposal of fixed assets	17,400	-	17,400
Proceeds from debt issuance	-	-	-
TOTAL OTHER FINANCING SOURCES	17,400	-	17,400
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	3,630,745	-	3,630,745
FUND BALANCE - Beginning of the year	6,924,642	-	6,924,642
FUND BALANCE - End of the year	$ 10,555,387	$ -	$ 10,555,387

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE 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 (excess of revenues and other financing sources over expenditures) in fund balance - total governmental funds		$ 3,630,745
The decrease (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. Also, the gain (loss) on disposition of capital assets is recorded on the Statement of Activities but not in the governmental funds.		
Plus: expenditures for capital assets	373,379	
Less: proceeds from disposition of capital assets	(17,400)	
Less: loss on disposition of capital assets	(319,451)	
Less: current year depreciation	(360,072)	
		(323,544)
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):		
Plus: note payable	247,932	
		247,932
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) decrease in accrued interest	5,124	
(Increase) decrease in net pension liability - FRS	46,328	
(Increase) decrease in net pension liability - HIS	(320,289)	
Increase (decrease) in deferred outflow - FRS	(217,588)	
(Increase) decrease in deferred inflow - HIS	(121,066)	
(Increase) decrease in total OPEB liability	(320,396)	
Increase (decrease) in deferred outflow - OPEB	-	
(Increase) decrease in deferred inflow - OPEB	-	
(Increase) decrease in compensated absences	82,912	
		(844,975)
Increase (decrease) in net position of governmental activities		$ 2,710,158

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Sanibel Fire & Rescue District (the "District") is an independent special district established on July 1, 1955, by Laws of Florida, Chapter 30930 as amended under the provisions of Florida Statute Chapter 633 and as further amended by Laws of Florida, Chapter 97-340. Laws of Florida, Chapter 2000-398 codified, reenacted, amended and repealed its prior enabling acts. The District, also, has the general and special powers prescribed by Florida Statutes Chapters 189, 191 and 633.15. The District was created for the purpose of providing fire control and protection services as well as crash and rescue services for Sanibel Island, generally, in Lee County. The District is governed by an at-large elected three (3) member Board of Commissioners serving staggered four (4) year terms. The District had two (2) station houses and approximately thirty one (31) employees at September 30, 2023. At September 30, 2023, Station 1 had been rehabilitated from Hurricane Ian damage and is fully operational. Station 2 currently is a temporary building as the original was fully destroyed by Hurricane Ian. Reconstruction is planned to commence in fiscal year 2024.

Reporting Entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity", as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" 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 Statement No. 14, as amended, there are no component units required to be included or included in the District's basic financial statements.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these 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.

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 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

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

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

Fund Financial Statements

The District adheres to GASB Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions" that required a change in the reporting format of fund balances in the governmental fund statements.

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

Fund financial statements for the District's governmental 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds

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.

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 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.

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. 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

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 the long-term debt, if any, which is recognized when due; (2) actuarially determined net position liability is not recognized until paid; and (3) expenditures are generally not divided between years by the recording of prepaid expenditures.

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

Noncurrent Government Assets/Liabilities

GASB 34 requires noncurrent governmental assets, such as land and buildings, and noncurrent 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 Funds

The District reports the following major governmental funds:

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.

The Impact Fee Fund consists of fees imposed and collected by the City of Sanibel based on new construction within the District. The fees are restricted and can only be used for certain capital expenditures associated with growth within the District.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgetary Information

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

Fair Value of Financial Investments

The District adheres to GASB Statement No. 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 of 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 the District has the ability to access. At September 30, 2023, the District held no such investments using these inputs.

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. At September 30, 2023, the District held no such investments using these inputs.

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. At September 30, 2023, the District held no such investments using these inputs.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments

The District adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," in which all investments are reported at fair value.

The District held such investments at September 30, 2023.

Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment, vehicles and vehicles under capital lease are reported in the government-wide Statement of Net Position.

The District follows a 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.

All purchased 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, including curbs, gutters and drainage systems, are not capitalized, as the District generally does not acquire such assets. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB Statement No. 34.

Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

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 as well as the related accumulated depreciation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets, continued

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	39
Building improvements	10-20
Equipment	5-20
Vehicles	5-20
Vehicles acquired under capital lease	10

Budgets and Budgetary Accounting

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

The District has also adopted an annual budget for the Special Revenue Fund - Impact Fee Fund.

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

1. During the 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, continued

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.

There were no budget amendments approved by the Board of Commissioners during the year ended September 30, 2023, for the Impact Fee Fund.

There were no budget amendments approved by the Board of Commissioners during the year ended September 30, 2023, for the General Fund.

Impact Fees/Unearned Revenue

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 imposed and collected by the City of Sanibel 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, therefore, records this fee as restricted cash and as unearned revenue until the date of expenditure, at which time it is recognized as revenue and charged to capital outlay in the fund financial statements and capital assets in the government-wide financial statements.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Due From Other Governments

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

Compensated Absences

The District's employees accumulate annual leave based on the number of years of continuous service. Upon termination of employment, employees can receive payment of accumulated annual leave if certain criteria are met. The costs of vacation and sick time benefits (compensated absences) are expended in the respective operating funds when payments are made to employees. However, the liability for all accrued vacation and sick time benefits is recorded in the government-wide Statement of Net Position.

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 and liabilities and 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.

Net Position (Net Assets)

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Balances

The governmental fund financial statements the District maintains include nonspendable, 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.

The District's assigned fund balances are a result of the District's Board approval of actions prior to October 1, 2022. The District's intent is to maintain a minimum assigned fund balance level of six (6) months of prior year total expenditures. This assigned fund balance will serve as the District's operational and capital reserves as well as its disaster reserve. At September 30, 2023, fund balance is also assigned for a variety of specific items by District Board action. Any use of the fund balance requires the District's Board approval and determination as to what fund balance category will be used.

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 to be 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 plan 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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Pensions, continued

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 to the financial statements.

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 subsequent notes to the financial statements.

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 pensions and OPEB is reported only in the government-wide Statement of Net Position. A deferred amount on pension 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 these benefits through the plans except earnings which are amortized over five to seven years.

New Accounting Standards

During the year ended September 30, 2023, the District adopted GASB Statement No. 87 - Leases (GASB 87). This Statement required the recognition of certain lease assets and liabilities in the Statement of Net Position that previously were classified as operating leases. The District, however, determined its Lee County EMS lease agreement did not meet the additional recording criteria of GASB Statement No. 87 at September 30, 2023, as the lease was previously recorded.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standards , continued

The EMS lease was prepaid at the date of execution by the County. The District is recognizing revenue over the 25 year life of the lease annually. The unearned revenue is offset by restricted cash.

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 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 K.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standards , continued

Change in accounting principle:

During the year ended September 30, 2023, the District determined a change from one accepted to another accepted accounting principle was necessary to more appropriately reflect the unearned impact fee balance. As such, the District changed the accounting principle from recognizing impact fee revenue when received to only recognizing impact fee revenue when earned. This change required prior year fund balance of $120,820 to be reclassified to unearned revenue. Therefore the September 30, 2022, impact fee fund balance was reclassified to unearned revenue until properly expended. The reclassification entry was required, as the District cannot recognize the impact fee revenue until the impact fee is properly expended.

	Impact Fee Fund Fund Balance	Unearned Revenue	Government-Wide Net-Position
September 30, 2022	$ (120,820)	$ -	$ (4,717,552)
Reclassification	120,820	(120,820)	120,820
	$ -	$ (120,820)	$ (4,596,732)

Subsequent Events

Subsequent events have been evaluated through March 29, 2024, which is the date the financial statements were available to be issued.

NOTE B - CASH AND INVESTMENTS

At September 30, 2023, cash was $6,426,681, including restricted cash of $459,407 and cash on hand of $0. The restricted cash represents unexpended impact fees held in the Impact Fee - Special Revenue Fund of $114,769 and unearned proceeds from the Lee County EMS.

Deposits

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

NOTE B - CASH AND INVESTMENTS, CONTINUED

Deposits, continued

At September 30, 2023, the carrying amount of the District's deposits were $6,311,912 in the General Fund and the bank balance was $6,350,386. The bank balance consists of $5,884,364 in demand deposits and $466,022 in certificates of deposit. At September 30, 2023, the carrying amount and the bank balance of the District's deposits were $114,769 in the Impact Fee Fund. 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).

The impact fees account is used to account for the deposit of impact fees received and is restricted for certain capital asset acquisition.

Investments

Florida Statutes and the District's investment policy authorize investments in the Local Government Surplus Funds Trust Fund (Florida PRIME (formerly Fund "A")) and the Florida Fixed Income Trust (FL FIT). Specifically, the District's investment policy is consistent with Florida Statutes, Chapter 218.415(17). At September 30, 2023, the District's investments consist of the following:

	Cost Basis	Fair Value (NAV)/ Carrying Amount
General Fund		
Local Government Surplus Funds Trust Fund		
Florida PRIME - Cash Pool (CP)	$ 3,199,612	$ 3,199,612
Florida Fixed Income Trust		
FL FIT - Cash Pool (CP)	1,065,308	1,065,308
Total investments	$ 4,264,920	$ 4,264,920

The Local Government Surplus Funds Trust Fund (Florida PRIME (formerly Fund "A")) 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 (LGIP) 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,

NOTE B - CASH AND INVESTMENTS, CONTINUED

<u>Investments, continued</u>

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 amortized cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

At September 30, 2023, the District reported SBA investments of $3,199,612 fair value/cost for amounts held in Florida PRIME. The Florida PRIME carried a credit rating of AAAm by Standard and Poors and had a weighted average days to maturity (WAM) of 35 days at September 30, 2023. The weighted average life (WAL) of PRIME was 75 days at September 30, 2023.

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 Executive Director has instituted such measures to 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 moratorium may be extended by the Executive Director 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 B - CASH AND INVESTMENTS, CONTINUED

Foreign Currency Risk: Prime was not exposed to any foreign risk during the period October 1, 2022 to September 30, 2023.

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 cost and carrying value of the cash, cash equivalents, and investments held by the District approximate fair value and as such are reported at amortized cost.

Security Lending: PRIME did not participate in a securities lending program during the year October 1, 2022 through September 30, 2023.

PRIME audited financial statements for the year ended June 30, 2023, are available online.

The Florida Fixed Income Trust (FL FIT) Cash Pool (CP) was established in accordance with Florida Statute 163.01 to provide local and state government entities access to diversified, high credit quality strategies for their cash reserves. The Florida Fixed Income Trust (FL FIT) Cash Pool is a floating net asset value (NAV) pool, managed to dollar-in/dollar-out and provides same day liquidity for participants.

FL FIT is not required to register (and has not registered) with the SEC; however, the fund is an external investment pool that has historically adopted operating procedures consistent with those required by Florida Statutes.

The District's investment in the Florida Fixed Income Trust (FL FIT) Cash Pool (CP) represented approximately less than 1% of the Fund's total investments.

At September 30, 2023, the Cash Pool's investments consisted of the following: 48% with commercial paper; 23% with institutional money market deposits, qualified public deposits and short term bond funds; and 29% with certificates of deposit.

These short-term investments are stated at fair value. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

NOTE B - CASH AND INVESTMENTS, CONTINUED

The District adheres to GASB Statement No. 79 and where the Fund meets the criteria to make GASB Statement No. 31 which requires the following disclosures related to its FL FIT Cash Pool investment:

Limitation on Participant Contributions and Withdrawals: FL FIT-Cash Pool has no limitations or restrictions on participant withdrawals, does not charge liquidity fees, and has not put in place a redemption gate. Each participant has the ability to withdraw 100 percent of its account balance any business day that the Investment Advisor is open for trading. The Investment Advisor is open for trading, and the funds will settle on the trading date for trades placed prior to 2:00 PM Eastern Time, and trade date plus one business day (T+1) for trades placed after 2:00 PM Eastern Time.

Investment Income, Unrealized Gains/Losses, and Realized Gains/Losses: FL FIT-Cash Pool follows industry practice and records security transactions on a trade date basis. Dividend and interest income is recognized on an accrual basis. Net investment income is distributed to participants at least monthly. Unrealized and realized gains and losses, if any, are distributed to participants on a daily and monthly basis. Distributions to participants are recorded on the ex-dividend date.

Valuation: Fair value of the investments in the FL FIT-Cash Pool is determined on a daily basis. Fair value increases and decreases are included in the change in unrealized gains and losses during the period. Net realized gains and losses on sales of securities are computed based on specific identification. Mutual fund securities are recorded at fair value as determined by using net position value as furnished by a pricing service and the number of shares owned.

Redemption Gates: Per the Administrator there are no redemption gates.

Liquidity Fees: Per the Administrator there are no liquidity fees.

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 investments held by the District approximate fair value. However, it is the opinion of the management of Florida Fixed Income Trust (FL FIT) it is exempt from GASB Statement No.72 financial hierarchy disclosures.

NOTE B - CASH AND INVESTMENTS, CONTINUED

Foreign Currency Risk: Florida Fixed Income Trust (FL FIT) Cash Pool was not exposed to foreign currency risk during the year ended September 30, 2023.

Securities Lending: Florida Fixed Income Trust (FL FIT) Cash Pool did not participate in securities lending program during the period October 1, 2022 through September 30, 2023.

Florida Fixed Income Trust (FL FIT) Cash Pool does provide separate audited financial statements for the year ended June 30, 2023.

At September 30, 2023, the District reported Florida Fixed Income Trust (FL FIT) Cash Pool investments of $1,065,308. The Florida Fixed Income Trust (FL FIT) Cash Pool carried a credit rating of AAAf/S1 by Fitch Rating and had a dollar weighted average days to maturity (WAM) of 23 days at September 30, 2023. The Cash Pool 's current dollar weighted average days to maturity to final (WAL) was 94 days at September 30, 2023. The Cash Pool's duration is as follows: expected target duration 0-5 years, effective duration of .063 years. Rule 2a7 allows funds to use a constant of $1.00 per share. The fund is not currently rated.

NOTE C - 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/ Reclassifications	Balance September 30 2023
Capital Assets Not Being Depreciated:					
Land	$ 273,062	$ -	$ -	$ -	$ 273,062
Construction in Progress	-	117,148	-	-	117,148
Total Capital Assets Not Being Depreciated	273,062	117,148	-	-	390,210
Capital Assets Being Depreciated:					
Buildings	4,128,730	-	(891,348)	-	3,237,382
Equipment	734,170	221,973	(161,946)	-	794,197
Vehicles	1,853,242	34,258	(330,628)	-	1,556,872
Total Capital Assets Being Depreciated	6,716,142	256,231	(1,383,922)	-	5,588,451
	6,989,204	373,379	(1,383,922)	-	5,978,661
Less Accumulated Depreciation:					
Buildings & Improvements	(1,680,937)	(110,008)	426,737	-	(1,364,208)
Equipment	(416,303)	(190,249)	170,409	-	(436,143)
Vehicles	(807,212)	(59,815)	449,925	-	(417,102)
Total Accumulated Depreciation	(2,904,452)	(360,072)	1,047,071	-	(2,217,453)
Total Capital Assets Being Depreciated, Net	3,811,690	(103,841)	(336,851)	-	3,370,998
Capital Assets, Net	$ 4,084,752	$ 13,307	$ (336,851)	$ -	3,761,208
				Related debt	-
				Net investment in capital assets	$ 3,761,208

NOTE C - CAPITAL ASSETS ACTIVITY, CONTINUED

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

	Amount
General Government	$ 360,072
Total Depreciation Expense	$ 360,072

NOTE D - LONG-TERM OBLIGATIONS

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

	Balance October 1 2022	Additions	Retirements/ Adjustments	Balance September 30 2023	Amounts Due Within One Year
Net Pension Liability - FRS	$ 5,209,178	$ -	$ (46,328)	$ 5,162,850	$ -
Net Pension Liability - HIS	797,271	320,289	-	1,117,560	-
Compensated Absences	433,542	-	(82,912)	350,630	-
Net OPEB Liability (Total)	716,099	320,396	-	1,036,495	-
Note Payable	247,932	-	(247,932)	-	-
	$ 7,404,022	$ 640,685	$ (377,172)	$ 7,667,535	$ -

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

	Amount
Net pension obligation - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	$ 5,162,850
Net pension obligation - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	1,117,560
Noncurrent portion of compensated absences. Employees of the District are entitled to annual leave and sick time based on length of service and job classification.	350,630
Net OPEB liability - GASB No. 75. (Total OPEB liability)	1,036,495

NOTE D - LONG-TERM OBLIGATIONS, CONTINUED

The District entered into a one hundred and twenty (120) month \$2,247,954 note payable effective April 23, 2013. The note required annual payments of \$254,082 including principal and fixed interest of 2.48%. Payments began on December 1, 2013, with a final payment due December 1, 2022. The note was paid in full as of December 2022. The note payable was collateralized by the District's non-ad valorem revenue.	-
Total	$ 7,667,535
Less Current Portion	-
Long Term Portion	$ 7,667,535

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

Years Ending September 30	Total Principal	Total Interest	Total
2024	$ -	$ -	$ -
Total capital leases	$ -	$ -	$ -
Accrued compensated absences	$ 350,630	$ -	$ 350,630
Net OPEB obligation	1,036,495	-	1,036,495
Net pension liability - FRS	5,162,850	-	5,162,850
Net pension liability - HIS	1,117,560	-	1,117,560
Total long-term debt	$ 7,667,535	$ -	$ 7,667,535

The District incurred interest expenditures of $6,150 for the year ended September 30, 2023.

NOTE E - 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 ("DROP") 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.

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 (FRS 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 total pension expense, $1,419,940 for the year ended September 30, 2023, is recorded in the government-wide financial statements. Total District retirement actual contribution expenditures were $807,325, $525,463 and $421,017 for the years ended September 30, 2023, 2022 and 2021, respectively. The District contributed 100% of the required contributions.

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

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.

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 and 8 years of service 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 with 8 years of service or at any age after 30 years of 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. Members of both Plans (FRS and HIS) may include up to 4 years of credit for military service toward creditable 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.

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 elect to participate in DROP at any time after reaching normal retirement date.

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

FRS Pension Plan, continued

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 elect to enter DROP at anytime after becoming fully vested and reaching normal retirement age

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 Officers' Class	3.00

NOTE E - 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	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 2.00 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 E - 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 (measurement date), the District reported a net pension liability of $5,162,850 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, 2022. 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 .012956739 percent, which was a decrease of .001043403 percent from its proportionate share measure as of September 30, 2022.

For the year ended September 30, 2023, the District recognized FRS pension expense of $1,334,744. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources at September 30, 2023:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 484,747	$ -
Change of assumptions	336,556	-
Net difference between projected and actual earnings on pension plan investments	215,615	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,407	482,770
District contributions subsequent to the measurement date	170,738	-
Total	$ 1,212,063	$ 482,770

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

FRS Pension Plan, continued

The deferred outflows of resources related to the FRS pension, totaling $170,738, 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 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	$	133,658
2025		133,658
2026		133,658
2027		133,657
2028		79,754
Thereafter		(55,830)
Total	$	558,555

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 Generational PUB-2010 with Projection 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 E - 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 E - 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	$ 8,819,200	$ 5,162,850	$ 2,103,877

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 $8,304 for the outstanding amount of contributions in the FRS pension plan required for the year ended September 30, 2023.

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

Health Insurance Subsidy 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. Prior to July 1, 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 receive $7.50 per 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. Prior to July 1, 2023, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. Subsequent to July 1, 2023, the rate was 2%. 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 net pension liability of $1,117,560 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 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 HIS liability was based on the

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

HIS Plan, continued

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 .007036940 percent, which was a decrease of .000490450 percent from its proportionate share measured as of September 30, 2023.

For the fiscal year ended September 30, 2023, the District recognized HIS expense of $85,196. 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	$ 16,360	$ 2,623
Change of assumptions	29,380	96,840
Net difference between projected and actual earnings on HIS pension plan investments	577	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	26,986	58,078
District contributions subsequent to the measurement date	12,775	-
Total	$ 86,078	$ 157,541

The deferred outflows of resources related to HIS, totaling $12,775, 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 of the remaining service period of 6.3 years as follows:

Fiscal Years Ending September 30	Amount
2024	$ (15,859)
2025	(15,859)
2026	(15,859)
2027	(15,858)
2028	(16,003)
Thereafter	(4,800)
Total	$ (84,238)

NOTE E - 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	$ 1,274,961	$ 1,117,560	$ 987,085

NOTE E - 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 $530 for the outstanding amount of contributions to the HIS plan required for the year 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 Annual Comprehensive 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 E - 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 .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	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	6.3	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 2.00 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 E - 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 (included in the FRS expenditures) totaled $86,887 for the fiscal year ended September 30, 2023.

Payables to the Investment Plan. At September 30, 2023, 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 F - 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 no later than June 1 of each year. The billing, collection, and related record keeping 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 F - 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, $27,447 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 $1.2365 per $1,000 (1.2365 mills) of the 2022 net taxable value of real property located within the District.

NOTE G - FUND BALANCE

Fund balance was noted as nonspendable for the following purposes at September 30, 2023:

Nonspendable fund balance - General Fund	Amount
Deposits	$ -
Total	$ -

NOTE G - FUND BALANCE, CONTINUED

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

Assigned fund balance - General Fund	Amount
County EMS lease agreement	$ 344,638
Six (6) Month Reserve	-
Sick and Vacation Payout	350,630
Total Assigned Fund Balance	$ 695,268

NOTE H - IMPACT FEE FUND ACTIVITY

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

	Amount
Unearned revenue, October 1, 2022, as reclassified	$ 120,820
Impact fee receipts	2,972
Due from other governments	-
Interest and other income	793
Capital outlay	-
Operating expenditures	-
Adjustment	(9,816)
Unearned revenue, September 30, 2023	$ 114,769

NOTE I - RISK MANAGEMENT

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

Insurance programs for general/professional liability, automobile, property, and commercial umbrella are covered by commercial insurance. The District retains the risk of loss up to a deductible amount (ranging from $250 to $1,000) with the risk of loss in excess of this amount transferred to the insurance carrier with limits of liability of $1,000,000 per occurrence and $3,000,000 in the aggregate. The District is third party insured for employee health, dental and vision, as well as workers' compensation.

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

Pursuant to the provisions of Section 112.08, Florida Statutes, the District's defined benefit single employer OPEB Plan provides the opportunity to obtain insurance (health, dental, life and vision) benefits to its retired employees. The District administers the OPEB Plan. The year ended September 30, 2019, was the District's transition year and as such, the District implemented GASB No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". GASB No. 75 requires the District to annually record its actuarially determined total OPEB liability.

All retired full-time employees are eligible for OPEB benefits if actively employed by the District immediately before retirement. As of September 30, 2023, there were eight (8) retirees eligible to receive benefits and eight (8) retirees receiving these benefits. At September 30, 2023 there were thirty one (31) active District employees. The benefits are provided both with contractual or labor agreements. The benefits are paid 100% by the retirees. For participants who retire the District offers the opportunity to the retiree to purchase pre-Medicare health insurance that is offered to active employees. The participant will also receive their HIS benefits. Retirees may purchase dependent coverage through the District. At age 65 the retirees then must move to Medicare but may continue to purchase life, dental and vision coverage through the District. The District finances the benefits on a pay-as-you-go basis and recognizes expenditures at the time the premiums are due. There is no separate trust for these benefits.

The retiree's premiums for these benefits totaled $95,716 during the year ended September 30, 2023, of which the District paid no part of the retiree premium.

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB), CONTINUED

Funding Policy

The District's OPEB benefits are unfunded. The District has not determined if a separate trust fund or equivalent arrangement will be established into which the District would make contributions to advance-fund the obligation. Therefore, no separate financial statements are issued. All required disclosures are presented herein. The District obtained an actuarial valuation for OPEB Plan to measure the current year's subsidies and project these subsidies into the future, making an allocation of that cost to different years.

The District subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the plan on average than those of active employees.

Actuarial Methods and Assumptions

At September 30, 2023, the District's net OPEB liability of $1,036,495 was measured as of September 30, 2022, for the year ended September 30, 2023, and was determined by using actuarial valuation data as of September 30, 2022.

The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Rate of inflation	2.50%
Salary Increases depending on years of service	3.25%
Discount Rate as of September 30, 2018	3.50%
Discount Rate as of September 30, 2019	3.83%
Discount Rate as of September 30, 2020	2.75%
Discount Rate as of September 30, 2021	2.41%
Discount Rate as of September 30, 2022	2.19%
Discount Rate as of September 30, 2023	4.40%

Annual healthcare cost trend using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions with an initial rate of 6.7% per year trending to 3.7% by 2050.

The discount rate was based on the 20 Year Municipal Bond Rate with AA/Aa or higher.

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB), CONTINUED

Actuarial Methods and Assumptions, continued

Entry age normal level percent of pay cost method was used.

The FRS salary scale was used (2019 Actuary Report).

Mortality rates were based on the PUB-2010 Generational Healthy Mortality Table with scale MP-2021.

Funding method: pay as you go

The actuarial assumptions used in the September 30, 2023, valuation were based on results of an actuarial experience study performed for the FRS Retirement Plan.

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.

Demographic Assumptions

Participants are assumed to retire at age 55 with six (6) years of service if hired before July 1, 2011, and age 60 and eight (8) years of service if hired after July 1, 2011. Termination assumptions mirror the Florida Retirement System's special risk employees' termination assumptions as reported in the FRS 2019 actuarial valuation report. No disability assumption was made.

Changes in the Net OPEB Liability

	Amount
Balance at September 30, 2022	$ 716,099
Changes for the year:	
Service Cost	46,603
Interest	15,837
Change in Benefit Terms	-
Difference Between Expected and Actual Experience	488,612
Changes in Assumptions	(151,583)
Contributions from Employer	(79,073)
Net Changes	320,396
Balance at September 30, 2023	$ 1,036,495

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB), CONTINUED

Changes in the Net OPEB Liability, continued

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 3.40%	Current Rate 4.40%	1% Increase 5.40%
Net OPEB Liability	$ 1,109,840	$ 1,036,495	$ 969,046

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 2.94%	Trend Rate 3.94%	1% Increase 4.94%
Net OPEB Liability	$ 957,134	$ 1,036,495	$ 1,125,982

For the year ended September 30, 2023, the District recognized OPEB expense (credit) of $(399,469). 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	$ -	$ -
Changes in Assumptions	-	-
Net difference between projected and actual earnings	-	-
Employer contribution subsequent to measurement date	-	-
Total	$ -	$ -

$0 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2024.

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB), CONTINUED

Changes in the Net OPEB Liability, continued

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	$ -
2025	-
2026	-
2027	-
2028	-
Total Thereafter	-
	$ -

Change in Assumptions:
Discount rate changed from 2.19% to 4.40%
Healthcare trend rates updated
Medical per capita costs
Inflation rate changed from 2.25% to 2.50%

NOTE K - SUBSCRIPTION LIABILITY

The District entered into multiple subscription-based information technology arrangements ("SBITA's") for various software. The software have 1 year terms and have fixed payments. The District aggregated the subscriptions for reporting purposes. The District used a discount rate of 6.25% (incremental borrowing 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.

NOTE K - SUBSCRIPTION LIABILITY, CONTINUED

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

Years Ending September 30	Amount
2024	$ 36,496
2025	36,496
	72,992
Impact of present value discount	(6,484)
Present value	$ 66,508

The amortization of the right of use - subscription liability for the year ended September 30, 2023 was $6,218.

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	$ 32,218
Right of use subscription asset, noncurrent	34,290
	$ 66,508
Right of use subscription liability, current	$ 32,218
Right of use subscription liability, noncurrent	34,290
	$ 66,508

NOTE L - COMMITMENTS AND CONTINGENCIES

On December 27, 2023, the District entered into an agreement with the State of Florida to fund reconstruction of Fire Station 2 destroyed by Hurricane Ian. The State of Florida will be funding the construction through two (2) funding mechanisms. During FY 24, the destroyed Station 2 was demolished and the site cleared. The temporary Station 2 continues to operate during reconstruction. Construction is expected to begin in FY 24 and expected to be completed within 18 months.

NOTE L - COMMITMENTS AND CONTINGENCIES, CONTINUED

The District also received in FY 24, $2 million from the State for operations due to lost ad valorem revenue. The loss of approximately 30% of revenue resulted from the catastrophic damage to homes and businesses within the District by Hurricane Ian.

As of September 30, 2023, $117,148 had been expended in preconstruction costs related to designs and permitting for Station 2.

NOTE M - POST EMPLOYMENT HEALTH BENEFITS

The District provides post employment health benefits to its employees under a 501 (c) (9) plan (the "Plan"). Under the provisions of the Plan, the District is required to pay an annual funding amount of $3,000 per union employee and $3,500 per administrative employee, into a trust (the "Trust Fund") administered by Nationwide Retirement Solutions. The administrator is required to maintain separate sub-accounts in the name of each participant having an interest in the Trust Fund. Upon a participant's separation from service with the District, the participant (or, in the event of a deceased participant, his dependents) shall be entitled to be reimbursed from the sub-account for qualifying medical expenses or health care premiums incurred by the participant. These benefits are limited to the participant's respective sub-account balance as of the date of the claim. Alternatively, the employee may elect to apply his or her benefit to their required contribution for dependent coverage. The District contributed $87,361 to the Plan for the year ended September 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SANIBEL FIRE & RESCUE 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	$ 8,011,169	$ 8,011,169	$ 7,750,480	$ (260,689)
Intergovernmental revenues:				
State firefighter supplement	14,760	14,760	12,378	(2,382)
State grant	-	-	-	-
Local grant - LC-EMS CAM	14,000	14,000	59,066	45,066
Permits and fees	10,350	10,350	298,842	288,492
Miscellaneous:				
Interest	2,680	2,680	246,200	243,520
Other	2,500	2,500	2,260,153	2,257,653
Carryforward	5,801,458	5,801,458	-	(5,801,458)
TOTAL REVENUES	13,856,917	13,856,917	10,627,119	(3,229,798)
EXPENDITURES				
Current				
Public safety				
Personnel services	5,155,831	5,155,831	4,606,108	549,723
Operating expenditures	1,233,861	1,233,861	1,780,205	(546,344)
Capital outlay	679,500	679,500	373,379	306,121
Debt service				
Principal reduction	236,079	236,079	247,932	(11,853)
Interest and fiscal charges	18,003	18,003	6,150	11,853
Reserves				
Budget reserves	6,533,643	6,533,643	-	6,533,643
TOTAL EXPENDITURES	13,856,917	13,856,917	7,013,774	6,843,143
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	-	3,613,345	3,613,345
OTHER FINANCING SOURCES				
Proceeds from disp. of capital assets	-	-	17,400	17,400
Proceeds from debt issuance	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	17,400	17,400
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	$ -	$ -	3,630,745	$ 3,630,745
FUND BALANCE - BEGINNING			6,924,642	
FUND BALANCE - ENDING			$ 10,555,387	

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE 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	$ 8,011,169	$ 8,011,169	$ 7,750,480	$ (260,689)
Intergovernmental revenues:				
State firefighter supplement	14,760	14,760	12,378	(2,382)
State grant	-	-	-	-
Local Grant - LC-EMS CAM	14,000	14,000	59,066	45,066
Permit Fees	7,000	7,000	295,682	288,682
Burn Permits	500	500	-	(500)
Occupancy Fees	750	750	-	(750)
Flow Test	100	100	200	100
CPR Class	2,000	2,000	2,960	960
Miscellaneous:				
Interest	2,680	2,680	246,200	243,520
Other	2,500	2,500	2,260,153	2,257,653
Carryforward	5,801,458	5,801,458	-	(5,801,458)
TOTAL REVENUES	13,856,917	13,856,917	10,627,119	(3,229,798)
EXPENDITURES				
Current				
Personnel services:				
Salaries & wages	2,820,714	2,820,714	2,194,987	625,727
Overtime	130,500	130,500	396,610	(266,110)
Special Pay	225,165	225,165	212,609	12,556
Payroll taxes	220,373	220,373	210,172	10,201
Retirement	731,132	731,132	807,325	(76,193)
Health and life insurance	904,444	904,444	574,875	329,569
OPEB Contribution	-	-	87,361	(87,361)
Workers compensation	120,000	120,000	122,169	(2,169)
Professional Services- Other	3,503	3,503	-	3,503
Subtotal - Personnel services	5,155,831	5,155,831	4,606,108	549,723

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE 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 services	2,000	2,000	20,844	(18,844)
Accounting and audit	185,000	185,000	27,725	157,275
Tax collector fees	200,279	200,279	154,227	46,052
Property appraiser fees	-	-	50,960	(50,960)
Legal Services	30,000	30,000	55,519	(25,519)
Medical Director	25,000	25,000	15,000	10,000
Employee Medical Expenses	26,000	26,000	16,635	9,365
Dept of Community Affairs	175	175	-	175
Rentals and leases	2,500	2,500	-	2,500
Repairs and maintenance	118,000	118,000	1,117,760	(999,760)
Operating supplies	37,000	37,000	20,669	16,331
Insurance	94,727	94,727	68,669	26,058
Interest Expense	780	780	-	780
Office supplies	4,000	4,000	2,150	1,850
Software support and maint.	18,000	18,000	36,087	(18,087)
Lawn Maintenance	7,500	7,500	-	7,500
Vehicle Maintenance	72,500	72,500	32,975	39,525
Dock Maintenance	2,500	2,500	200	2,300
Uniforms	6,500	6,500	9,274	(2,774)
Safety Equipment	45,000	45,000	-	45,000
Firefighter gear/tools/equipment	10,000	10,000	8,555	1,445
Medical Equipment	24,000	24,000	-	24,000
Medical supplies	10,000	10,000	10,018	(18)
Training/education equipment	58,500	58,500	-	58,500
Books/ memberships/training	37,900	37,900	13,588	24,312
Utilities	37,000	37,000	53,795	(16,795)
Communication and freight	97,000	97,000	-	97,000
Fuel	50,000	50,000	16,058	33,942
Travel and per diem	17,500	17,500	25,976	(8,476)
Promotions/printing	14,500	14,500	23,521	(9,021)
Subtotal - Operating expenditures	1,233,861	1,233,861	1,780,205	(546,344)

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE 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:				
Machinery and equipment	294,500	294,500	34,258	260,242
Vehicles	300,000	300,000	221,973	78,027
Construction in progress	-	-	117,148	(117,148)
Buildings	85,000	85,000	-	85,000
Subtotal - Capital outlay	679,500	679,500	373,379	306,121
Debt Service:				
Principal reduction	236,079	236,079	247,932	(11,853)
Interest expense	18,003	18,003	6,150	11,853
Subtotal - Debt service	254,082	254,082	254,082	-
Reserves				
Budget reserves	6,533,643	6,533,643	-	6,533,643
Subtotal - Reserves	6,533,643	6,533,643	-	6,533,643
TOTAL EXPENDITURES	13,856,917	13,856,917	7,013,774	6,843,143
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	3,613,345	3,613,345
OTHER FINANCING SOURCES				
Proceeds from disp. of capital assets	-	-	17,400	17,400
Proceeds from debt issuance	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	17,400	17,400
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	$ -	$ -	3,630,745	$ 3,630,745
FUND BALANCE - BEGINNING			6,924,642	
FUND BALANCE - ENDING			$ 10,555,387	

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - IMPACT FEE FUND
Year Ended September 30, 2023

	Impact Fee Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fees:				
Impact fees	$ 14,860	$ 14,860	$ -	$ (14,860)
Impact fee reserves	89,425	89,425	-	(89,425)
Miscellaneous:				
Interest	10	10	-	(10)
TOTAL REVENUES	104,295	104,295	-	(104,295)
EXPENDITURES				
Public safety				
Operating expenditures	-	-	-	-
Capital outlay				
Facilities	-	-	-	-
Vehicles	-	-	-	-
Equipment	-	-	-	-
Reserves				
Impact fee reserves	104,295	104,295	-	104,295
TOTAL EXPENDITURES	104,295	104,295	-	104,295
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	-	$ -
FUND BALANCE - Beginning as reclassified			-	
FUND BALANCE - Ending			$ -	

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE 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	0.012956739%	0.014000140%	0.013974910%	0.015080610%
District's proportionate share ($) of the net pension liability	$ 5,162,850	$ 5,209,178	$ 1,055,646	$ 6,536,160
District's covered-employee payroll	$ 2,804,206	$ 2,496,801	$ 2,329,415	$ 2,161,892
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	184.11%	208.63%	45.32%	302.34%
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	$ 758,886	$ 612,739	$ 521,840	$ 477,252
Contributions in relation to the contractually required contribution	758,886	612,739	521,840	477,252
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,804,206	$ 2,496,801	$ 2,329,415	$ 2,161,892
Contributions as a percentage of covered-employee payroll	27.06%	24.54%	22.40%	22.08%

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
0.015825970%	0.015987840%	0.016916600%	0.017582210%	0.015653420%	0.015597700%
$ 5,450,244	$ 4,815,622	$ 5,003,816	$ 4,439,523	$ 2,021,850	$ 951,689
$ 2,179,490	$ 2,065,762	$ 2,264,224	$ 2,332,672	$ 2,250,421	$ 2,178,747
250.07%	233.12%	220.99%	190.32%	89.84%	43.68%
82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

2019	2018	2017	2016	2015	2014
$ 468,629	$ 443,403	$ 440,381	$ 428,770	$ 381,644	$ 341,656
468,629	443,403	440,381	428,770	381,644	341,656
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,179,490	$ 2,065,762	$ 2,264,224	$ 2,332,672	$ 2,250,421	$ 2,178,747
21.50%	21.46%	19.45%	18.38%	16.96%	15.68%

SANIBEL FIRE & RESCUE 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	0.007036940%	0.007527390%	0.007454560%	0.007137980%
District's proportionate share ($) of the net pension liability	$ 1,117,560	$ 797,271	$ 914,414	$ 871,535
District's covered-employee payroll	$ 2,804,206	$ 2,496,801	$ 2,329,415	$ 2,161,892
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	39.85%	31.93%	39.26%	40.31%
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	$ 48,440	$ 43,124	$ 39,002	$ 36,257
Contributions in relation to the contractually required contribution	48,440	43,124	39,002	36,257
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,804,206	$ 2,496,801	$ 2,329,415	$ 2,161,892
Contributions as a percentage of covered-employee payroll	1.73%	1.73%	1.67%	1.68%

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
0.007274880%	0.007192790%	0.004744340%	0.007659150%	0.007625840%	0.007522870%
$ 813,986	$ 761,293	$ 795,882	$ 892,642	$ 777,716	$ 703,407
$ 2,179,490	$ 2,065,762	$ 2,264,224	$ 2,332,672	$ 2,250,421	$ 2,178,747
37.35%	36.85%	35.15%	38.27%	34.56%	32.28%
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

2019	2018	2017	2016	2015	2014
$ 36,121	$ 34,697	$ 39,393	$ 39,258	$ 29,151	$ 25,771
36,121	34,697	39,393	39,258	29,151	25,771
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,179,490	$ 2,065,762	$ 2,264,224	$ 2,332,672	$ 2,250,421	$ 2,178,747
1.66%	1.68%	1.74%	1.68%	1.30%	1.18%

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 was 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 constant from the prior year at 6.7%. 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 of 3.65%, increased from 3.54%, 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 the Generational PUB-2010 with Projection Scale MP-2018 tables.

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 .85 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return was unchanged at 6.70 percent.

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

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, was 5.3 years (5.5 for FY 22) for FRS and 6.3 years (6.4 for FY 22) for HIS.

SANIBEL FIRE & RESCUE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS GASB 75 AND RELATED NOTES TO THE SCHEDULE

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

Net OPEB Liability	2023	2022	2021
Service Cost	$ 46,603	$ 43,574	$ 80,397
Interest Cost	15,837	17,389	30,905
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	488,612	-	121,235
Changes in Assumptions	(151,583)	10,440	(531,086)
Benefit Payments	(79,073)	(66,527)	(67,280)
Net Change in net OPEB Liability	320,396	4,876	(365,829)
Net OPEB Liability - Beginning of Year	716,099	711,223	1,077,052
Net OPEB Liability - End of Year	$ 1,036,495	$ 716,099	$ 711,223

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

Plan Fiduciary Net Position as of September 30:

	2023	2022	2021
Contributions - Employer	$ 79,073	$ 66,527	$ 67,280
Net Investment Income	-	-	-
Benefit Payments	(79,073)	(66,527)	(67,280)
Administrative Expense	-	-	-
Net Change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
Fiduciary Net Position - End of Year	$ -	$ -	$ -
Net OPEB Liability (Total)	$ 1,036,495	$ 716,099	$ 711,223
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 *			
Expected Average Remaining Service Years of All Participants	12	12	12

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

NOTE: Information for FY 2018 and earlier is not available.

Notes to the Schedule:

Changes of Assumptions	The discount rate was changed as follows:
9/30/19	3.83%
9/30/20	2.75%
9/30/21	2.41%
9/30/22	2.19%
9/30/23	4.40%

Healthcare trend rates updated
Medical per capita costs
Inflation rate changed from 2.25% to 2.50%

2020	2019
$ 68,159	$ 67,763
39,273	34,906
-	-
-	-
40,202	(21,102)
(55,656)	(52,112)
91,978	29,455
985,074	955,619
$ 1,077,052	$ 985,074

2020	2019
$ 55,656	$ 52,112
-	-
(55,656)	(52,112)
-	-
-	-
-	-
$ -	$ -
$ 1,077,052	$ 985,074
0.00%	0.00%
13	11

Healthcare trend updated to the latest Getzen Model.
Mortality Improvement Scale updated to MP-2021.
Population covered by Plan: 27 active   3 retired
Plan has no specific trust established. $400,000 assigned for OPEB.

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
Sanibel Fire & Rescue District
2351 Palm Ridge Road
Sanibel, Florida 33957

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 and each major fund of Sanibel Fire & Rescue 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 March 29, 2024.

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

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

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

We did, however, note certain other matters that we have reported in our Independent Auditor's Report to Management dated March 29, 2024.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sanibel Fire & Rescue 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 an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards.

See other matters noted in our Independent Auditor's Report to Management dated March 29, 2024.

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.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 29, 2024

TUSCAN
& Company, PA
Certified Public Accountants & Consultants

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

Board of Commissioners
Sanibel Fire & Rescue District
2351 Palm Ridge Road
Sanibel, Florida 33957

We have examined Sanibel Fire & Rescue 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 Sanibel Fire & Rescue District's compliance with those requirements. Our responsibility is to express an opinion on Sanibel Fire & Rescue 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 Sanibel Fire & Rescue 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 Sanibel Fire & Rescue District's compliance with specified requirements.

In our opinion, Sanibel Fire & Rescue 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 Sanibel Fire & Rescue District and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 29, 2024

TUSCAN
& Company, PA
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Commissioners
Sanibel Fire & Rescue District
2351 Palm Ridge Road
Sanibel, Florida 33957

We have audited the accompanying basic financial statements of Sanibel Fire & Rescue District (the "District") as of and for the year ended September 30, 2023, and have issued our report thereon dated March 29, 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 on 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 March 29, 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 financially significant prior year comments noted. Corrective actions are noted on the following pages.

- 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 pursuant to Rule 10.556(8). 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)5.b.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 entity (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.

- Section 10.554(l)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 March 29, 2024, included herein.

PRIOR YEAR COMMENTS:

22-01 Adjusting Journal Entries
During the audit, it was necessary to propose numerous adjusting journal entries to correct the District's trial balance.

Current Year Addendum:
During the audit, we noted that the adjustments from the prior audit were not posted to the general ledger. We recommend that the District ensure the general ledger agrees to the audited financial statements. During the FY 23 audit, we proposed several journal entries. The District has new administration now and is committed to ensure accurate and timely recordkeeping.

22-02 Invoices/Support retention and procurement procedures
During the audit, it was noted that some invoices could not be located.

Current Year Addendum:
This comment appears to be resolved.

CURRENT YEAR COMMENTS:

23-01 Budget Amendment for Prior Year Audited Fund Balance
During our audit, we noted that the FY 23 budget was not amended to reflect the audited FY 22 fund balance carried forward. Pursuant to F.S. 189.016(6), the current budget should be amended to include the prior year audited fund balance.

We recommend that the FY 24 budget be amended upon completion of the FY 23 audit.

23-02 Public Facilities Report not Submitted

During our audit, we noted that the Public Facilities report was not filed with the County during FY23, as required by F.S. 189.08(2).

We recommend that the Public Facilities report be filed with the County each year in order to comply with this State Statute.

23-03 Advertisement & Submission of the Board of Commissioners Meeting Dates

During our audit, we noted that the schedule of Board of Commissioners meeting dates was not submitted to the County Clerk, nor were the dates properly advertised in a newspaper of paid circulation.

We recommend that the Board of Commissioners meeting dates be submitted to the County Clerk before the fiscal year end. We also recommend that the dates be circulated in a newspaper of general paid circulation before fiscal year end.

23-04 No Written Investment Policy Adopted

During our audit, we noted that the District did not have a written investment policy pursuant to F.S. 218.415(17).

We recommend that the District creates and approves a written investment policy F.S.218.415(17) to comply with the requirements of this Statute. Upon notification of this recommendation the District adopted such policy.

23-05 No Written Travel and Per Diem Policy

During our audit, we noted that the District did not have a written travel and per diem policy pursuant to F.S. 112.061.

We recommend that the District creates and approves a written travel and per diem policy to comply with the requirements of this Statute. Upon notification of this recommendation the District adopted such policy.

23-06 No Written Fixed Asset Policy

During our audit, we noted that the District did not have a written fixed asset policy that satisfied the requirements of Admin Code 69I-73.

We recommend that the District creates and approves a written policy to comply with the requirements of Admin Code 69I-73. Upon notification of this recommendation the District adopted such policy.

23-07 No Written Fund Balance Policy

GASB Statement 54 requires a special district to have a fund balance policy. We noted the District did not have a written fund balance policy.

We recommend the District creates and approves a written policy to comply with GASB Statement 54. Upon notification of this recommendation the District adopted such policy.

23-08 No Written 5 Year Plan

During the audit, we noted the District had no written 5 year plan. We also noted the entire Administration has changed from the prior and the District facilities were devastated by Hurricane Ian. We were informed by the Chief that the District intends to create a required 5 year plan as the rebuild process eases.

23-09 Fund Balance Should be Assigned by Board Action

We noted no formal Board action to assign fund balance.

We recommend that management recommend future specific District needs to the Board in order for them to assign fund balance. This should include at a minimum:

90 day operational reserve
45 day disaster reserve
Capital equipment reserve

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.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
March 29, 2024

EXHIBIT 1

Sanibel Fire & Rescue District

Phone: 239-472-5525
Fax: 239-472-2422
www.SanibelFire.com

Sanibel Fire & Rescue District
2351 Palm Ridge Rd
Sanibel, FL 33957

Management Response Letter

Current Year Comments :

23-01 Budget Amendment for Prior Year Audited Fund Balance
During our audit, we noted that the FY 23 budget was not amended to reflect the audited FY 22 fund balance carried forward. Pursuant to F.S. 189.016(6), the current budget should be amended to include the prior year audited fund balance.

We recommend that the FY 24 budget be amended upon completion of the FY 23 audit.

A resolution to amend the FY 24 budget post-FY 23 audit has been prepared and will be presented to the Board on April 10th.

23-02 Public Facilities Report not Submitted
During our audit, we noted that the Public Facilities report was not filed with the County during FY23, as required by F.S. 189.08(2).

We recommend that the Public Facilities report be filed with the County each year in order to comply with this State Statute.

I can confirm that the report has already been completed and was submitted to the Planning Director of Lee County last month. We are committed to ensuring compliance with F.S. 189.08(2) going forward.

23-03 Advertisement & Submission of the Board of Commissioners Meeting Dates
During our audit, we noted that the schedule of Board of Commissioners meeting dates was not submitted to the County Clerk, nor were the dates properly advertised in a newspaper of paid circulation.

We recommend that the Board of Commissioners meeting dates be submitted to the County Clerk before the fiscal year end. We also recommend that the dates be circulated in a newspaper of general paid circulation before fiscal year end.

I want to inform you that the FY24 meeting dates have already been submitted to the County Clerk and published in a newspaper of general paid circulation. Unfortunately, the oversight for FY23 was a result of administrative errors during the aftermath of Hurricane Ian. We acknowledge this mistake and have taken steps to ensure it does not happen again.

23-04 No Written Investment Policy Adopted
During our audit, we noted that the District did not have a written investment policy pursuant to F.S. 218.415(17).

We recommend that the District creates and approves a written investment policy

F.S.218.415(17) to comply with the requirements of this Statute. Upon notification of this recommendation the District adopted such policy.

This recommendation has already been acted upon; the policy was developed, completed, and approved by the Board last month.

23-05 No Written Travel and Per Diem Policy
During our audit, we noted that the District did not have a written travel and per diem to F.S. 112.061.

We recommend that the District creates and approves a written travel and per diem policy to comply with the requirements of this Statute. Upon notification of this recommendation the District adopted such policy.

This recommendation has already been acted upon; the policy was developed, completed, and approved by the Board last month.

23-06 No Written Fixed Asset Policy
During our audit, we noted that the District did not have a written fixed asset policy that satisfied the requirements of Admin Code 69I-73.

We recommend that the District creates and approves a written policy to comply with the requirements of Admin Code 69I-73. Upon notification of this recommendation the District adopted such policy.

This recommendation has already been acted upon; the policy was developed, completed, and approved by the Board last month.

23-07 No Written Fund Balance Policy
GASB Statement 54 requires a special district to have a fund balance policy. We noted the District did not have a written fund balance policy.

We recommend the District creates and approves a written policy to comply with GASB Statement 54. Upon notification of this recommendation the District adopted such policy.

This recommendation has already been acted upon; the policy was developed, completed, and approved by the Board last month.

23-08 No Written 5 Year Plan
During the audit, we noted the District had no written 5 year plan. We also noted the entire Administration has changed from the prior and the District facilities were devastated by Hurricane Ian. We were informed by the Chief that the District intends to create a required 5 year plans as the rebuild process eases.

We acknowledge the challenges faced due to administrative changes and the devastation caused by Hurricane Ian. A comprehensive 5-year plan is currently in development and is slated for completion by the end of FY24. It will then be presented to the Board for approval.

23-09 Fund Balance Should be Assigned by Board Action
We noted no formal Board action to assign fund balance.
We recommend that management recommend future specific District needs to the Board in order for them to assign fund balance.

This should include at a minimum:
90 day operational reserve
45 day disaster reserve
Capital equipment reserve

While the District already meets the specified reserve requirements, we acknowledge that formal presentations and Board motions to assign fund structures have not been systematically integrated into our Board meetings. Moving forward, as we develop the FY25 budget, assigning fund balances will be a mandated agenda item during budget Board hearings, ensuring alignment with your recommendations.

K RH
Signature

Kevin Barbot
Name

Fire Chief
Title

EXHIBIT 2

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

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). 25

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). 3

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) $2,804,206

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) $425,790

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). See NOTE L

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 pages 3 and 4.

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. 1.2365 mills

b. The current year gross amount of ad valorem taxes collected by or on behalf of the district.
$7,750,480

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 rated 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

SANIBEL FIRE & RESCUE DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED - GENERAL FUND
Year Ended September 30, 2023

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem taxes	$ 8,011,169	$ 7,750,480	$ (260,689)
Intergovernmental revenues:			
State firefighter supplement	14,760	12,378	(2,382)
State grant	-	-	-
Local grant - WCIND	14,000	59,066	45,066
Permits and fees	10,350	298,842	288,492
Miscellaneous:			
Interest	2,680	246,200	243,520
Other	2,500	2,260,153	2,257,653
Carryforward	5,801,458	-	(5,801,458)
TOTAL REVENUES	13,856,917	10,627,119	(3,229,798)
EXPENDITURES			
Current			
Public safety			
Personnel services	5,155,831	4,606,108	549,723
Operating expenditures	1,233,861	1,780,205	(546,344)
Capital outlay	679,500	373,379	306,121
Debt service			
Principal reduction	236,079	247,932	(11,853)
Interest and fiscal charges	18,003	6,150	11,853
Reserves			
Budget reserves	6,533,643	-	6,533,643
TOTAL EXPENDITURES	13,856,917	7,013,774	6,843,143
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	3,613,345	3,613,345
OTHER FINANCING SOURCES			
Proceeds from disp. of capital assets	-	17,400	17,400
TOTAL OTHER FINANCING SOURCES	-	17,400	17,400
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	$ -	3,630,745	$ 3,630,745
FUND BALANCE, BEGINNING OF YEAR		6,924,642	
FUND BALANCE, END OF YEAR		$ 10,555,387	

The accompanying notes are an integral part of this statement.

SANIBEL FIRE & RESCUE DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED - IMPACT FEE FUND
Year Ended September 30, 2023

	Impact Fee Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Fees:			
Impact fees	$ 14,860	$ -	$ (14,860)
Impact fee reserves	89,425	-	(89,425)
Miscellaneous:			
Interest	10	-	(10)
TOTAL REVENUES	104,295	-	(104,295)
EXPENDITURES			
Public safety			
Operating expenditures	-	-	-
Capital outlay			
Land	-	-	-
Equipment	-	-	-
Reserves			
Impact fee reserves	104,295	-	104,295
TOTAL EXPENDITURES	104,295	-	104,295
EXCESS OF REVENUES OVER EXPENDITURES	$ -	-	$ -
FUND BALANCE - Beginning, as reclassified		-	
FUND BALANCE - Ending		$ -	

The accompanying notes are an integral part of this statement.