ALVA FIRE CONTROL
AND RESCUE SERVICE DISTRICT

BASIC FINANCIAL STATEMENTS
TOGETHER WITH ADDITIONAL REPORTS

YEAR ENDED
SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Alva Fire Control and Rescue Service District
P.O. Box 458
Alva, Florida 33920

Opinions
We have audited the accompanying financial statements of the governmental activities and each major fund of Alva Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
General Fund	Unmodified
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 Alva Fire Control and Rescue Service District as of September 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages i-ix, 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 Net OPEB Liability and Related Ratios GASB No. 75 and 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 Net OPEB Liability and Related Ratios GASB No. 75 and 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 Net OPEB Liability and Related Ratios GASB No. 75 and 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 Alva Fire Control and Rescue Service District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The required supplementary information other than MD&A - budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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 February 19, 2024 on our consideration of Alva Fire Control and Rescue Service District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Alva Fire Control and Rescue Service District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 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 Alva Fire Control and Rescue Service District's internal control over financial reporting and compliance.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
February 19, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's Discussion and Analysis

This discussion and analysis of the Alva Fire Control and Rescue Service District's (The District) financial statements is provided to assist the reader's understanding of the District's financial activities, significant changes in financial position as well as its ending financial position for the fiscal year ending September 30, 2023.

Contained within are the basic financial statements, consisting of the government-wide financial statements, governmental fund financial statements and notes to the financial statements. This discussion and analysis will also provide an analytical overview of these statements.

District Highlights

1. At the conclusion of fiscal year 2022, the District's net position of $980,440 reflected an increase of $178,989 or 22% compared with a net position balance of $801,451 at September 30, 2021. The current decrease was substantially due to the increased pension liability.

2. At the conclusion of fiscal year 2023, the District's net position of $994,880 reflected an increase of $14,440 or 1% compared with a net position balance of $980,440 at September 30, 2022. The current increase was substantially due to the increased receipt of ad valorem taxes.

3. The District has $485,248 unrestricted net position to meet the District's ongoing obligations at September 30, 2022.

4. The District has $337,238 unrestricted net position to meet the District's ongoing obligations at September 30, 2023.

5. The District's fiscal year 2022 revenue on a government-wide basis, increased by $421,958 or 40% when compared with fiscal year 2021 ($1,483,714 in fiscal year 2022 vs. $1,061,756 in fiscal year 2021) due to an increase in ad valorem tax revenue.

6. The District's fiscal year 2023 revenue on a government-wide basis, increased by $288,564 or 19% when compared with fiscal year 2022 ($1,483,714 in fiscal year 2022 vs. $1,772,278 in fiscal year 2023) mostly due to an increase in property values.

7. Total expenses, on a government-wide basis, increased by $432,554 or 50% to $1,304,725 in fiscal year 2022 vs. $872,171 in fiscal year 2021 due to increased liability of FRS.

8. Total expenses, on a government-wide basis, increased by $453,113 or 35% to $1,757,838 in fiscal year 2023 vs. $1,304,725 in fiscal year 2022 due to decreased liability for FRS.

9. The District adheres to the provisions of Governmental Accounting Standards Board Statement No. 68 *"Accounting and Financial Reporting for Pensions"* (Statement No. 68). This accounting standard requires the District to annually report its actuarially determined net pension liability. It also requires additional disclosure in the notes related to the financial statements.

10. Effective September 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75 *"Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (OPEB)"* (Statement No. 75). This accounting standard requires the District to annually report its actuarially determined total OPEB liability.

11. Effective September 30, 2023, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 96 "Subscription – Based Information Technology Arrangements (SBITA's)" (Statement No.96). This accounting standard requires the District to annually report its right of use – subscription asset and liability.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 5 and 6) are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively using all resources available for that purpose and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Position (page 5) presents information on all of the District's assets, deferred outflows/inflows and liabilities with the difference being reported as net position. The District's capital assets are included in this statement and reported net of their accumulated depreciation.

Condensed Statement of Net Position-Governmental Activities
September 30

	2023	2022	2021
Assets:			
Current and Other Assets	$1,744,544	$1,647,893	$1,462,136
Capital Assets, net	830,233	707,394	644,213
Right of Use – Subscription Asset	9,104	-	-
Total Assets	2,583,881	2,355,287	2,106,349
Deferred Outflows of Resources	524,620	477,712	294,674
Liabilities:			
Current Liabilities	236,860	218,109	158,185
Non-Current Liabilities	1,785,085	1,505,515	693,072
Right of Use – Subscription Liability	9,104	-	-
Total Liabilities	2,031,049	1,723,624	851,257
Deferred Inflows of Resources	82,572	98,935	748,315
Net Position:			
Net Investment in Capital Assets	657,642	495,192	393,721
Unrestricted	337,238	485,248	407,730
Total Net Position	$ 994,880	$ 980,440	$ 801,451

For the year ended September 30, 2022, current and other assets represented 70% of total assets. Current assets are comprised of unrestricted cash and investment balances totaling $1,504,403, restricted cash and investment balances totaling $114,957, due from other governments of $27,953 and other receivable of $580. The balance of unrestricted cash and investments represents amounts that are available for use at the discretion of the Board of Commissioners of the District. Restricted cash and investment balances are comprised of the impact fee fund and is restricted for the purchase of capital assets required due to growth.

For the year ended September 30, 2023, current and other assets represented 68% of total assets. Current assets are comprised of unrestricted cash and investment balances totaling $1,578,981, restricted cash and investment balances totaling $146,518, due from other governments of $10,447, right of use – subscription asset $8,598 and other receivable of $0. The balance of unrestricted cash and investments represents amounts that are available for use at the discretion of the Board of Commissioners of the District. Restricted cash and investment balances are comprised of the impact fee fund and is restricted for the purchase of capital assets required due to growth.

At September 30, 2022 net investment in capital assets is $495,192, which represents 51% of net position and is comprised of land, construction in progress, buildings, equipment and machinery, net of accumulated depreciation and the outstanding related debt used to purchase the assets.

At September 30, 2023 net investment in capital assets is $657,642, which represents 66% of net position and is comprised of land, construction in progress, buildings, equipment and machinery, net of accumulated depreciation and the outstanding related debt used to purchase the assets.

At September 30, 2022 the balance of unspent proceeds from impact fees was $134,585. The unrestricted net position balance of $485,248 represents resources available for spending.

At September 30, 2023 the balance of unspent proceeds from impact fees was $148,671. The unrestricted net position balance of $337,238 represents resources available for spending.

The Statement of Activities (page 6) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when incurred).

Governmental Fund Financial Statements

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

Governmental fund financial statements (found on pages 7 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting revenues are recognized when they become measurable and available as current assets.

Notes to Financial Statements

The notes to the financial statements explain in detail certain of the data contained in the preceding statements and begin on page 11. These notes are essential to the 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's financial condition is better or worse than the prior year. The following is a comparative summary of revenues, expenses and changes in net position.

Summary of Revenues, Expenses and Changes in Net Position
Years Ended September 30

	2023	2022	2021
Revenues:			
General Revenues			
AdValorem Taxes	$1,681,015	$ 1,444,499	$1,043,729
Impact Fees	-	-	-
Interest	51,042	7,395	3,847
Insurance proceeds	1,736	-	-
Donations/other	11,235	17,212	9,177
Gain (loss) on disposition of capital assets	(1,839)	497	(3,500)
Program Revenues			
Inspection Fees	-	-	-
Supplemental income	2,227	532	423
Grants & Contributions	26,862	13,579	8,080
Total Revenues	1,772,278	1,483,714	1,061,756
Expenses:			
Public Safety-Fire & Protection			
Personnel Services	1,321,404	934,180	626,057
Operating Expenses	367,394	305,321	182,302
Depreciation	61,719	56,583	54,561
Interest and fiscal charges	7,321	8,641	9,251
Total Expenses	1,757,838	1,304,725	872,171
Increase (Decrease) Net Position	14,440	178,989	189,585
Net Position, Beginning	980,440	801,451	611,866
Net Position, End of the year	$ 994,880	$ 980,440	$ 801,451

Fund Balance-Governmental Fund Financial Statements

Staff has worked hard, by regulating expenditures, in an effort to meet the Board of Fire Commissioners' directive to conserve the fund balance and cash reserves within the General Fund to solidify the District's financial position. Due to the result of years of declining ad valorem tax proceeds the General Fund balance decreased by $59,372 during the year ended September 30, 2016. However, during the year ended September 30, 2017, the ad valorem tax proceeds increased and therefore its general fund balance increased by $5,738. For the year ended September 30, 2018 ad valorem tax revenue increased by $58,801 and general fund balance increased by $291,111. This increase was partially due to the collection of insurance proceeds from Irma of $227,635. For the year ended September 30, 2019, the District's general fund balance increased by $187,863. For the year ended September 30, 2020, the District's general fund balance increased by $116,382. For the year ended September 30, 2021, the District's general fund balance increased by $35,455. For the year ended September 30, 2022, the District's general fund balance increased by $127,154. The general fund balance was $1,519,375 at September 30, 2022. For the year ended September 30, 2023, the District's general fund increased by $90,337. The general fund balance was $1,609,712 at September 30, 2023.

Impact Fees
Impact fee receipts for fiscal year 2022 were $32,060 vs. $26,788 for fiscal year 2021. As such, at September 30, 2022 and 2021, the Impact Fee continued to owe the General Fund a total of $49,980 as the Impact Fee Fund borrowed the monies from the General Fund to service a capital lease in prior years.

Impact fee receipts for fiscal year 2023 were $14,086 vs. $32,060 for fiscal year 2022. As such, at September 30, 2023 and 2022, the Impact Fee continued to owe the General Fund a total of $49,980 as the Impact Fee Fund borrowed the monies from the General Fund to service a capital lease in prior years.

Budgetary Highlights 2023
Budget versus actual comparisons are reported in the required supplementary information other than management discussion and analysis on pages 51 through 55. In the General Fund, ad valorem tax revenue collections were $52,038 higher than the budgeted amount, and more than the prior year amount by $236,516. Specifically, ad valorem revenue was up as assessed values have continued to increase. Operating costs (expenditures) increased by $327,117 compared to the prior year due to increased employee compensation, FRS increase and increase repairs and maintenance.

Capital Assets
Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, equipment and machinery.

The following is a schedule of the District's capital assets at September 30:

	2023	2022	2021
Non-Depreciable Capital Assets			
Construction in Progress	$ -	$ -	$ -
Land	46,611	46,611	46,611
Total Non-Depreciable Capital Assets	46,611	46,611	46,611
Depreciable Capital Assets			
Building, equipment and machinery	1,482,504	1,482,954	1,365,587
Accumulated Depreciation	(698,882)	(822,171)	(767,985)
Depreciable Capital Assets – Net	783,622	660,783	597,602
Capital-Assets, Net of Depreciation	$ 830,233	$ 707,394	$ 644,213

Significant capital asset purchases during fiscal years September 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015, include:

2023 – Chief's vehicle $69,937, various equipment $57,594, pole barn floor $15,280 and cascade system $43,586.
2022 – Pole barn improvements $21,500, station generator $31,459, air packs $30,715, storage shed $7,943, fencing of $7,040, a donated boat and motor of $15,000 and exercise equipment of $6,111.
2021 – Radios of $52,717, building improvements of $27,406, other equipment of $16,714.
2020 - $323,173 engine/pumper, $67,438 in building remodel, $18,000 in various equipment.
. 2019 - $10,000 new boat motor and $4,233 for communications equipment.
2018 - $18,400 Station Doors, $30,000 hurst tools, $2,700 defibrillator, $3,619 tools.
2017 - $4,771 sidewinder monitor and $1,175 hose reel.
2016 - $3,292 ice maker.
2015 - $6,355 gas meter, 3 air bags and rescue air portable – all of which were donated.

Debt Administration
As of September 30, 2022, the District has outstanding liabilities of $1,505,515. Liabilities consist of:

Capital Lease payable in the amount of $172,591. Annual payments began December 15, 2020, of $46,932 including interest. Final payment is due during fiscal year ending September 30, 2027 in the amount of $46,932.

Accumulated unpaid Compensation (accrued vacation time) in the amount of $27,801 and $29,348, at September 30, 2022 and 2021, respectively.

Net OPEB liability of $71,554 and $95,957 at September 30, 2022 and 2021, respectively.

Net pension liability of $1,233,569 and $355,565 at September 30, 2022 and 2021, respectively.

As of September 30, 2023, the District has outstanding liabilities of $1,796,155. Liabilities consist of:

Capital Lease payable in the amount of $131,613. Annual payments began December 15, 2020, of $46,932 including interest. Final payment is due during fiscal year ending September 30, 2027 in the amount of $46,932.

Accumulated unpaid Compensation (accrued vacation time) in the amount of $27,801 and $23,924, at September 30, 2022 and 2023, respectively.

Net OPEB liability of $71,554 and $76,640 at September 30, 2022 and 2023, respectively.

Net pension liability of $1,233,569 and $1,563,978 at September 30, 2022 and 2023, respectively.

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 not adjust the millage rate of 3.75 mills ($3.75 per $1,000 of value) for fiscal year ending September 30, 2024. The District anticipated essentially no increase in assessed property values for fiscal year 2024. The District budgeted no significant change to the 2024 vs. 2023 budget except for a personnel increase of approximately $118,000. The District budgeted a reduction of operating expenditures versus 2023 due to less anticipated repair and maintenance expense and a reduction of approximately $50,000 in capital outlay. The District budgeted to use no fund balance reserves to fund the fiscal year cost of operations and to recognize no revenue in excess of expenditures.

The District's voters approved a referendum to increase the ad valorem tax millage cap to 3.75 mills, from 3.00 mills, in November 2020 effective for fiscal year 2022. The District did assess its ad valorem tax at 3.75 mills for the fiscal years 2022 and 2023.

Other Factors
The District continues to closely monitor expenditures. The District expects ad valorem proceeds to essentially remain at 2023 levels for fiscal year end 2024 vs, 2023. The District continues to delay its expansion of Station #1 until the local economy rebuilds. However, it is unknown how the current pandemic may affect property values or the public's ability to pay taxes levied.

Request for Information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to Jean Etcheverry, Chief, Alva Fire Control and Rescue Service District, 2660 Styles Road, Alva, Florida, 33920, telephone number (239) 728-2223.

ALVA FIRE CONTROL AND RESCUE SERVICE DISTRICT
STATEMENT OF NET POSITION
September 30, 2023

		Governmental Activities
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	$	1,452,386
Cash and cash equivalents - restricted		146,331
Investments - unrestricted		126,595
Investments - restricted		187
Due from other governments		10,447
Other receivables		-
Right of use subscription asset, current		8,598
Total current assets		1,744,544
Noncurrent assets:		
Right of use subscription asset, net of current		9,104
Capital assets:		
Land		46,611
Construction in progress		-
Depreciable buildings, equipment and machinery (net of $698,882 accumulated depreciation)		783,622
		839,337
TOTAL ASSETS		2,583,881
DEFERRED OUTFLOWS OF RESOURCES		524,620
LIABILITIES		
Current liabilities:		
Accounts payable		1,906
Accrued expenses		25,637
Unearned revenue - impact fees		148,671
Current portion of long-term obligations		52,048
Right of use subscription liability, current		8,598
Total current liabilities		236,860
Noncurrent liabilities:		
Noncurrent portion of long-term obligations		1,785,085
Right of use subscription liability, net of current		9,104
TOTAL LIABILITIES		2,031,049
DEFERRED INFLOWS OF RESOURCES		82,572
NET POSITION		
Net investment in capital assets		657,642
Restricted for:		
Capital projects		-
Unrestricted		337,238
TOTAL NET POSITION	$	994,880

The accompanying notes are an integral part of this statement.

ALVA FIRE CONTROL AND RESCUE SERVICE DISTRICT

STATEMENT OF ACTIVITIES

Year Ended September 30, 2023

	Governmental Activities
EXPENSES	
Governmental Activities	
Public Safety - Fire Protection	
Personnel services	$ 1,321,404
Operating expenses	367,394
Depreciation	61,719
Interest and fiscal charges	7,321
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	1,757,838
PROGRAM REVENUES	
Charges for services - inspection fees	-
Firefighter supplemental income	2,227
Operating grants and contributions	21,862
Capital grants and contributions	5,000
NET PROGRAM EXPENSES	1,728,749
GENERAL REVENUES	
Ad valorem taxes	1,681,015
Impact fees	-
Interest	51,042
Donations and other	12,971
Gain (Loss) on disposition of capital assets	(1,839)
TOTAL GENERAL REVENUES	1,743,189
INCREASE (DECREASE) IN NET POSITION	14,440
NET POSITION - Beginning of the year	980,440
NET POSITION - End of the year	$ 994,880

The accompanying notes are an integral part of this statement.

ALVA FIRE CONTROL AND RESCUE SERVICE DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

	General Fund	Impact Fee Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 1,452,386	$ 146,331	$ 1,598,717
Investments	126,595	187	126,782
Due from other funds	49,980	-	49,980
Due from other governments	8,294	2,153	10,447
Other receivables	-	-	-
TOTAL ASSETS	$ 1,637,255	$ 148,671	$ 1,785,926
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	$ 1,906	$ -	$ 1,906
Accrued expenses	25,637	-	25,637
Due to other funds	-	49,980	49,980
Unearned revenue	-	148,671	148,671
TOTAL LIABILITIES	27,543	198,651	226,194
FUND BALANCE			
Nonspendable	49,980	(49,980)	-
Assigned for emergency/disaster	97,500	-	97,500
Assigned for operations	300,000	-	300,000
Assigned for building	435,000	-	435,000
Assigned for OPEB	71,554	-	71,554
Assigned for equipment	332,600	-	332,600
Unassigned (deficit)	323,078	-	323,078
TOTAL FUND BALANCE	1,609,712	(49,980)	1,559,732
TOTAL LIABILITIES AND FUND BALANCE	$ 1,637,255	$ 148,671	$ 1,785,926

The accompanying notes are an integral part of this statement.

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

		Amount
Total fund balance for governmental funds		$ 1,559,732
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Right of use-subscription asset	17,702	
		17,702
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	46,611	
Construction in progress	-	
		46,611
Governmental capital assets being depreciated:		
Building, equipment and machinery	1,482,504	
Less accumulated depreciation	(698,882)	
		783,622
Deferred outflows and deferred inflows are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pensions	510,149	
Deferred outflows related to net OPEB liability	14,471	
		524,620
Deferred inflows related to pensions	(53,740)	
Deferred inflows related to net OPEB liability	(28,832)	
		(82,572)
Right of use-subscription liability	(17,702)	
		(17,702)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Less: capital lease payable	(172,591)	
Less: net OPEB liability	(76,640)	
Less: compensated absences	(23,924)	
Less: net pension liability - FRS	(1,298,387)	
Less: net pension liability - HIS	(265,591)	
		(1,837,133)
Elimination of interfund amounts:		
Due to other funds	49,980	
Due from other funds	(49,980)	
		-
Total net position of governmental activities		$ 994,880

The accompanying notes are an integral part of this statement.

ALVA FIRE CONTROL AND RESCUE SERVICE 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	$ 1,681,015	$ -	$ 1,681,015
Intergovernmental revenues:			
Firefighter supplemental income	2,227	-	2,227
Grants	26,862	-	26,862
Fees:			
Inspection fees	-	-	-
Impact fees	-	-	-
Miscellaneous:			
Donations and other	12,971	-	12,971
Interest	51,042	-	51,042
TOTAL REVENUES	1,774,117	-	1,774,117
EXPENDITURES			
Current			
Public safety			
Personnel services	1,083,057	-	1,083,057
Operating expenditures	367,394	-	367,394
Capital outlay	186,397	-	186,397
Debt service			
Principal reduction	39,611	-	39,611
Interest and fiscal charges	7,321	-	7,321
TOTAL EXPENDITURES	1,683,780	-	1,683,780
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	90,337	-	90,337
OTHER FINANCING SOURCES (USES)			
Proceeds from capital lease	-	-	-
Proceeds from disposition of capital assets	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	90,337	-	90,337
FUND BALANCE (DEFICIT) - Beginning of the year	1,519,375	(49,980)	1,469,395
FUND BALANCE (DEFICIT) - End of the year	$ 1,609,712	$ (49,980)	$ 1,559,732

The accompanying notes are an integral part of this statement.

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

		Amount
Net change (excess revenues and other financing sources over expenditures and other financing uses) in fund balance - total governmental funds		$ 90,337
The increase (change) in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also the gain (loss) on the sale of capital assets is recorded on the Statement of Activities but not in the governmental funds.		
Plus: expenditures for capital assets	186,397	
Less: current year depreciation	(61,719)	
Less: loss on disposition of capital assets	(1,839)	
		122,839
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.		
Proceeds from capital lease	-	
Principal payments on capital lease	39,611	
		39,611
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 net OPEB liability	(5,086)	
Increase/(decrease) in deferred outflow - OPEB	(1,611)	
(Increase)/decrease in deferred inflow - OPEB	2,054	
(Increase)/decrease in compensated absences	3,877	
(Increase)/decrease in net pension liability - FRS	(220,671)	
(Increase)/decrease in net pension liability - HIS	(109,738)	
Increase/(decrease) in deferred outflow - pensions	78,519	
(Increase)/decrease in deferred inflow - pensions	14,309	
		(238,347)
Increase (decrease) in net position of governmental activities		$ 14,440

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Alva Fire Control and Rescue Service District (the "District") formed as Alva Fire Protection and Rescue Service District as an independent special district established on June 26, 1976 by Laws of Florida, Chapter 76-413, as amended by Laws of Florida, Chapter 90-388, under the provisions of Florida Statute 633, and as further amended by Laws of Florida, Chapter 97-340. Laws of Florida, Chapter 2000-455 codified, reenacted, amended and repealed its prior enabling acts. The District's codified enabling act Laws of Florida, Chapter 2000-455 was amended by Laws of Florida Chapter 2017-210 which slightly expanded the District's boundary and respective tax base. The District, also, has the general and special powers prescribed by Florida Statutes, Chapters 189, 191, 200 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 a designated area in eastern Lee County, Florida. The District is governed by an at-large elected five (5) member Board of Commissioners serving staggered four (4) year terms. The District operates one (1) fire house and has approximately eleven (11) employees.

Summary of Significant Accounting Policies

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

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

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reporting Entity, continued

the elected officials of the primary government are financially accountable. The District does have one related (component unit) entity, The Alva Volunteer Fire Department, Inc. (the "Volunteers"), The Alva Volunteer Fire Department, Inc. is a Florida not-for-profit that exclusively fundraises for the District. From the funds it raises it either donates cash or equipment it purchases to the District. It also assists with recruiting volunteers to assist the District personnel in its mission. The assets, liabilities and equity of Volunteers are not considered material to warrant inclusion and disclosure at September 30, 2023. Based on the criteria established in GASB 14, as amended, there are no component units required to be included or included in the District's basic financial statements.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

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

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reported as expenditures. Proceeds of

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

long-term debt are recorded as liabilities in the government-wide financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements rather than as expenditures.

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

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

Fund Financial Statements

The District adheres to GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". Essentially, this GASB statement required adoption of a fund balance policy and certain fund balance classifications.

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, 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 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds

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

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 No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments" (GASB Statement No. 34). 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 basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

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

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

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 (60) days of the end of the current fiscal period.

Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty (60) days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt, if any, is recognized when due; and (2) 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.

Non-current Government Assets/Liabilities

GASB Statement No. 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes payable and capital leases, to be reported in the governmental activities column in the government-wide Statement of Net Position.

Major 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 the Impact Fee fund.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Major Funds, continued

The Impact Fee Fund consists of fees imposed by the District and collected by Lee County 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.

Budgetary Information

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

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.

Capital Assets

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

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of $5,000 or more and have a useful life in excess of one year.

All capital assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than building, 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 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.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets, continued

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.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenses in the government-wide financial 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	20-30
Equipment and Machinery	3-20

Budgets and Budgetary Accounting

The District has adopted an annual budget for the General Fund and 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.
4. Budget amounts, as shown in these financial statements, are as originally adopted or as amended by the Board of Commissioners.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, continued

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 was one budget amendment approved by the Board of Commissioners during the year ended September 30, 2023, for the General Fund. The amendment increased the budgeted carryforward and reserves amount by $80,234. There were no budget amendments to the Impact Fee Fund during the year ended September 30, 2023.

Impact Fees/Unearned Revenue

Through an interlocal agreement, the District levies an impact fee on new construction within the District. The intent of the fee is for growth within the District to pay for capital improvements needed due to the growth. The fee is collected by Lee County and remitted to the District. The fee is refundable if not expended by the District within twenty (20) years from the date of collection. The District, 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 as 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.

Due From Other Governments

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

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated Absences

The District's employees accumulate annual leave (vacation) 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 up to one year's vacation time. Accrued unused sick time up to 106 hours is only paid upon retirement with at least 25 years of service and at least 15 years of those years with the District. The costs of vacation and sick leave are expended in the respective operating funds when payments are made to employees. However, the liability for all accrued vacation (not including sick time) is recorded in the government-wide Statement of Net Position. Accumulated sick time is not due or payable upon termination except as noted above.

Encumbrances

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

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and 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

In the government-wide financial statements no net position has 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 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Balances

The governmental fund financial statements the District maintains include nonspendable, assigned and unassigned fund balances consistent with its fund balance policy. 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. The District's fund balance intent is to maintain a minimum assigned fund balance level of three (3) 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 assigned fund balance requires the District's Board approval.

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. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as reduction of expenditures/expenses in the fund that is reimbursed.

Subsequent Events

Subsequent events have been evaluated through February 19, 2024, which is the date the basic financial statements were available to be issued.

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

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Pensions, continued

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 employees contributions) are recognized when due and payable in accordance with the benefit terms.

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

Deferred Outflows/Inflows of Resources

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

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 pensions and OPEB through the plans except earnings which are amortized over five to seven years.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING

New Accounting Standard - Leases

During the year ended September 30, 2022, 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 office equipment lease agreement to be immaterial, therefore, did not meet the recording criteria of GASB Statement No. 87 at September 30, 2023.

New Accounting Guidance

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

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

NOTE B - CASH AND CASH EQUIVALENTS

At September 30, 2023, cash and cash equivalents were $1,598,717, which was comprised of $1,452,386 in the General Fund (including cash on hand of $200) and $146,331 in the Impact Fee Fund. The Impact Fee Fund cash was restricted for capital acquisition and/or improvement due to growth within the District.

Deposits

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

At September 30, 2023, the carrying amount of the District's deposits were $1,452,186 and $146,331 in the General Fund and Impact Fee Fund, respectively. The bank balances were $1,504,558 and $146,329 in the General Fund and Impact Fee Fund, respectively. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute 280).

NOTE C - INVESTMENTS

Florida Statutes and the District's investment policy authorize investments in the Local Government Surplus Funds Trust Fund (SBA) administered by the State Board of Administration. At September 30, 2023, the District's investments in the Local Government Surplus Funds Trust Fund consist of the following:

	Cost Basis	Fair Value (NAV)/ Carrying Amount
General Fund		
Local Government Surplus Trust Fund (SBA)		
Fund "A" (LGIP) Prime	$ 126,595	$ 126,595
Total investments - General Fund	126,595	126,595
Impact Fee Fund		
Local Government Surplus Trust Fund (SBA)		
Fund "A" (LGIP) Prime	187	187
Total investments - Impact Fee Fund	187	187
Total investments	$ 126,782	$ 126,782

NOTE C - INVESTMENTS, CONTINUED

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, 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 $126,782 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

NOTE C - INVESTMENTS, CONTINUED

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."

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.

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

Restricted Investments

These investments were comprised of impact fees collected, which were restricted for capital asset acquisition and/or improvement due to growth within the District.

NOTE D - DUE TO/FROM OTHER FUNDS

Interfund receivables and payables at September 30, 2023, were:

	Due From Other Funds	Due To Other Funds
General Fund:		
Impact Fee	$ 49,980	$ -
Total General Fund	49,980	-
Special Revenue Fund:		
Impact Fee:		
General	-	49,980
Total Special Revenue Fund	-	49,980
Total	$ 49,980	$ 49,980

Interfund receivables and payables were eliminated for presentation purposes in the Statement of Net Position at September 30, 2023. These amounts are expected to be repaid upon the District's receipt of Impact Fees which may be longer than one year.

NOTE E - CAPITAL ASSETS ACTIVITY

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

	Balance October 1 2021	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30 2022
Capital Assets Not Being Depreciated:					
Land	$ 46,611	$ -	$ -	$ -	$ 46,611
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	46,611	-	-	-	46,611
Capital Assets Being Depreciated:					
Buildings	413,728	58,866	-	-	472,594
Equipment & Machinery	1,069,226	127,531	(186,847)	-	1,009,910
Total Capital Assets Being Depreciated	1,482,954	186,397	(186,847)	-	1,482,504
Less Accumulated Depreciation:					
Buildings	(222,173)	(13,197)	-	-	(235,370)
Equipment & Machinery	(599,998)	(48,522)	185,008	-	(463,512)
Total Accumulated Depreciation	(822,171)	(61,719)	185,008	-	(698,882)
Total Capital Assets Being Depreciated, Net	660,783	124,678	(1,839)	-	783,622
Capital Assets, Net	$ 707,394	$ 124,678	$ (1,839)	$ -	830,233
				Related debt	(172,591)
				Net investment in capital assets	$ 657,642

NOTE E - CAPITAL ASSETS ACTIVITY, CONTINUED

Depreciation expense for the year ended September 30, 2023 was $61,719.

The District has capital assets held under the financing lease with a total cost of $323,173 at September 30, 2023. The capital assets held under financing lease had accumulated depreciation of $77,202 and depreciation expense of $21,545 as of and for the year ended September 30, 2023.

NOTE F - LONG-TERM LIABILITIES

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

	Balance October 1 2022	Additions	Retirements / Adjustments	Balance September 30 2023	Amounts Due Within One Year
Financing lease payable	$ 212,202	$ -	$ (39,611)	$ 172,591	$ 40,978
Line of credit	-	-	-	-	-
Net OPEB Liability	71,554	5,086	-	76,640	-
Compensated Absences	27,801	-	(3,877)	23,924	11,070
Net Pension Liability - FRS	1,077,716	220,671	-	1,298,387	-
Net Pension Liability - HIS	155,853	109,738	-	265,591	-
	$ 1,545,126	$ 335,495	$ (43,488)	$ 1,837,133	$ 52,048

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

	Amount
The District entered into a seven (7) year $288,173 financing lease agreement on January 15, 2020. Annual payments are $46,932 including fixed interest of 3.45%. Payments began on December 15, 2020 with a final payment due December 15, 2026. The lease agreement is collateralized by the respective pumper truck.	$ 172,591
$500,000 revolving line of credit (LOC) payable to financial institution with interest at fixed rate of 5.0% per annum, collateralized by non ad valorem and other revenues. LOC matures on December 1, 2024. At September 30, 2023, there was no balance outstanding. No amounts were borrowed during the year ended September 30, 2023.	-
Net OPEB liability. Actuarially determined per GASB Statement No. 75.	76,640

NOTE F - LONG-TERM LIABILITIES, CONTINUED

Non-current portion of compensated absences. Employees of the District are entitled to paid annual (vacation and comp time) leave based on length of service and job classification.	23,924
Net pension obligation - FRS pension plan. This amount is actuarially determined per GASB Statement No. 68.	1,298,387
Net pension obligation - HIS plan. This amount is actuarially determined per GASB Statement No. 68.	265,591
	1,837,133
Less: Current portion	(52,048)
	$ 1,785,085

Interest expense incurred for the year ended September 30, 2023 was $7,321.

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

Years Ending September 30	Total Principal	Total Interest	Total
2024	$ 40,978	$ 5,954	$ 46,932
2025	42,392	4,541	46,933
2026	43,854	3,078	46,932
2027	45,367	1,565	46,932
Total capital lease	172,591	15,138	187,729
Net OPEB obligation	76,640	-	76,640
Accrued compensated absences	23,924	-	23,924
Net Pension Liability - FRS	1,298,387	-	1,298,387
Net Pension Liability - HIS	265,591	-	265,591
Total Long-Term Debt	$ 1,837,133	$ 15,138	$ 1,852,271

NOTE G - 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

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

General Information about the Florida Retirement System, continued

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, $420,852 for the year ended September 30, 2023, is recorded in the government-wide financial statements. Total District retirement actual contribution expenditures were $183,271, $144,571 and $109,527 for the years ended September 30, 2023, 2022 and 2021, respectively. The District contributed 100% of the required contributions.

NOTE G - 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 G - 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

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

FRS Pension Plan, continued

Class, Initial Enrollment, and Retirement Age/Years of Service	%Value
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

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

* As defined by the Plan.

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

FRS Pension Plan, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan. At September 30, 2023, the District reported a FRS pension liability of $1,298,387 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At September 30, 2023, the District's proportionate share was .003258445 percent, which was an increase of .000361984 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 $395,601. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 121,907	$ -
Change of assumptions	84,637	-
Net difference between projected and actual earnings on pension plan investments	54,224	-
Changes in proportion and differences between District contributions and proportionate share of contributions	151,365	23,597
District contributions subsequent to the measurement date	43,521	-
Total	$ 455,654	$ 23,597

The deferred outflows of resources related to the FRS pensions, totaling $43,521, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense, over a remaining service period of 5.3 years as follows:

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

FRS Pension Plan, continued

Fiscal Year Ending September 30	Amount
2024	$ 91,302
2025	91,302
2026	91,302
2027	91,302
2028	77,746
Thereafter	(54,418)
Total	$ 388,536

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.

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:

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

FRS Pension Plan, continued

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
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 was 7.58% for the year ended June 30, 2023.

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.

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) that 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	$ 2,217,910	$ 1,298,387	$ 529,097

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

FRS Pension Plan, continued

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 Comprehensive Annual Financial Report (FRS CAFR) dated June 30, 2023.

The FRS CAFR 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 $5,482 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2023.

HIS Plan

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

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

HIS Plan, continued

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the year ended September 30, 2023, the contribution rate ranged between 1.66 percent and 2.0 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2023, the District reported a HIS net pension liability of $265,591 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 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 .001672347 percent, which was an increase of .000200873 percent from its proportionate share measured as of September 30, 2022.

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

HIS Plan, continued

For the fiscal year ended September 30, 2023, the District recognized HIS expense of $25,251. 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	$ 3,888	$ 623
Change of assumptions	6,982	23,014
Net difference between projected and actual earnings on HIS pension plan investments	137	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	40,338	6,506
District contributions subsequent to the measurement date	3,150	-
Total	$ 54,495	$ 30,143

The deferred outflows of resources related to HIS, totaling $3,150, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 6.3 years as follows:

Fiscal Year Ending September 30	Amount
2024	$ 4,008
2025	4,008
2026	4,008
2027	4,009
2028	3,974
Thereafter	1,195
Total	$ 21,202

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

HIS Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2022, 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	$ 302,998	$ 265,591	$ 234,583

NOTE G - 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 Comprehensive Annual Financial Report (FRS CAFR) dated June 30, 2023.

The FRS CAFR 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 $350 for the outstanding amount of contributions to the HIS plan required for the fiscal ended September 30, 2023.

FRS - Defined Contribution Pension Plan

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

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

NOTE G - 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 the plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-23 fiscal year were as follows:

	Percent of Gross Salary*		
Class	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	6.3	8.3
Florida Retirement System, Senior Management Service	3.00	7.67	9.67
Florida Retirement System, Special Risk	3.00	14.0	16.0
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	11.34	13.34

Notes:
(1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/22 - 6/30/23.
(2) Contribution rates are dependent upon retirement class in which reemployed.
(3) Employer rates include 2.0 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/23 - 6/30/24.
* As defined by the Plan.

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

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

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

FRS - Defined Contribution Pension Plan, continued

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

The District's Investment Plan pension expense totaled $9,098 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.

Other Post Employment Benefits

The District provides the opportunity to obtain post retirement health care benefits to eligible employees. Upon retirement from the District and becoming a recipient of monies from the State of Florida Retirement Trust Fund (FRS), eligible retired employees are qualified for continued health insurance benefits. As such, the District acts as agent for the eligible retired employees and pays their medical insurance premiums, but is required to be reimbursed, by the retiree, 100% of the premiums paid by the District on their behalf.

NOTE H - PROPERTY TAXES

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

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, $8,294 was recorded in the general fund and 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 $3.75 per $1,000 (3.75 mills) of the 2022 net taxable value of real property located within the District.

NOTE I - FUND BALANCE

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

Nonspendable	Amount
Due from impact fee fund	$ 49,980
Assigned fund balance	
Emergency/disaster (30 days all-out)	97,500
Operations (3 months operations)	300,000
Building	435,000
OPEB	71,554
Equipment	332,600
Total Assigned fund balance	1,236,654
Unassigned	323,078
	$ 1,609,712

NOTE J - 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	$ 134,585
Impact fee receipts	11,378
Due from other governments	2,153
Interest receipts	555
Capital outlay	-
Principal reduction	-
Interest and fiscal charges	-
Bank charges	-
Due to general fund	-
Unearned revenue, September 30, 2023	$ 148,671

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

Pursuant to the provisions of Section 112.08, Florida Statutes, the District's defined contribution single employer OPEB Plan provides the opportunity to obtain insurance (health and life) benefits to its retired employees. The District administers the OPEB Plan. The year ended September 30, 2018, was the District's transition year and as such, the District implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". GASB Statement No. 75 requires the District to annually record its actuarially determined total OPEB liability. The District's defined contribution OPEB Plan provides the opportunity to obtain health, dental and vision benefits to its retired employees. 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 was 1 retiree receiving these benefits and 11 active employees. The benefits are provided both with and without contractual agreements.

The retiree is eligible for benefits under the District's health plan, but is obligated to reimburse the District for 100% of the cost of the retiree's health coverage. As such, the District has no ultimate obligation (explicit obligation) for the retiree's health insurance premium. The District acts as agent for the retiree on a pay-as-you-go basis and recognizes expenditures at the time the premiums are due. The District does, however, incur the cost of premium rate being increased on its active employees due to providing coverage to its retirees (implicit obligation).

The retiree's approximate premiums for these health care benefits totaled $7,584 during the year ended September 30, 2023, of which the District paid $0 in explicit subsidies.

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 did, however, assign a portion of its fund balance in the amount of $71,554 to offset a portion of the future OPEB costs. 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.

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

Actuarial Methods and Assumptions

At September 30, 2023, the District's net OPEB liability of $76,640 was measured as of September 30, 2023, and was determined by an actuarial valuation as of October 1, 2022 based on October 1, 2022 participant data. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Salary Increases		Attributable to inflation
Discount Rate	(FY23 4.63%) (FY22 4.4%) (FY19 2.75%) (FY18 3.83%)	(FY21 2.19%) (FY20 2.41%)
Inflation Rate		2.50%

Annual healthcare cost trend using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions with an initial rate of 6.0% per year trending to 4.64% by 2050.

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

Entry age normal cost method was used.

The FRS salary scale was used

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

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 at July 1, 2021.

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

Demographic Assumptions

Termination assumptions mirror the Florida Retirement System's special risk employees' termination assumptions as reported in the FRS 2021 actuarial valuation report. No disability assumption was made.

Assumption Changes

Changes of Assumptions	The discount rate was changed as follows:
9/30/23	4.63%

Population covered by Plan: 9 active 1 retiree
Medical trend was updated to latest model from SOA and excludes Cadillac tax,
The mortality improvement scale was updated to MP-2021
The retirement, disability, salary scale and termination assumptions were updated to the most recent FRS valuation.
Plan has no specific trust established. $71,554 assigned for OPEB at September 30, 2023.

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

Changes in the Net OPEB Liability	Amount
Balance at September 30, 2022	$ 71,554
Changes for the year:	
Service Cost	6,065
Interest	3,086
Changes in Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions	(1,217)
Contributions from Employer	(2,848)
Net Changes	5,086
Balance at September 30, 2023	$ 76,640

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 3.63%	Current Rate 4.63%	1% Increase 5.63%
Net OPEB Liability	$ 82,038	$ 76,640	$ 71,535

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	$ 68,620	$ 76,640	$ 86,186

For the year ended September 30, 2023, the District recognized OPEB expense of $7,491. 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	$ 7,630	$ 12,065
Changes in Assumptions	6,841	16,767
Net difference between projected and actual earnings	-	-
Employer contribution subsequent to measurement date	-	-
Total	$ 14,471	$ 28,832

NOTE K - 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:

Year Ended September 30:	Amount
2024	$ (1,660)
2025	(1,660)
2026	(1,660)
2027	(1,660)
2028	(1,658)
Total Thereafter	(6,063)
	$ (14,361)

NOTE L - 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 and property are covered by commercial insurance. The District retains the risk of loss up to a deductible amount (starting at $250) with the risk of loss in excess of this amount transferred to the insurance carrier with limits of general liability of $1,000,000 per occurrence and $2,000,000 in the aggregate. The District is third party insured for employee health, dental and vision, as well as workers compensation.

NOTE M - DEFICIT FUND BALANCE - IMPACT FEE FUND

During the year ended September 30, 2008, the District's Impact Fee Fund borrowed $17,718 from the General Fund to assist in payment of its debt service obligation. Similar borrowings from the General Fund totaling $12,206 (net) were made in the year ended September 2007 to assist the Impact Fee Fund with its debt service obligations.

NOTE M - DEFICIT FUND BALANCE - IMPACT FEE FUND, CONTINUED

During the year ended September 30, 2009, the District's Impact Fee Fund borrowed an additional $20,056 from the General Fund to assist in payment of its debt service obligation, resulting in a Due to General Fund balance of $49,980 at September 30, 2009.

The District intends to repay the General Fund through future collections of impact fees. The "Due to the General Fund" liability amount recorded in the Impact Fee Fund at September 30, 2023 of $49,980 results in a deficit fund balance in the Impact Fee Fund. The deficit will be reduced and ultimately eliminated as future impact fee collections are used to repay the General Fund.

NOTE N - COMMITMENTS

The District is involved from time to time in certain routine litigation, the substance of which either as liabilities or recoveries, would not materially affect the financial position of the District. Although the final outcome of the lawsuits, assertions and claims or the exact amount of costs and/or potential recovery is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a materially adverse effect on the financial condition of the District. As a general policy, the District plans to contest any such matter.

On January 15, 2024, the District entered into a financing lease-purchase agreement for a 3000 Gallon Tanker. The total financing lease amount is $400,000, to be paid in 10 annual payments of $53,350. Payments begin October 15, 2024 with an interest rate of 5.89%. The District expects to take delivery upon final inspection of the tanker in April 2024.

NOTE O - 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 5.89% (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.

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

Years Ending September 30	Amount
2024	$ 9,640
2025	9,640
	19,280
Impact of present value discount	(1,578)
Present value	$ 17,702

The amortization of the right of use - subscription liability for the year ended September 30, 2023 was $1,517.

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	$ 8,598
Right of use subscription asset, noncurrent	9,104
	$ 17,702
Right of use subscription liability, current	$ 8,598
Right of use subscription liability, noncurrent	9,104
	$ 17,702

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A

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

	General Fund			
REVENUES	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Ad Valorem taxes	$ 1,628,977	$ 1,628,977	$ 1,681,015	$ 52,038
Intergovernmental revenues:				
Firefighter supplemental income	2,520	2,227	2,227	-
Grants	5,000	26,800	26,862	62
Fees:				
Inspection fees	500	500	-	(500)
Miscellaneous:				
Donations and other	500	500	12,971	12,471
Interest	4,000	4,000	51,042	47,042
Carryover from prior year	1,460,648	1,519,375	-	(1,519,375)
TOTAL REVENUES	3,102,145	3,182,379	1,774,117	(1,408,262)
EXPENDITURES				
Current				
Public safety				
Personnel services	1,105,470	1,122,877	1,083,057	39,820
Operating expenditures	1,861,242	1,895,713	367,394	1,528,319
Capital outlay	88,500	116,856	186,397	(69,541)
Debt service				
Principal reduction	39,612	39,612	39,611	1
Interest and fiscal charges	7,321	7,321	7,321	-
TOTAL EXPENDITURES	3,102,145	3,182,379	1,683,780	1,498,599
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	90,337	90,337
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	-
Proceeds from disposition of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	90,337	$ 90,337
FUND BALANCE - Beginning			1,519,375	
FUND BALANCE - Ending			$ 1,609,712	

The accompanying notes are an integral part of this statement.

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

	General Fund			
REVENUES	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Ad Valorem taxes	$ 1,628,977	$ 1,628,977	$ 1,681,015	$ 52,038
Intergovernmental revenues:				
Firefighter supplemental income	2,520	2,227	2,227	-
FEMA	-	21,800	21,862	62
Grants	5,000	5,000	5,000	-
Fees:				
Inspection fees	500	500	-	(500)
Miscellaneous:				
Donations and other	500	500	12,971	12,471
Interest	4,000	4,000	51,042	47,042
Carryover from prior year	1,460,648	1,519,375	-	(1,519,375)
TOTAL REVENUES	3,102,145	3,182,379	1,774,117	(1,408,262)
EXPENDITURES				
Current				
Public safety				
Personnel services:				
Fire chief wages	85,950	85,950	85,947	3
Firefighter wages	451,000	451,000	428,331	22,669
Clerical wages	74,000	74,000	74,006	(6)
Commissioner Salary	15,000	15,000	14,500	500
Overtime wages	76,000	113,700	96,594	17,106
Supplemental compensation	2,520	2,227	2,227	-
Payroll taxes	52,000	52,000	51,009	991
Retirement	181,000	181,000	183,271	(2,271)
Life/health insurance	143,000	123,000	123,540	(540)
Workers compensation	25,000	25,000	23,632	1,368
Unemployment compensation	-	-	-	-
Subtotal - Personnel services	1,105,470	1,122,877	1,083,057	39,820

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating expenditures:				
Professional fees (legal fees)	12,500	15,500	14,101	1,399
Property appraiser fees	10,680	10,680	10,059	621
Tax collector fees	34,100	34,100	35,353	(1,253)
Auditing and accounting	17,000	17,000	15,500	1,500
Public education	1,000	1,000	364	636
Travel	1,500	500	317	183
Training and fire calls	15,900	15,900	7,822	8,078
Clothing	7,500	7,500	12,090	(4,590)
Bunker gear	4,000	14,000	14,294	(294)
Telephones and cellular	18,500	18,500	20,460	(1,960)
Utilities	8,500	8,500	8,079	421
Bank charges	250	250	212	38
General insurance	37,000	33,000	32,335	665
Repairs and maintenance	40,000	68,150	82,319	(14,169)
Repairs and maintenance - Hurricane	19,548	19,548	5,240	14,308
Dues and fees	2,500	500	393	107
Office	6,000	8,000	10,664	(2,664)
Operating supplies	25,000	34,000	33,127	873
Operating equipment	5,000	21,850	22,642	(792)
FF Education Fund Fwd	10,000	7,860	4,515	3,345
Operational Valuation	40,000	40,000	35,839	4,161
Miscellaneous	-	-	1,669	(1,669)
Contingency	84,116	-	-	-
Operational Reserves:				
Unassigned	1,460,648	1,519,375	-	1,519,375
Subtotal - Operating expenditures	1,861,242	1,895,713	367,394	1,528,319
Capital outlay:				
Equipment	88,500	116,856	127,531	(10,675)
Building	-	-	58,866	(58,866)
Subtotal - Capital outlay	88,500	116,856	186,397	(69,541)

The accompanying notes are an integral part of this statement.

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Debt Service				
Principal reduction	39,612	39,612	39,611	1
Interest and fiscal charges	7,321	7,321	7,321	-
TOTAL EXPENDITURES	3,102,145	3,182,379	1,683,780	1,498,599
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	90,337	90,337
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	-
Proceeds from disposition of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	90,337	$ 90,337
FUND BALANCE - BEGINNING			1,519,375	
FUND BALANCE - ENDING			$ 1,609,712	

ALVA FIRE CONTROL AND RESCUE SERVICE 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	$ 18,000	$ 18,000	$ -	$ (18,000)
Miscellaneous:				
Other	-	-	-	-
Interest	175	175	-	(175)
Carryover (deficit) from prior year	69,300	69,300	-	(69,300)
TOTAL REVENUES	87,475	87,475	-	(87,475)
EXPENDITURES				
Current				
Public safety	-	-	-	-
Operating	-	-	-	-
Capital outlay	-	-	-	-
Equipment	-	-	-	-
Debt service				
Principal reduction	-	-	-	-
Interest and fiscal charges	-	-	-	-
Designated reserves (deficit)	(87,475)	87,475	-	87,475
TOTAL EXPENDITURES	(87,475)	87,475	-	87,475
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	-	$ -
FUND BALANCE (DEFICIT) - Beginning			(49,980)	
FUND BALANCE (DEFICIT) - Ending			$ (49,980)	

The accompanying notes are an integral part of this statement.

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

	2023	2022	2021	2020
District's proportion of the net pension liability	0.003258445%	0.002896461%	0.002593139%	0.002752518%
District's proportionate share of the net pension liability	$ 1,298,387	$ 1,077,716	$ 195,882	$ 1,192,982
District's covered-employee payroll	$ 687,105	$ 571,515	$ 462,527	$ 422,654
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	188.96%	188.57%	42.35%	282.26%
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	$ 172,275	$ 135,897	$ 102,955	$ 94,254
Contributions in relation to the contractually required contribution	172,275	135,897	102,955	94,254
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 687,105	$ 571,515	$ 462,527	$ 422,654
Contributions as a percentage of covered-employee payroll	25.07%	23.78%	22.26%	22.30%

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
	0.002725686%	0.002529465%	0.002158815%	0.002180526%	0.002076648%	0.002265110%
	$ 938,688	$ 761,888	$ 638,563	$ 550,585	$ 268,227	$ 138,205
	$ 400,062	$ 439,666	$ 422,355	$ 425,758	$ 456,666	$ 430,795
	234.64%	173.29%	151.19%	129.32%	58.74%	32.08%
	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

	2019	2018	2017	2016	2015	2014
	$ 85,902	$ 78,195	$ 69,613	$ 60,988	$ 59,487	$ 57,667
	85,902	78,195	69,613	60,988	59,487	57,667
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 400,062	$ 439,666	$ 422,355	$ 425,758	$ 456,666	$ 430,795
	21.47%	17.79%	16.48%	14.32%	13.03%	13.39%

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

	2023	2022	2021	2020
District's proportion of the net pension liability	0.001672347%	0.001471474%	0.001301784%	0.001185339%
District's proportionate share of the net pension liability	$ 265,591	$ 155,853	$ 159,683	$ 144,728
District's covered-employee payroll	$ 687,105	$ 571,515	$ 462,527	$ 422,654
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.65%	27.27%	34.52%	34.24%
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	$ 10,996	$ 8,674	$ 6,572	$ 7,094
Contributions in relation to the contractually required contribution	10,996	8,674	6,572	7,094
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 687,105	$ 571,515	$ 462,527	$ 422,654
Contributions as a percentage of covered-employee payroll	1.60%	1.52%	1.42%	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
0.001251254%	0.001346640%	0.001285765%	0.001415029%	0.001445929%	0.001445674%
$ 140,003	$ 142,530	$ 137,480	$ 164,916	$ 147,462	$ 135,174
$ 400,062	$ 439,666	$ 422,355	$ 425,758	$ 456,666	$ 430,795
35.00%	32.42%	32.55%	38.73%	32.29%	31.38%
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

2019	2018	2017	2016	2015	2014
$ 6,466	$ 5,886	$ 5,240	$ 4,838	$ 4,845	$ 3,915
6,466	5,886	5,240	4,838	4,845	3,915
$ -	$ -	$ -	$ -	$ -	$ -
$ 400,062	$ 439,666	$ 422,355	$ 425,758	$ 456,666	$ 430,795
1.62%	1.34%	1.24%	1.14%	1.06%	0.91%

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

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% increased to 3.65% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018.

Florida Retirement System Pension Plan
There were changes in actuarial assumptions. As of June 30, 2023, the inflation rate assumption was unchanged at 2.4 percent, the real payroll growth assumption was unchanged at 0.85 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained 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

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

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

ALVA FIRE CONTROL AND RESCUE SERVICE DISTRICT
RESCUE SERVICE 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	2018	2019	2020
Service Cost	$ 5,109	$ 4,943	$ 6,406
Interest Cost	1,733	2,050	1,837
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	10,402
Changes in Assumptions	(1,956)	7,498	1,220
Benefit Payments	(851)	(891)	(1,527)
Net Change in net OPEB Liability	4,035	13,600	18,338
Net OPEB Liability - Beginning of Year	49,928	53,963	67,563
Net OPEB Liability - End of Year	$ 53,963	$ 67,563	$ 85,901

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

Plan Fiduciary Net Position as of September 30:

	2018	2019	2020
Contributions - Employer	$ 851	$ 891	$ 1,527
Net Investment Income	-	-	-
Benefit Payments	(851)	(891)	(1,527)
Administrative Expense	-	-	-
Net Change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
Fiduciary Net Position - End of Year	$ -	$ -	$ -
Net OPEB Liability	$ 53,963	$ 67,563	$ 85,901
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 *			
Discount Rate	3.83%	2.75%	2.41%
Expected Average Remaining Service Years of All Participants	11	11	15

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

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

Notes to the Schedule:

Benefit Changes	None
Changes of Assumptions	The discount rate was changed as follows:
9/30/22	4.40%
9/30/23	4.63%

Population covered by Plan: 11 active 1 retiree

Plan has no specific trust established. $71,554 assigned for OPEB at September 30, 2023.

	2021	2022	2023
	$ 8,107	$ 8,843	$ 6,065
	2,041	2,074	3,086
	-	-	-
	-	(14,747)	-
	2,322	(18,055)	(1,217)
	(2,414)	(2,518)	(2,848)
	10,056	(24,403)	5,086
	85,901	95,957	71,554
	$ 95,957	$ 71,554	$ 76,640

	2021	2022	2023
	$ 2,414	$ 2,518	$ 2,848
	-	-	-
	(2,414)	(2,518)	(2,848)
	-	-	-
	-	-	-
	-	-	-
	$ -	$ -	$ -
	$ 95,957	$ 71,554	$ 76,640
	0.00%	0.00%	0.00%
	2.19%	4.40%	4.63%
	15	11	11

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
Alva Fire Control and Rescue Service District
P.O. Box 458
Alva, Florida 33920

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 Alva Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated February 19, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
February 19, 2024

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

Board of Commissioners
Alva Fire Control and Rescue Service District
P.O. Box 458
Alva, Florida 33920

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

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

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

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
February 19, 2024

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Commissioners
Alva Fire Control and Rescue Service District
P.O. Box 458
Alva, Florida 33920

We have audited the accompanying basic financial statements of Alva Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2023 and have issued our report thereon dated Februay 19, 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 basic financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in these reports, which are dated February 19, 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 included the following information, which is not included in the aforementioned auditor's reports:

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

- 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.

- 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 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 District (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.

- Pursuant to Section 10.554(1)(i)6, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.
- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires an independent special district that imposes ad valorem taxes to disclose certain related unaudited data. See Exhibit 2.
- Section 10.554(1)(i)8, Rules of the Auditor General, requires an independent special district that imposes 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 February 19, 2024, included herein.

PRIOR YEAR COMMENTS:

There were no prior year financially significant comments.

CURRENT YEAR COMMENTS:

No financially significant current year comments noted.

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
February 19, 2024

EXHIBIT 1

Alva Fire Control & Rescue Service District
2660 Styles Road, Alva, Florida 33920

March 01, 2024

Auditor General
State of Florida
111 West Monroe Street
Tallahassee, Florida 33299-1450

Re: Response to Management Letter - Fiscal Year 2022-2023

In response to the management letter contained in the independent audit, by Tuscan & Company, PA, of the Alva Fire Control and Rescue Service District, we provide the following:

Per prior year, there were no prior year financially significant comments.

Per current year, there were no financially significant comments noted.

Regards,
Alva Fire Control & Rescue Service District

Jean P. Etcheverry, Chief

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 assurance on the information):

a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). - 16 including 5 elected commissioners

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). - 2

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). - $701,605

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). - $26,829

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

f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). - See attached 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. - 3.75

b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. - $1,681,015

c. The total amount of outstanding bonds issued by the district and terms of such bonds. - 0

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

ALVA FIRE CONTROL AND RESCUE SERVICE DISTRICT

ORIGINAL BUDGET vs. ACTUAL COMPARISON REPORT - UNAUDITED - GENERAL FUND
Year Ended September 30, 2023

	General Fund		
REVENUES	Original Budget	Actual	Variance Favorable (Unfavorable)
Ad Valorem taxes	$ 1,628,977	$ 1,681,015	$ 52,038
Intergovernmental revenues:			
Firefighter supplemental income	2,520	2,227	(293)
Grants	5,000	26,862	21,862
Fees:			
Inspection fees	500	-	(500)
Miscellaneous:			
Donations and other	500	12,971	12,471
Interest	4,000	51,042	47,042
Carryover from prior year	1,460,648	-	(1,460,648)
TOTAL REVENUES	3,102,145	1,774,117	(1,328,028)
EXPENDITURES			
Current			
Public safety			
Personnel services	1,105,470	1,083,057	22,413
Operating expenditures	1,861,242	367,394	1,493,848
Capital outlay	88,500	186,397	(97,897)
Debt service			
Principal reduction	39,612	39,611	1
Interest and fiscal charges	7,321	7,321	-
TOTAL EXPENDITURES	3,102,145	1,683,780	1,418,365
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	90,337	90,337
OTHER FINANCING SOURCES (USES)			
Proceeds from capital lease	-	-	-
Proceeds from disposition of capital assets	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	90,337	$ 90,337
FUND BALANCE - Beginning		1,519,375	
FUND BALANCE - Ending		$ 1,609,712	

The accompanying notes are an integral part of this statement.

ALVA FIRE CONTROL AND RESCUE SERVICE DISTRICT
ORIGINAL BUDGET vs. ACTUAL COMPARISON
REPORT - UNAUDITED - IMPACT FEE FUND
Year Ended September 30, 2022

	Impact Fee Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Fees:			
Impact fees	$ 18,000	$ -	$ (18,000)
Miscellaneous:			
Other	-	-	-
Interest	175	-	(175)
Carryover (deficit) from prior year	69,300	-	(69,300)
TOTAL REVENUES	87,475	-	(87,475)
EXPENDITURES			
Current			
Public safety	-	-	-
Operating	-	-	-
Capital outlay	-	-	-
Equipment	-	-	-
Debt service			
Principal reduction	-	-	-
Interest and fiscal charges	-	-	-
Designated reserves (deficit)	(87,475)	-	87,475
TOTAL EXPENDITURES	(87,475)	-	87,475
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ -	-	$ -
FUND BALANCE (DEFICIT) - Beginning		(49,980)	
FUND BALANCE (DEFICIT) - Ending		$ (49,980)	

The accompanying notes are an integral part of this statement.