

**East Niceville Fire District**

**FINANCIAL STATEMENTS**

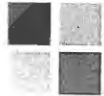
**September 30, 2020**



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Carr, Riggs & Ingram, LLC  
4502 Highway 20 East  
Suite A  
Niceville, FL 32578

(850) 897-4333  
(850) 897-4068 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## **INDEPENDENT AUDITORS' REPORT**

Board of Commissioners  
East Niceville Fire District  
Niceville, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of East Niceville Fire District (District) as of and for the year ended September 30, 2020, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of East Niceville Fire District, as of September 30, 2020, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A), and required supplementary information other than MD&A as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and on 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 the District's internal control over financial reporting and compliance.

*Cary Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Niceville, Florida  
September 16, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Management's Discussion and Analysis**

Management's discussion and analysis provide an easily readable analysis of East Niceville Fire District's financial activities. The analysis provides summary financial information and should be read in conjunction with the District's basic financial statements.

The primary purpose of the District is to provide fire suppression, fire inspection, rescue and emergency medical services for the following area in Okaloosa County: all sections outside the Niceville city limits bordered on the north by the Eglin Military Reservation, on the east by Rocky Bayou, on the south by the Choctawhatchee Bay, and on the west by the Valparaiso city limits. Although it is important to the long-term existence of the District to maintain its financial health, net position is accumulated only to the extent required to ensure that there are sufficient reserve funds for future operations and for new capital needs.

### **Financial Highlights**

- Total assets decreased by \$38,697.
- Net position decreased by \$112,695
- Total revenues increased by 8% or \$76,140 and total expenses increased by 17% or \$170,835.

### **District Highlights**

During the fiscal year ended September 30, 2020, the District responded to 760 incidents, including 32 fire emergency calls and 728 non-emergency calls.

The Board of Commissioners approved the fiscal year ending September 30, 2020 budget on September 20, 2019 with an approved millage rate of 3.0176 mils for the 2019 - 2020 fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *fund financial statements* present financial information for the District's major fund. The *notes to basic financial statements* provide additional information concerning the District's finances that are not otherwise disclosed in the government-wide or fund financial statements.

The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

## **Government-wide Financial Statements**

The *government-wide financial statements* include the *statement of net position* and *statement of activities*. These statements are designed to provide readers with a broad overview of the District's financial position, in a manner similar to that of private-sector companies. Emphasis is placed on the net position of governmental activities as well as the change in net position.

Governmental activities are the activities where the District's operations are reported. The District does not have any business-type activities.

The *statement of net position* presents information on all assets and liabilities of the District, with the difference between the two reported as *net position*. Increases or decreases in net position over time may serve as a useful indicator of the District's improving or declining financial position.

The *statement of activities* presents information on all revenues and expenses of the District and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes or objectives. The District's funds include the general fund and the pension fund.

*Fund financial statements* provide financial information for the District's funds and information about the District's activities. Governmental fund financial statements provide information on the *current* assets and liabilities of the funds, changes in *current* financial resources (revenues and expenditures), and *current* available resources.

*Fund financial statements* for all governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balance. The District's general fund includes a statement of revenues and expenditures - budget and actual.

The *government-wide financial statements* and the *fund financial statements* provide different presentations of the District's financial position. Categorized by governmental activities and component units, the government-wide financial statements provide an overall picture of the District's financial standing. These statements, which are comparable to private-sector companies, provide a good understanding of the District's overall financial health and present the means used to pay for various activities, or functions provided by the District. All assets of the District, including buildings, land and liabilities are reported in the statement of net position. The statement of activities includes depreciation on all long lived assets of the District. The *fund financial statements* provide a presentation of the District's fund. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities are not included in the fund

financial statements. To facilitate a comparison between the *fund financial statements* and the *government-wide financial statements*, a reconciliation is provided.

*Notes to financial statements* provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, capital assets of the District, and noncurrent liabilities are just a few of the items included in the notes to basic financial statements.

### Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District.

#### Net Position Governmental Activities

Net position invested in capital assets (e.g., land, buildings, and equipment), net of any related outstanding long-term debt used to acquire those assets, represents 133% of the District's net position. The District's net position was a deficit of \$53,748 at September 30, 2020. The District had no outstanding long-term debt at September 30, 2020. Capital assets are used to provide services to citizens; consequently, these assets are not available for future spending.

<i>September 30,</i>	<b>2020</b>	2019	Change
<b>Assets</b>			
Current and other assets	\$ 339,172	\$ 354,631	\$ (15,459)
Capital assets, net	<b>217,044</b>	240,282	(23,238)
Total assets	<b>556,216</b>	594,913	(38,697)
Deferred outflows of resources	<b>182,740</b>	74,746	107,994
Total assets and deferred outflows of resources	<b>738,956</b>	669,659	69,297
<b>Liabilities</b>			
Current liabilities	<b>111,281</b>	94,713	16,568
Noncurrent liabilities	<b>379,388</b>	229,315	150,073
Total liabilities	<b>490,669</b>	324,028	166,641
Deferred inflows of resources	<b>84,991</b>	69,640	15,351
Total liabilities and deferred inflows of resources	<b>575,660</b>	393,668	181,992
<b>Net position (deficit)</b>			
Net investment in capital assets	<b>217,044</b>	240,282	(23,238)
Unrestricted	<b>(53,748)</b>	35,709	(89,457)
Total net position (deficit)	<b>\$ 163,296</b>	\$ 275,991	\$ (112,695)



**Statement of Activities  
Governmental Activities**

The following schedule compares the Statement of Activities for the current and previous fiscal years:

<i>Year ended September 30,</i>	<b>2020</b>	2019	Change
<b>General revenues</b>			
Ad valorem taxes, net	\$ 1,079,245	\$ 1,005,562	\$ 73,683
Interest	1,433	2,376	(943)
Miscellaneous	4,750	1,350	3,400
Total general revenues	<b>1,085,428</b>	1,009,288	76,140
<b>Expenses</b>	<b>1,198,123</b>	1,027,288	170,835
Increase (decrease) in net position	<b>(112,695)</b>	(18,000)	(94,695)
Net position, beginning	<b>275,991</b>	293,991	(18,000)
Net position, ending	<b>\$ 163,296</b>	\$ 275,991	\$ (112,695)

Ad valorem taxes increased by 7% or \$73,683 due to an increase in the tax base from the prior year.

Expenses increased by 17% or \$170,835 from the previous year, due to increases in salaries, retirement plan contributions, and operating expenses.

**Governmental Fund Budgetary Highlights**

The District experienced a decrease in tax revenues as compared to the budget by \$28,393, which occurred due to lower than expected ad valorem tax collections. In addition, interest and miscellaneous income was \$3,263 more than budgeted.

Additionally, the District had a favorable decrease in expenditures compared to budget in the amount of \$25,260. This decrease occurred primarily due to a decrease in personnel expenses.

Overall, the general fund had a favorable variance compared to budget in the amount of \$130.

### Capital Assets Activity

The following schedule provides a summary of the District's capital assets activity. The District's net investment in capital assets activities as of September 30, 2020 was \$217,044 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles and equipment.

#### Capital Assets (net of depreciation) Governmental Activities

<i>September 30,</i>	<b>2020</b>	2019	Change
Land	\$ 40,337	\$ 40,337	\$ -
Building and improvements	360,009	353,627	6,382
Vehicles and equipment	835,235	850,193	(14,958)
Total, prior to depreciation	1,235,581	1,244,157	(8,576)
Accumulated depreciation	(1,018,537)	(1,003,875)	14,662
Net investment in capital assets	\$ 217,044	\$ 240,282	\$ (23,238)

Additional information about the District's capital assets is presented in note 3 to financial statements.

### Future Financial Factors

East Niceville Fire District, an independent special district created by county ordinance 78-11, Okaloosa County, operates under the provisions of Chapters 189 and 191, Florida Statutes. The District operates under an elected Board of Fire Commissioners. The Board establishes policy and sets the millage rate. The District has taxing authority as revenues are generated by ad valorem taxes. Rates for fiscal year 2020 have been established to provide for the operations of the District and necessary capital and operating requirements.

**BOARD OF FIRE COMMISSIONERS**

Matt Schwab  
Chairman

Kenny Revell  
Vice Chairman

C.J. McEntire  
Treasurer

Tony Evans  
Pension Fund Liason

Leo Tisa  
Secretary

**MANAGEMENT**

David Birch  
Fire Chief

Jon Kramer  
Deputy Chief

**CONTACT INFORMATION**

East Niceville Fire District  
1709 East 27<sup>th</sup> Street  
Niceville, FL 32578  
[www.enfd.net](http://www.enfd.net)

## **BASIC FINANCIAL STATEMENTS**

East Niceville Fire District  
Statement of Net Position and Governmental Fund Balance Sheet

September 30, 2020	General Fund	Adjustments (Note 2)	Statement of Net Position
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 311,046	\$ -	\$ 311,046
Receivables, net	128	-	128
Prepays	27,998	-	27,998
<b>Total current assets</b>	<b>339,172</b>	<b>-</b>	<b>339,172</b>
Noncurrent assets			
Capital assets, net	-	217,044	217,044
<b>Total assets</b>		<b>217,044</b>	<b>556,216</b>
<b>Deferred outflows of resources</b>			
		182,740	182,740
<b>Total assets and deferred outflows of resources</b>	<b>\$ 339,172</b>	<b>399,784</b>	<b>738,956</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 4,736	-	4,736
Accrued salaries and benefits payable	34,807	-	34,807
Accrued compensated absences	46,716	-	46,716
Due to pension fund	25,022	-	25,022
<b>Total current liabilities</b>	<b>111,281</b>	<b>-</b>	<b>111,281</b>
Noncurrent liabilities			
Accrued compensated absences	-	110,084	110,084
Net pension liability	-	106,387	106,387
Other postemployment benefits liability	-	162,917	162,917
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>379,388</b>	<b>379,388</b>
<b>Total liabilities</b>		<b>379,388</b>	<b>490,669</b>
<b>Deferred inflows of resources</b>			
		84,991	84,991
<b>Total liabilities and deferred inflows of resources</b>	<b>111,281</b>	<b>464,379</b>	<b>575,660</b>
<b>Fund balance</b>			
Nonspendable	27,998	(27,998)	-
Unassigned	199,893	(199,893)	-
<b>Total fund balance</b>	<b>227,891</b>	<b>(227,891)</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 339,172</b>		
<b>Net position (deficit)</b>			
Net investment in capital assets		217,044	217,044
Unrestricted net position (deficit)		(53,748)	(53,748)
<b>Total net position</b>		<b>\$ 163,296</b>	<b>\$ 163,296</b>

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

**East Niceville Fire District**  
**Statement of Activities and Governmental Fund Revenues,**  
**Expenditures and Change in Fund Balance**

<i>Year ended September 30, 2020</i>	<b>General Fund</b>	<b>Adjustments (Note 2)</b>	<b>Statement of Activities</b>
<b>Revenues</b>			
Ad valorem taxes, net	\$ 1,079,245	\$ -	\$ 1,079,245
Interest	1,433	-	1,433
Miscellaneous	4,750	-	4,750
<b>Total revenues</b>	<b>1,085,428</b>	<b>-</b>	<b>1,085,428</b>
<b>Expenses/Expenditures</b>			
Personnel services			
Group employee life and health insurance	95,436	-	95,436
Salaries	643,374	-	643,374
Section 175 retirement contribution	59,794	-	59,794
Pension	-	45,900	45,900
Payroll taxes	51,759	-	51,759
Compensated absences	58,650	21,773	80,423
Other postemployment benefits	-	21,914	21,914
Operating			
Accounting and auditing	36,140	-	36,140
Insurance	55,893	-	55,893
Office and operating supplies	26,948	-	26,948
Advertising	1,138	-	1,138
Property appraisal and tax collector fees	13,487	-	13,487
Repairs and maintenance	12,991	-	12,991
Travel	820	-	820
Utilities	21,098	-	21,098
Interest	535	-	535
Capital outlay	7,235	(7,235)	-
Depreciation	-	30,473	30,473
<b>Total expenses/expenditures</b>	<b>1,085,298</b>	<b>112,825</b>	<b>1,198,123</b>
<b>Change in net position/fund balance</b>	<b>130</b>	<b>(112,825)</b>	<b>(112,695)</b>
<b>Net position/fund balance, beginning</b>	<b>227,761</b>	<b>48,230</b>	<b>275,991</b>
<b>Net position/fund balance, ending</b>	<b>\$ 227,891</b>	<b>\$ (64,595)</b>	<b>\$ 163,296</b>

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

East Niceville Fire District  
Statement of Revenues and Expenditures – Budget and Actual  
General Fund

Year ended September 30, 2020	Budgeted Amounts		Actual	Variance from Final Budget
	Original	Final		
<b>Revenues</b>				
Ad valorem taxes, net	\$ 1,107,638	\$ 1,107,638	\$ 1,079,245	\$ (28,393)
Interest and miscellaneous	2,920	2,920	6,183	3,263
<b>Total revenues</b>	<b>1,110,558</b>	<b>1,110,558</b>	<b>1,085,428</b>	<b>(25,130)</b>
<b>Expenditures</b>				
Personnel services				
Group employee life/health insurance	93,012	93,287	95,436	(2,149)
Salaries	657,760	665,534	643,374	22,160
Section 175 retirement contribution	50,000	50,000	59,794	(9,794)
Payroll taxes	53,749	55,393	51,759	3,634
Compensated absences	44,840	58,560	58,650	(90)
Operating				
Accounting and auditing	32,000	32,000	36,140	(4,140)
Legal services	6,000	6,000	-	6,000
Insurance	59,394	59,394	55,893	3,501
Office and operating supplies	43,605	43,605	26,948	16,657
Advertising	1,500	1,500	1,138	362
Property appraisal	33,000	33,000	13,487	19,513
Repairs and maintenance	30,000	30,000	12,991	17,009
Travel	1,000	1,000	820	180
Utilities	11,000	11,000	21,098	(10,098)
Debt service	200	200	535	(335)
Capital outlay				
Operational and equipment reserves	25,000	25,000	7,235	17,765
Operational and equipment reserves	(31,502)	(94,915)	-	(94,915)
Certificate of Deposit	-	40,000	-	40,000
<b>Total expenditures</b>	<b>1,110,558</b>	<b>1,110,558</b>	<b>1,085,298</b>	<b>25,260</b>
Excess of revenues over expenditures	\$ -	\$ -	\$ 130	\$ 130

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

East Niceville Fire District  
Statement of Net Position – Pension Trust Fund

*September 30, 2020*

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**Assets**

Cash and cash equivalents	\$ 85,148
Investments	1,161,780
Due from other fund	25,017
Due from State of Florida	40,089

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Total assets 1,312,034

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**Liabilities**

Accrued expenses	24,684
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**Net position**

Held in trust for pension benefits	\$ 1,287,350
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*The accompanying notes are an integral part of these financial statements.*



East Niceville Fire District  
Statement of Changes in Net Position – Pension Trust Fund

*Year ended September 30, 2020*

<b>Additions</b>	
Contributions:	
District	\$ 59,624
Plan members	33,012
Florida firefighters' pension trust fund	39,807
Florida firefighters' supplemental pension trust fund	282
<b>Total contributions</b>	<b>132,725</b>
Investment Income:	
Dividends and interest	19,435
Realized gain on investments	9,185
Unrealized gain on investments	47,233
<b>Total additions</b>	<b>208,578</b>
<b>Deductions</b>	
Legal and accounting	6,793
Actuary	27,200
Administrative fees	14,040
<b>Total deductions</b>	<b>48,033</b>
Change in net position	160,545
Net position, beginning of year	1,126,805
<b>Net position, end of year</b>	<b>\$ 1,287,350</b>

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

## East Niceville Fire District Notes to Basic Financial Statements

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Nature of operations***

East Niceville Fire District (District) was created as an independent special district by county ordinance 78-11, in Okaloosa County in 1978. The District operates under an elected Board of Fire Commissioners (Board) form of government and provides the following services: fire suppression, fire inspection, rescue and emergency medical.

#### ***Financial reporting entity***

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are required to be reported.

#### ***Basis of presentation***

The accounting policies of the District conform to U.S. generally accepted accounting principles (GAAP) as applicable to governments in accordance with standards promulgated by GASB.

Governmental funds are used to account for the District's general governmental activities. The District has two funds, the general fund, which is its operating fund and is included in the preparation of the government-wide financial statements and its fund financial statements, and the pension fund, which is presented separately.

#### ***Measurement focus and basis of accounting***

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

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

#### ***Government-wide financial statements***

Government-wide financial statements display information about the District as a whole, except for its fiduciary activity.

Government-wide financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

## East Niceville Fire District Notes to Basic Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ad valorem taxes are recognized in the year for which they are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financial sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenditures.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources – committed, assigned, and unassigned – in this order as needed.

#### ***Fund financial statements***

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. The flow of current financial resources measurement focus generally means that only current assets and current liabilities are included in the balance sheet. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenue available if it is collected within 60 days after year-end.

Expenditure reimbursement grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Taxes, reimbursements for incidents, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

#### ***Fiduciary funds***

Fiduciary fund types account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. The pension trust fund accounts for the assets of the District's defined benefit plan (Florida Statute Chapter 175 Firefighters' Pension Trust Fund). The pension trust fund is accounted for using the accrual basis of accounting.

#### ***Use of estimates***

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

**East Niceville Fire District**  
**Notes to Basic Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Cash and cash equivalents***

The District maintains all deposits within "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities which have a market value equal to 50% of all public funds on deposit at the end of each month in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments among all Qualified Public Depositories.

Under this method, all of the District's deposits and investments are fully insured or collateralized at the highest level of security as defined by GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements* as amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. Cash balances held on deposit at qualified public depositories at September 30, 2020 was \$250,686 and \$85,148 for the general and pension trust funds respectively.

***Capital assets***

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as purchases with an initial individual cost of more than \$750 and a useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed or estimated historical cost if actual cost is unknown. Donated assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as these projects are constructed. Property and equipment of the primary government are depreciated using the straight line method over the estimated useful lives generally as follows:

<b>Asset</b>	<b>Years</b>
Buildings and improvements	30
Vehicles and equipment	5 - 15

***Accrued***

***compensated absences***

Vacation and sick leave accrue for all employees. The District has accrued the accumulated and unpaid amounts due its employees for leave in the financial statements at September 30, 2020. The liability presented represents the total amount the District would owe its employees if all employees quit or were terminated.

The District's policy for accruing vacation leave is that shift employees accrue between 5.0 and 8.0 hours and nonshift employees accrue between 4.1 and 6.6 hours. Maximum number of hours that can be accumulated is 360 hours for shift employees and 200 hours for nonshift employees. Employees are paid the value of unused, accrued vacation leave at termination.

**East Niceville Fire District  
Notes to Basic Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The policy of the District for sick leave is that shift employees accrue sick leave at a rate of 5 hours per pay period and nonshift employees earn 4.1 hours per pay period. Maximum number of hours that can be accumulated is 720 hours for shift employees and 480 hours for nonshift employees. In the case of death while employed, all accumulated sick leave will be paid to the beneficiary.

***Ad valorem tax revenue***

Significant dates relative to ad valorem tax revenue are as follows:

Assessment date - January 1	Past due - April 1
Maximum discount - November 1	Tax certificates sold - June 1

The Board of Commissioners approved a millage rate of 3.0176 for the year ended September 30, 2020.

***Deferred outflows and inflows of resources***

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. The financial statement element represents an outflow of resources (expenses) to be recognized in a future period or periods. The District has deferred outflows of resources related to the net pension liability that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position includes separate section for deferred inflows of resources. This financial statement element represents an inflow of resources (revenue) to be recognized in a future period or periods. At this time the District has one item that qualifies for reporting in this category related to the net pension liability.

***Fund balance***

The District follows GASB Statement No. 54 employing the following terminology and classifications for fund balance.

**Nonspendable** – This category includes the resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The balance as of September 30, 2020 of \$27,998 is prepaid expenses that are not in spendable form.

**Restricted** – This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. There is no restricted fund balance at September 30, 2020.

**Committed** – This category includes resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision making authority which is the Board of Commissioners. There is no committed fund balance as of September 30, 2020.

**East Niceville Fire District**  
**Notes to Basic Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assigned – This category includes resources that are intended to be used for specific purposes, but are neither restricted nor committed. These are resources that have been set aside for a specific purpose by an authorized government body or official. There is no assigned fund balance as of September 30, 2020.

Unassigned – This category is the residual classification for the District’s fund balance. The balance as of September 30, 2020 is \$199,893.

When both restricted and unrestricted fund balances are available for use, it is the District’s policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

***Net position***

Net position is classified in two categories. The general meaning of each is as follows:

Net investment in capital assets – represents the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. At September 30, 2020, the District had no outstanding long-term debt associated with capital assets. The balance as of September 30, 2020 is \$217,044.

Unrestricted – indicates that portion of net position that is available for future periods. The deficit as of September 30, 2020 is \$53,748.

***Budgets***

A budget is legally adopted for the general fund. Any revision to the budget must be approved by the Board of Commissioners. The budget is compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the “final” column of the financial statements represent final authorization amounts.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Fire Chief and a committee appointed by the Board of Commissioners submit to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. The budget is submitted in summary form, but a more detailed line item budget is included for administrative control. The level of control for the detailed budget is at the department head level.
2. Upon tentative approval by the Board of Commissioners, public hearings are conducted to obtain taxpayer comment.

**East Niceville Fire District  
Notes to Basic Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3. Prior to September 30, the budget is legally enacted through approval by the Board.
4. Formal budgetary integration is employed as a management control device during the year for the general fund.
5. Appropriations lapse at the end of each fiscal year.
6. The Board of Commissioners may authorize supplemental appropriations during the year.

***Impact of recently issued accounting pronouncements***

In fiscal year 2020, the District adopted two new statements of financial accounting standards issued by the GASB:

- GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*
- GASB Statement No. 91, *Conduit Debt Obligations*

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The adoption of GASB Statement No. 90 had no impact on the District's current accounting practices nor its financial reporting.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The adoption of GASB Statement No. 91 had no impact on the District's current accounting practices nor its financial reporting.

East Niceville Fire District  
Notes to Basic Financial Statements

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Pronouncements issued but not yet effective***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this are effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The District is evaluating the requirements of the above statements and the impact on reporting.

***Subsequent events***

Management has evaluated subsequent events through September 16, 2021, which is the date the financial statements were available to be issued. See note 9.

**NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The total fund balance of the District's governmental general fund of \$227,891 differs from the net position of governmental activities of \$163,296 reported in the governmental funds balance sheet and statement of net position. This difference results primarily from the long-term economic focus of the statement of net position versus the flow of current financial resources measurement focus of the governmental fund balance sheet.



East Niceville Fire District  
Notes to Basic Financial Statements

**NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(CONTINUED)**

The following is an explanation of differences between the general fund balance sheet and statement of net position.

*September 30, 2020*

Total fund balance - governmental fund	\$	227,891
Capital assets used in governmental activities are not current financial resources and therefore are not reported on the governmental fund balance sheet.		217,044
Net pension asset does not provide current financial resources and is not reported on the governmental fund balance sheet.		(106,387)
Deferred outflows of resources related to pensions are applicable to future periods and, therefore are not reported on the governmental fund balance sheet.		182,740
Deferred inflows of resources related to pensions are applicable to future periods and, therefore are not reported on the governmental balance sheet.		(84,991)
Liabilities that do not consume current financial resources are not reported on the governmental fund balance sheet.		
Other postemployment benefits liability		(162,917)
Accrued compensated absences, noncurrent		(110,084)
Total net position - governmental activities	\$	163,296

The following is an explanation of differences between the governmental funds statement of revenues, expenditures and change in fund balance and the government-wide statement of activities.

*Year ended September 30, 2020*

Change in fund balance - governmental fund	\$	130
Capital outlays reported as expenditures in the governmental fund are shown as capital assets on statement of net position.		7,235
Current change in the long-term OPEB obligation does not consume current financial resources and therefore is not reported on the governmental fund.		(21,914)
Current change in the long-term portion of accrued compensated absences does not consume current financial resources and therefore is not reported on the governmental fund.		(21,773)

(continued)

East Niceville Fire District  
Notes to Basic Financial Statements

**NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(CONTINUED)**

(continued)

The difference between cost of pension benefits earned net of employee contributions, and the District's pension contributions, is reported as an adjustment to pension expense on the statement of activities. \$ (45,900)

Depreciation expense on capital assets included in the statement of activities does not require the use of current financial resources, therefore it is not reported as an expenditure in the governmental fund. (30,473)

Change in net position - governmental activities \$ (112,695)

**NOTE 3: CHANGES IN CAPITAL ASSETS**

The following is a summary of changes in the capital assets for the year ended September 30, 2020:

Governmental Activities	September 30, 2019	Additions	Deletions	September 30, 2020
Capital assets not being depreciated				
Land	\$ 40,337	\$ -	\$ -	\$ 40,337
Capital assets being depreciated				
Building and improvements	353,627	6,382	-	360,009
Vehicles and equipment	850,192	-	(14,957)	835,235
Total capital assets being depreciated	1,203,819	6,382	(14,957)	1,195,244
Less accumulated depreciation	1,003,874	30,473	(15,810)	1,018,537
Total capital assets being depreciated, net	199,945	(24,091)	853	176,707
Governmental activities' capital assets, net	\$ 240,282	\$ (24,091)	\$ 853	\$ 217,044

Depreciation expense for fiscal year ended September 30, 2020, totaled \$30,473.

**NOTE 4: CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended September 30, 2020, was as follows:

	September 30, 2019	Additions	Reductions	September 30, 2020	Due Within One Year
Accrued compensated absences	\$ 130,712	\$ 71,864	\$ (45,776)	\$ 156,800	\$ 46,716
Net pension liability	-	106,387	-	106,387	-
Other postemployment benefits liability	141,003	25,880	(3,966)	162,917	-
Total long-term liabilities	\$ 271,715	\$ 204,131	\$ (49,742)	\$ 426,104	\$ 46,716

## East Niceville Fire District Notes to Basic Financial Statements

### **NOTE 5: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant losses to the District. Settled claims have not exceeded this commercial coverage in any of the past four fiscal years.

### **NOTE 6: RETIREMENT PLAN**

#### *Plan Description*

The District began participating in a Florida Statute Chapter 175 Firefighters' Pension Trust Fund (Plan) (Chapter 175 Plan for full-time state certified firefighters) in 2007. The Chapter 175 Plan is a single-employer defined benefit pension plan administered by the District. It was established to provide retirement, disability, and death benefits for covered employees. Florida Statute Chapter 175 establishes eligibility and vesting requirements and benefits provisions. Membership is compulsory for all full-time firefighters. Nonfirefighter personnel of the District are excluded from this plan. An actuarial valuation report for the plan may be obtained by writing the District at 1709 East 27<sup>th</sup> Street, Niceville, FL 32588-0553. The District does not issue stand-alone financial statements for this Plan.

#### *Benefits*

Vesting occurs after 10 years of credited service. Members are eligible for normal retirement at the earlier of age 55 and 10 years of credited service, or age 52 and 25 years of credited service. Early retirement may be taken after 10 years of credited service and attaining age 50; however, the accrued benefit will be actuarially reduced. Upon retirement, members are entitled to receive a monthly amount approximately equal to 3.0% of average final compensation per year of credited service. As of September 30, 2020, the Plan had a total of 12 active members and no inactive members. One member is eligible for normal retirement.

#### *Basis of Accounting*

The accrual basis of accounting is used for the pension trust fund. Contributions made by the District/State are recognized as revenue when due and the employer has made a formal commitment to provide the contributions. Contributions for the District's employees are recognized as revenue when due. Investment income is recognized as income when earned. Plan liabilities for benefits and refunds are recognized when due and payable in accordance with the plan terms.

#### *Investments Authorized and Valuation of Investments*

Investments authorized by the Plan's investment policy are equities, with not more than 5% of the Plan's assets, at the time of purchase, invested in any one issuing company; fixed income investments having a minimum rating of investment grade or higher, with not more than 3% of the total fund in the bonds of a single corporation; money market; and pooled funds, which include mutual funds. Investments are reported at fair value. The fair value of mutual funds is based on quoted market prices. Investments in money market funds are reported at cost, which

**East Niceville Fire District  
Notes to Basic Financial Statements**

**NOTE 6: RETIREMENT PLAN (CONTINUED)**

approximates fair market value. During the fiscal year ended September 30, 2020, all the Chapter 175 Plan assets were held in a money market account with a local bank and a mutual fund.

*Funding Policy*

The plan members are required to contribute 5% of their annual covered salary to the Plan. The District is required to contribute at an actuarially determined rate. The actual contribution rate for the District and State contribution equaled 16% of employees' salaries for the covered annual payroll.

*Annual Pension Cost*

For the year ended September 30, 2020, total required contributions of \$99,713 equaled contributions of \$99,713. The required contribution was determined as part of the actuarial valuation as of October 1, 2018, using the entry-age normal actuarial cost method.

Florida Statute Chapter 175 authorized special fire control districts to levy a tax upon certain insurance companies who engage in the business of property insurance. The District imposed the tax by Resolution 2006-01 effective October 1, 2006. The proceeds from this tax are to be used in partial support of the Chapter 175 Plan. At September 30, 2020, the District was owed \$40,089 from the State of Florida as proceeds from this tax. This amount is reported as contributions in the statement of changes in net position – pension trust fund. While contributions to the Plan are currently funded through these various sources, it is ultimately the responsibility of the District to fund the Plan.

*Net Pension Asset of the Sponsor*

The components of the net pension asset of the sponsor (District) on September 30, 2019 were as follows:

Total pension liability	\$	1,393,737
Plan fiduciary net position		(1,287,350)
<hr/>		
Sponsor's net pension liability	\$	106,387
<hr/>		
Plan's fiduciary net position as a percentage of total pension liability		92%

*Actuarial Assumptions Pension Asset*

The valuation date is October 1, 2020. The measurement period for the pension expense was October 1, 2019 to September 30, 2020. The reporting period is October 1, 2019 through September 30, 2020. For the year ended September 30, 2020 the actuarial assumptions used to determine the total pension liability included a 7% investment rate of return, a 5.5% - 10% projected salary increase, a discount rate of 7% and an inflation rate of 3%. Mortality assumptions were based on the RP-2000 table – sex distinct. Disabled lives are set back 4 years. The date of the

**East Niceville Fire District**  
**Notes to Basic Financial Statements**

**NOTE 6: RETIREMENT PLAN (CONTINUED)**

most recent experience study for which significant assumptions are based was dated December 1, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	55%	N/A
Pooled funds	45%	8%

*Discount Rate*

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension asset to changes in the discount rate*

The following represents the net pension asset of the District, as well as what the District's net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current discount rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension (asset)/liability	\$ 323,808	\$ 106,387	\$ (71,918)

East Niceville Fire District  
Notes to Basic Financial Statements

**NOTE 6: RETIREMENT PLAN (CONTINUED)**

For the year ended September 30, 2020, the District recognized a pension expense net of State of Florida contributions of \$45,900. Additionally, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 124,232	\$ 60,935
Changes in assumptions	18,145	24,056
Net difference between projected and actual earnings on pension plan investments	40,363	-
<b>Total</b>	<b>\$ 182,740</b>	<b>\$ 84,991</b>

The net deferred inflows of resources will be recognized in pension expense in future periods as follows:

Year ending September 30,	Amount
2021	\$ 22,736
2022	22,736
2023	16,101
2024	8,574
2025	7,446
Thereafter	20,156
<b>Total</b>	<b>\$ 97,749</b>

The changes in total pension liability are as follows:

*Year ended September 30, 2020*

<b>Total pension liability</b>	
Service cost	\$ 102,581
Interest	83,807
Differences between expected and actual experience	139,764
Changes in assumptions	(27,064)
Net change in total pension liability	299,088
Total pension liability - beginning	1,094,649
<b>Total pension liability - ending</b>	<b>\$ 1,393,737</b>

**East Niceville Fire District  
Notes to Basic Financial Statements**

**NOTE 6: RETIREMENT PLAN (CONTINUED)**

*Investments*

The following table presents the fair value of the Plan's investments at September 30, 2020:

	Fair Value	Fair Value as a % of Plan Net Assets
<i>Investments for which fair value was determined by quoted market price:</i>		
Mutual funds	\$ 1,161,780	89%

*Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy does not specifically address credit risk for investments, except for restrictions allowing no investment activity in private placement, direct commodities, repurchase agreements, venture capital or any investments prohibited by State or federal law.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Plan will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Plan has selected a third-party custodian for safekeeping of the assets of the Plan.

*Interest Rate Risk*

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The Plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The Plan's investment policy does not limit the maximum maturity length of investments. The asset classification of the funds is based upon the investment objective.

*Concentrations of Credit Risk*

The Plan has adopted target investment allocations that include domestic equities of 45% (range 35% - 55%), international equities of 15% (range 5% - 25%) and core fixed income of 40% (range 30% - 55%). At September 30, 2020, 6% of the Plan's assets were held in cash and cash equivalents and 89% were invested in a mutual fund. Investments held in the Pension Fund are not insured.

**East Niceville Fire District  
Notes to Basic Financial Statements**

**NOTE 6: RETIREMENT PLAN (CONTINUED)**

*Fair Value Hierarchy*

The Plan's investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset or liability (including quoted prices for similar assets or liabilities), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs for an asset or liability.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment risk.

The schedule below discloses the following fair value measurements as of September 30, 2020:

Investments by fair value level	Total Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 1,161,780	\$ 1,161,780	\$ -	\$ -

**NOTE 7: OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description*

The Other Postemployment Healthcare Benefits (OPEB) Plan (Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees, who retire from the District and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. The Plan does not issue a stand-alone report, and it is not included in the report of a Public Employee Retirement System or another entity.



East Niceville Fire District  
Notes to Basic Financial Statements

**NOTE 7: OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Eligibility*

Former employees who retire from the District and eligible dependents may participate in the Plan.

*Funding Policy*

Contribution requirements of the District and plan members are established and may be amended through action from the District Board. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis. For the year ending September 30, 2020, there were no retirees receiving postemployment health care benefits.

*Benefits Provided*

Retirees may participate in the group insurance plans offered by the District, but they are required to contribute 100% of the active premiums.

*Total OPEB Liability*

The District's total OPEB liability of \$162,917 was measured at September 30, 2020, based on an actuarial valuation date of October 1, 2019.

*Summary of Membership Information*

As of October 1, 2019, the most recent valuation date, the following classes of employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	0
Inactive plan members entitled to but not currently receiving benefits	0
<u>Active participants</u>	<u>12</u>
<u>Total employees covered</u>	<u>12</u>

*Actuarial Assumptions and Other Inputs*

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial value of assets: Market value
- Mortality rate: PubG-2010 Mortality Table projected to the valuation date using MP-2019.
- Discount rate: 2.14%. Based on the September 30, 2020 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
- Retirement rates: 100% by age 55

East Niceville Fire District  
Notes to Basic Financial Statements

**NOTE 7: OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

- Inflation: 2.50% per year
- Salary increase rate: 2.50% per year
- Marital status: 100% assumed married, with male spouses 3 years older than female spouses
- Health care participation: 20% participation assumed, with 50% electing spouse coverage
- Health care inflation: Initial rate of 7.50% in fiscal 2020, 7.00% in fiscal 2021, then 7.50% in fiscal 2022, grading down to the ultimate trend rate of 4.00% in fiscal 2075.
- Termination rates: 29.60% at age 20, 59.30% at age 30, 84.10% at age 40, and 100.00% at age 50
- Funding Method: Entry age cost method (level % of pay)

*Discount Rate*

Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

*Changes in Plan Provisions, Assumptions, and Actuarial Methods*

The discount rate used for fiscal year ending September 30, 2020 was 2.14% compared to 3.58% for fiscal year ending September 30, 2019.

*Changes in Total OPEB Plan Liability*

Balance at September 30, 2019	\$ 141,003
<b>Changes for the year:</b>	
Service cost	9,891
Interest	5,295
Difference between expected and actual experience	(2,033)
Changes in assumptions	10,694
Benefit payments	(1,933)
<b>Net change in total OPEB liability</b>	<b>21,914</b>
Balance at September 30, 2020	\$ 162,917

**East Niceville Fire District  
Notes to Basic Financial Statements**

**NOTE 7: OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

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

	1% Decrease 1.14%	Current Discount Rate 2.14%	1% Increase 3.14%
Total OPEB liability	\$ 195,983	\$ 162,917	\$ 137,199

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

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

	1% Decrease 3.00% - 6.50%	Healthcare Cost Trend Rates 4.00% - 7.50%	1% Increase 5.00% - 8.50%
Total OPEB liability	\$ 134,767	\$ 162,917	\$ 199,195

**NOTE 8: BUDGET VARIANCES**

For the year ended September 30, 2020, actual expenditures were less than budgeted expenditures by \$25,260. The district decreased spending as a response to a decrease in actual revenues of \$25,130.

**NOTE 9: SUBSEQUENT EVENTS**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the District. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

On June 25, 2021, the District entered into a capital lease agreement to acquire a fire truck. The amount financed under the arrangement is \$382,981 and the unpaid balance accrues interest at annual rate of 2.98%. The loan is payable in 10 years with annual principal and interest payments of \$44,851.

**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MD&A)**

East Niceville Fire District  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Six Fiscal Years\***

<i>Year ended September 30,</i>	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>						
Service cost	\$ 102,581	\$ 93,668	\$ 85,836	\$ 74,125	\$ 74,125	\$ 69,276
Interest	83,807	71,608	67,320	48,804	48,804	41,039
Changes in benefit terms	-	(3,563)	-	-	-	-
Differences between expected and actual experience	139,764	-	(87,052)	49,256	-	-
Changes in assumptions	(27,064)	-	1,412	-	36,289	-
Contributions - buy back	-	-	-	-	-	443
Benefit payments, including refunds of employee contributions	-	(1,269)	(16,969)	(18,768)	(5,584)	(2,904)
Net change in total pension liability	299,088	160,444	50,547	153,417	153,634	107,854
Total pension liability - beginning	1,094,649	934,205	883,658	779,497	625,863	518,009
Adjustment to the beginning of year	-	-	-	(49,256)	-	-
<b>Total pension liability - ending</b>	<b>1,393,737</b>	<b>1,094,649</b>	<b>934,205</b>	<b>883,658</b>	<b>779,497</b>	<b>625,863</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	59,624	57,570	42,716	32,985	12,046	13,918
Contributions - state	40,089	31,963	30,528	35,001	45,656	56,017
Contributions - employee	33,012	27,993	22,559	20,313	18,681	18,575
Contributions - buy back	-	-	-	-	-	443
Projected net investment income	75,853	34,998	64,430	43,250	34,978	1,169
Difference between projected and actual earnings on Pension Plan investments	-	-	(33,175)	-	-	-
Benefit payments, including refunds of employee contributions	-	(1,269)	(16,969)	(18,768)	(5,584)	(2,904)
Administrative expense	(48,033)	(16,973)	(1,327)	(9,776)	(1,399)	(2,520)
Net change in plan fiduciary net position	160,545	134,282	108,762	103,005	104,378	84,698
Plan fiduciary net position - beginning	1,126,805	992,523	883,761	780,756	676,378	591,680
Plan fiduciary net position - ending	1,287,350	1,126,805	992,523	883,761	780,756	676,378
<b>Net pension asset (liability) - ending</b>	<b>\$ (106,387)</b>	<b>\$ 32,156</b>	<b>\$ 58,318</b>	<b>\$ 103</b>	<b>\$ 1,259</b>	<b>\$ 50,515</b>
Plan fiduciary net position as a percentage of the total pension liability	92%	103%	106%	100%	100%	108%
Covered payroll	\$ 660,347	\$ 559,854	\$ 451,173	\$ 463,739	\$ 413,216	\$ 408,671
Net pension asset (liability) as a percentage of covered payroll	-16%	6%	13%	0%	0%	12%

\*Schedule is intended to show information for 10 years. Additional years will be added as they become available.

Factors that contributed to the increase in the net pension liability include an increase in the difference between expected and actual experience and a decreases as a result of changes in assumptions.

**East Niceville Fire District  
Schedule of Pension Contributions  
Last Six Fiscal Years\***

<i>Year ended September 30,</i>	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 99,713	\$ 90,136	\$ 72,639	\$ 65,749	\$ 59,779	\$ 62,041
Contributions in relation to the actuarially determined contributions	99,713	89,533	73,244	67,986	57,702	69,935
<b>Contribution (excess)/deficiency</b>	<b>\$ -</b>	<b>\$ 603</b>	<b>\$ (605)</b>	<b>\$ (2,237)</b>	<b>\$ 2,077</b>	<b>\$ (7,894)</b>
Covered payroll	\$ 660,347	\$ 559,854	\$ 451,173	\$ 463,739	\$ 413,216	\$ 408,671
Contributions as a percentage of covered payroll	15%	16%	16%	15%	14%	17%

\*Schedule is intended to show information for 10 years. Additional years will be added as they become available.

Notes to schedule

Valuation Date: October 1, 2018

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

Methods and assumptions used to determine contribution rates:

Funding method:	Entry age normal actuarial cost method.
Mortality rate:	RP-2000 Table (sex distinct).
Interest rate:	7% per year, compounded annually, net of investment related expenses.
Inflation:	3% per year.
Retirement age:	10% (previously 5%) per year eligible for early retirement. 10% per year eligible for normal retirement (with 100% at age 52 with 25 years of service). Also any member who has reached normal retirement age on the valuation date is assumed to continue employment for one additional year.
Disability rates:	Percentage becoming disabled during the year. Age 20 is .051%, age 30 is .058%, age 40 is .121% and age 50 is .429%.
Termination rates:	Percentage terminating during the year. Years of service 0 to 2 are 15% and 3 or more years are 5.0%.
Salary increases:	Salary increase is 10% for 0 years of service, 8% for 1 year of service, 7% for 2 to 4 years of service and 5.5% for 5 or more years of service. Previously 6% per year until the assumed retirement age.
Payroll growth assumption:	None.

**East Niceville Fire District  
Schedule of Pension Investment Returns  
Last Six Fiscal Years\***

<u>Fiscal year ended</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
September 30, 2020	6.72%
September 30, 2019	3.58%
September 30, 2018	3.55%
September 30, 2017	0.04%
September 30, 2016	2.46%
September 30, 2015	0.09%

\*Schedule is intended to show information for 10 years. Additional years will be added as they become available.

**East Niceville Fire District**  
**Schedule of Changes in Total Other Postemployment**  
**Benefits Liability and Related Ratios\***

<i>Year ended September 30,</i>	2020	2019	2018
<b>Total other postemployment liability</b>			
Service cost	\$ 9,891	\$ 7,941	\$ 8,516
Interest	5,295	5,220	4,520
Difference between expected and actual experience	(2,033)	-	-
Changes in assumptions	10,694	11,806	(10,050)
Benefit payments	(1,933)	(1,790)	(1,650)
Net change in OPEB liability	21,914	23,177	1,336
Total OPEB liability - beginning	141,003	117,826	116,490
<b>Total OPEB liability - ending</b>	<b>\$ 162,917</b>	<b>\$ 141,003</b>	<b>\$ 117,826</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Covered employee payroll	\$ 553,891	\$ 524,220	\$ 511,434
Total OPEB liability as a percentage of covered employee payroll	29%	27%	23%

\*Schedule is intended to show information for 10 years. Additional years will be added as they become available.





Carr, Riggs & Ingram, LLC  
4502 Highway 20 East  
Suite A  
Niceville, FL 32578

(850) 897-4333  
(850) 897-4068 (fax)  
[www.cricpa.com](http://www.cricpa.com)

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

Board of Commissioners  
East Niceville Fire District  
Niceville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the fiduciary fund of East Niceville Fire District (District), as of and for the year ended September 30, 2020, and the related notes to financial statements, which collectively comprise the District's Basic financial statements and have issued our report thereon dated September 16, 2021.

**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 as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of current year findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of current year findings and responses as finding 2020-001 (prior year 2019-001) to be a material weakness.

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. We consider the deficiencies described in the accompany schedule of current year findings and responses as findings 2020-002 (prior years 2019-002 and 2018-004) and 2020-003 to be significant deficiencies.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of current year findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District's Responses to Findings**

The views of responsible officials and planned corrective actions related to the findings identified in our audit are included in the accompanying schedule of current year findings and responses and were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of This Report**

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

*Carly Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Niceville, Florida  
September 16, 2021

**East Niceville Fire District**  
**Schedule of Current Year Findings and Responses**

**Financial Statement Findings**

**2020-001 – Misstatements (prior year 2019-001)**

**Condition:** During our testing, significant misstatements were identified in operating expenses, accounts payable, and accrued salaries.

**Effect:** Undetected misstatements can affect the accuracy of financial information used by the Board to make decisions.

**Cause:** Internal controls failed to detect misstatements in operating expenses, accounts payable, and accrued salaries.

**Criteria:** Financial information used by the Board to make financial decisions should be accurate.

**Recommendation:** We recommend the District implement internal controls to detect misstatements in financial information.

**Views of responsible officials and planned corrective action:** The General Ledger for each month's transactions are reviewed and actual charges compared to budgeted charges to ensure no gross errors occur. The Commissioner and Treasurer will begin working more closely with ENFD's accounting firm to review and correct in a timely manner any misallocation of charges.

**2020-002 – Payroll (prior years 2019-002 and 2018-004)**

**Condition:** During our testing of payroll, we noted a lack of evidence that timesheets and payroll registers were reviewed and approved.

**Effect:** Payroll expense could be misstated.

**Cause:** Management does not document the review and approval process of timesheets and payroll registers.

**Criteria:** Timesheets and payroll registers should be timely reviewed for accuracy and completeness and evidence of that review and approval should be documented.

**Recommendation:** We recommend the District implement internal controls to ensure timesheets and payroll registers are timely reviewed and approved.

**Views of responsible officials and planned corrective action:** Timesheets are reviewed and approved each pay period. However, we will begin to include evidence of that review and approval process.

**East Niceville Fire District  
Schedule of Current Year Findings and Responses  
(Continued)**

**2020-003 – Cash Disbursements**

**Condition:** During our testing of cash disbursements, we noted a lack of evidence that invoices were reviewed and approved.

**Effect:** Expenses could be inaccurate and/or unauthorized.

**Cause:** Management does not document the review and approval of invoices.

**Criteria:** Invoices should be timely reviewed for accuracy and completeness and evidence of that review and approval should be documented.

**Recommendation:** We recommend the District implement internal controls to ensure invoices are timely reviewed and approved.

**Views of responsible officials and planned corrective action:** Invoices are reviewed and approved prior to the related cash disbursement. However, we will begin to include evidence of that review and approval process.



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

Carr, Riggs & Ingram, LLC  
4502 Highway 20 East, Suite A  
Niceville, FL 32578

(850) 897-4333  
(850) 897-4068 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

Board of Commissioners  
East Niceville Fire District  
Niceville, Florida

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

We have audited the financial statements of East Niceville Fire District (District) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated September 16, 2021.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 16, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have not been taken to address prior audit findings 2019-001 (current year 2020-001) and 2019-002 (current year 2020-002).

### **Official Title and Legal Authority**

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

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes and to identify 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(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

### **Special District Component Units**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

*Carly Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Niceville, Florida  
September 16, 2021



**CRI** CARR  
RIGGS &  
INGRAM  
CPAs and Advisors

Carr, Riggs & Ingram, LLC  
4502 Highway 20 East, Suite A  
Niceville, FL 32578

(850) 897-4333  
(850) 897-4068 (fax)  
www.cricpa.com

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

Board of Commissioners  
East Niceville Fire District  
Niceville, Florida

We have examined East Niceville Fire District's (District) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements identified above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2020.

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

*Carr, Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Niceville, Florida  
September 16, 2021