

BAYSHORE FIRE PROTECTION
AND RESCUE SERVICE DISTRICT

SEPTEMBER 30, 2023

FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

To the Honorable Board of Commissioners
Bayshore Fire Protection & Rescue Service District
North Fort Myers, Florida

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's net proportionate share of net pension liability- pension plan and health insurance subsidy plan, schedules of district contributions- pension plan and health insurance subsidy plan and schedule of changes in the total OPEB liability and related ratios to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information, continued

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 12, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in consideration the District's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

March 12, 2024

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

As management of Bayshore Fire Protection and Rescue Service District (the "District"), we offer readers of the District's financial statement this narrative overview and analysis of the District's financial activities for the fiscal year ended September 30, 2023. Please note that comparative information is provided for fiscal years 2022-23.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the 2023 fiscal year by \$676,973 (net position). The negative net position is a result of the District recognizing \$2,726,015 of net pension liability. This liability is directly related to a shortfall in the Florida Retirement System and is beyond our control.
- The District's net position decreased by \$46,108. This decrease is primarily attributable to reporting requirements of GASB 68 and the Florida Retirement System (FRS) Pension related liabilities and other post employment benefits (OPEB) reporting.
- As of the close of the 2023 fiscal year, the District reported an ending fund balance of \$1,229,268, an increase of \$323,982 in comparison with the prior year. \$1,280,244 of this amount is available for spending at the District's discretion, however, it should be noted that of this amount \$92,821 is inaccessible in the form of a receivable from the Impact Fee Fund.

Government-wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities found on pages 10 and 11) are intended to allow a 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 10) presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. The District's capital assets (property, plant and equipment) are included in this statement and reported net of their accumulated depreciation.

The Statement of Activities (page 11) 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 (revenue and expense) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Fund Financial Statements

The District accounts for its services in a general governmental fund. A fund is a grouping of related accounts that is being used to maintain control over resources that have been segregated for specific activities or objectives. Governmental funds are used to account for the sources, uses, and balances of a government's expendable general government financial resources (and the current liabilities). The main focus is on how money flows into and out of the general fund and the balances left at year-end that are available for spending.

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fund Financial Statements can be found on pages 12 and 14.

Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 16. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

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Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Government-Wide Financial Analysis

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

Summary of Net Position
September 30,

	2023	2022
ASSETS		
Current assets	\$ 1,282,178	\$ 956,902
Capital assets	507,473	528,404
Total assets	1,789,651	1,485,306
Deferred outflows of resources	798,736	858,643
Total assets and deferred outflows of resources	2,588,387	2,343,949
LIABILITIES		
Current liabilities	70,038	68,093
Noncurrent liabilities	2,969,201	2,555,164
Total liabilities	3,039,239	2,623,257
Deferred inflows of resources	226,121	351,557
Total liabilities and deferred inflows of resources	3,265,360	2,974,814
NET POSITION		
Capital assets, net of related debt	472,540	476,994
Unrestricted	(1,149,513)	(1,107,859)
Total net position	\$ (676,973)	\$ (630,865)

Current assets represent 71.64 percent of total assets. Current assets are comprised of unrestricted cash of \$1,193,102, and other assets of \$89,076. The investment in capital assets is comprised of land, building and improvements, vehicles and equipment, net of accumulated depreciation and the outstanding related debt used to acquire the assets.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Government-Wide Financial Analysis, continued

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

Summary of Activities
September 30,

	2023	2022
REVENUES		
Property assessments	\$ 2,027,554	\$ 1,680,351
Intergovernmental / grant revenue	263,429	207,491
Charges for services	52,137	58,229
Impact fees	33,924	30,891
Donations	45,088	27,895
Other	135,663	29,360
Total revenues	2,557,795	2,034,217
EXPENSES		
Personal services	2,184,604	1,637,361
Operating expenses	356,517	303,959
Depreciation	60,751	59,960
Interest and depreciation	2,031	3,175
Total expenses	2,603,903	2,004,455
Change in net position	(46,108)	29,762
Beginning net position, October 1, 2022 and 2021	(630,865)	(660,627)
Ending net position, September 30, 2023 and 2022	\$ (676,973)	\$ (630,865)

Total revenue increased \$523,578 or 25.74 percent in comparison to prior year due to \$347,203 increase in ad valorem property assessments.

Total expenses increased in comparison to the prior year by \$599,448 or 29.91 percent. This is primarily the result of increase in personnel services.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Budgetary Highlights

The District adopts an annual budget for the General Fund and the Impact Fee Fund as required by Florida Statute. The annual budget is legally adopted and was amended twice in 2023 in order to adjust for differences between initially projected beginning fund balances and actual audited final fund balances, reflect the receipt of impact fees and to balance the expenditures. The final budgeted expenditures equaled the actual expenditures for the General Fund and the Impact Fee Fund.

Capital Assets

At the end of 2023, the District's investment in capital assets for its governmental activities was \$472,540 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

	2023	2022
Land	\$ 35,918	\$ 35,918
Building	673,194	673,194
Vehicles	945,715	915,596
Equipment	414,914	406,240
Total capital assets	2,069,741	2,030,948
Less: accumulated depreciation	(1,562,268)	(1,502,544)
Total capital assets, net	\$ 507,473	\$ 528,404

The changes are due to the purchase of additional capital assets during the current year. Depreciation expense for the years ended September 30, 2023 and 2022 were \$60,751 and \$59,960, respectively.

Additional information on the District's capital assets can be found in Note 4 on page 21 of this report.

Non-current Liabilities

At the end of fiscal year 2023, the District had total noncurrent liabilities consisting of other post-employment benefits of \$225,381, a loan payable with balance of \$34,933, and net pension liability of \$2,726,015. Current and non-current portions were \$17,128 and \$2,969,201, respectively.

More detailed information about the District's noncurrent liabilities can be found in Note 6 on page 22 of this report.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Economic Factors and Next Year's Budget and Rates

The District relies on property taxes for the largest portion of its budget. Taxable property value within the District increased 20.4% in 2023-24 compared to 2022-2023 due to growth in the District.

For the 2023-24 fiscal year, the District's Board of Commissioners approved a budget maintaining the current millage rate of 3.5000 mills which is estimated to result in an increase of ad valorem revenues of approximately \$110,868.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for the District's residents and creditors. Questions concerning this report or requests for additional financial information should be directed to:

Chief Doug Underwood
17350 Nalle Road
North Fort Myers, Florida 33917

BASIC
FINANCIAL STATEMENTS

Bayshore Fire Protection and Rescue Service District
Statement of Net Position
September 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,193,102
Accounts Receivable	3,423
Due from other governments	69,335
Prepaid expenses	16,318
Total current assets	1,282,178

Noncurrent assets:

Capital assets:

Land	35,918
Capital assets being depreciated (net of \$1,502,544 accumulated depreciation)	471,555
Total noncurrent asset	507,473
Total assets	1,789,651

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of pension resources	798,736
Total assets and deferred outflows of resources	2,588,387

LIABILITIES

Current liabilities:

Accounts payable	5,368
Accrued payroll and related liabilities	47,542
Current portion of loan payable	17,128
Total current liabilities	70,038

Noncurrent liabilities:

Net pension liability	2,726,015
Other post-employment benefits liability	225,381
Loan payable, net of current portion	17,805
Total noncurrent liabilities	2,969,201
Total liabilities	3,039,239

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of pension resources	226,121
Total liabilities and deferred inflows of resources	3,265,360

NET POSITION

Invested in capital assets, net of related debt	472,540
Unrestricted	(1,149,513)
Total net position	\$ (676,973)

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

Bayshore Fire Protection and Rescue Service District
Statement of Activities
For the fiscal year ended September 30, 2023

EXPENSES

Governmental Activities	
Public Safety - Fire Protection	
Personnel services	\$ 2,184,604
Operating expenses	356,517
Depreciation	60,751
Interest and fiscal charges	2,031
Total program expenses	2,603,903
Program revenue	
Operating grants	263,429
Charges for services	52,137
Net program expenses	2,288,337
General revenues	
Ad valorem taxes	2,027,554
Impact fees	33,924
Donations	45,088
Miscellaneous	135,663
Total general revenues	2,242,229
Change in net position	(46,108)
Net position - beginning, October 1, 2022	(630,865)
Net position - ending, September, 30, 2023	\$ (676,973)

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

Bayshore Fire Protection and Rescue Service District
Balance Sheet
September 30, 2023

	General Fund	Impact Fee Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,191,738	\$ 1,364	\$ 1,193,102
Accounts Receivable	3,423	-	3,423
Due from other funds	92,821	-	92,821
Due from other governments	45,172	24,163	69,335
Prepaid expenses	16,318	-	16,318
Total assets	\$ 1,349,472	\$ 25,527	\$ 1,374,999
 LIABILITIES & FUND BALANCE			
Liabilities			
Accounts payable	\$ 5,368	\$ -	\$ 5,368
Due to other funds	-	92,821	92,821
Accrued payroll and related liabilities	47,542	-	47,542
Total liabilities	52,910	92,821	145,731
Fund Balances			
Nonspendable - Prepaid expenses	16,318	-	16,318
Spendable:			
Unassigned	1,280,244	-	1,280,244
Restricted	-	(67,294)	(67,294)
Total fund balances	1,296,562	(67,294)	1,229,268
Total liabilities and fund balances	\$ 1,349,472	\$ 25,527	\$ 1,374,999

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

Bayshore Fire Protection and Rescue Service District
Reconciliation of the Balance Sheet To the Statement of Net Position
September 30, 2023

Total fund balance for governmental funds	\$	1,229,268
Capital assets used in governmental activities are not financial resources and are therefore not reported on the balance sheet:		507,473
Deferred outflows and deferred inflows are applied to future periods and are therefore not reported in the governmental funds.		
Deferred outflows related to pension - FRS	\$ 736,389	
Deferred outflows related to pension - HIS	<u>62,347</u>	798,736
Deferred inflows related to pension - FRS	(170,308)	
Deferred inflows related to pension - HIS	<u>(55,813)</u>	(226,121)
Long-term liabilities are not due and payable in the current period and are therefore not reported on the balance sheet:		
Net pension liability - FRS	(2,280,560)	
Net pension liability - HIS	(445,455)	
Loan payable	(34,933)	
Net OPEB liability	<u>(225,381)</u>	<u>(2,986,329)</u>
Net Position	\$	<u><u>(676,973)</u></u>

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

Bayshore Fire Protection and Rescue Service District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30, 2023

	<u>General Fund</u>	<u>Impact Fee Fund</u>	<u>Total</u>
Revenues:			
Ad Valorem taxes	\$ 2,027,554	\$ -	\$ 2,027,554
Charges for services	52,137	-	52,137
Impact fees	-	33,924	33,924
Intergovernmental revenues	263,429	-	263,429
Donations	14,969	-	14,969
Insurance Proceeds	59,336	-	59,336
Miscellaneous	76,068	259	76,327
	<u>2,493,493</u>	<u>34,183</u>	<u>2,527,676</u>
Expenditures:			
Public safety			
Personal services	1,818,959	-	1,818,959
Operating expenditures	356,517	-	356,517
Debt Service			
Principal	16,477	-	16,477
Interest	2,031	-	2,031
Capital outlay	9,710	-	9,710
	<u>2,203,694</u>	<u>-</u>	<u>2,203,694</u>
Total expenditures	<u>2,203,694</u>	<u>-</u>	<u>2,203,694</u>
Net change in fund balance	289,799	34,183	323,982
Fund balance, October 1, 2022	<u>1,006,763</u>	<u>(101,477)</u>	<u>905,286</u>
Fund balance, September 30, 2023	<u>\$ 1,296,562</u>	<u>\$ (67,294)</u>	<u>\$ 1,229,268</u>

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

Bayshore Fire Protection and Rescue Service District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance to the Statement of Activities
For the fiscal year ended September 30, 2023

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

Net change in fund balance for governmental funds	\$	323,982
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, gains and losses on the disposition of capital assets are recorded on the statement of activities but not in the statement of revenues expenditures and changes in net position.

Capital outlay expenditure	\$ 9,710		
Donation	30,119		
Less: depreciation expense	<u>(60,751)</u>		(20,922)

The repayment of the principal of long-term debt is an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balance, but reduces long-term liabilities in the Statement of Net Position.		16,477
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The increase in OPEB expense does not affect the use of financial resources and is not reflected as an increase in expenditures in the governmental funds.		(70,862)
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The increase in pension expense does not affect the use of financial resources and is not reflected as an increase in expenditures in the governmental funds.		<u>(294,783)</u>
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Change in net position	\$	<u><u>(46,108)</u></u>
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The accompanying notes are an integral and essential part of these financial statements.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies of the District:

Organization and Nature of Activities: The Bayshore Fire Protection and Rescue Service District (the "District") is a local governmental unit created by the State of Florida Legislature under Chapter 76-414, Laws of Florida, as amended in 2003 HB 1257, to provide fire protection and rescue services to a certain prescribed area in North Fort Myers, Florida. The District is funded primarily by property taxes and is operated by a five-person Board of Commissioners (the "Commissioners").

Summary of Significant Accounting Policies: The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

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

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

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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement Number 33, "Accounting and Financial Reporting for Nonexchange Transactions" (GASB 33).

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

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies, continued:

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit for goods, services, or privileges provided by a given function, such as inspection fees, 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.

Fund Financial Statements: The accounts of the District are organized on the basis of funds, a fund 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, as appropriate. Government resources are allocated to, and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following governmental funds are utilized by the District:

General Fund: The General Fund is the general operating fund of the District. All financial resources which are not specifically restricted or designated as to use are recorded in the General Fund.

Impact Fee Fund: The Impact Fee Fund is used to account for the collection of impact fees which are collected on the District's behalf by Lee County, Florida and the expenditure of funds for qualified purposes. The most recent uses of impact fee funds has been for the repayment of a capital lease for the acquisition of a pumper truck purchased in 2012.

Measurement Focus and Basis of Accounting: Basis of accounting refers to when revenue and expenditures 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 management focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies, continued:

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

Capital Assets: Capital assets include land, building, improvements, vehicles, and equipment, are reported in the government-wide financial statements in the 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 acquisition cost on the date donated. Maintenance, repairs, and minor renovations are not capitalized. Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost and related accumulated depreciation is eliminated from the respective accounts. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	39
Improvements	5 - 15
Vehicles	10
Equipment	5 - 20

Deferred Outflows/Inflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as expended until then. The District presents deferred outflows associated with pensions to be expensed over future periods. Deferred inflows of resources is defined as an acquisition of position by the government that is applicable to a future reporting period. The District presents deferred inflows of resources related to pensions.

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 it is, at present, not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Other Post Employment Benefits (OPEB): OPEB expense, consists of actuarially determined amounts related to the amortization of deferred outflows of resources and deferred inflows of resources, is presented as an expense in the statement of activities.

Accounts Receivable: Receivables are reported net of allowance for uncollectible accounts. All receivables are reviewed periodically and, when determined to be uncollectable, the allowance method is used.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies, continued:

Budgets and Budgetary Accounting: The following procedures are used by the District in establishing the budgetary data reflected in the basic financial statements:

1. During the summer, the Chief submits to the Board of Commissioners for their consideration a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is adopted through a resolution by the Board of Commissioners.
4. Budget transfers and amendments can be made throughout the year by approval of the Board of Commissioners.
5. Budget amounts, as shown in the Required Supplementary Information are as originally adopted, or as amended by the Board of Commissioners.
6. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. The level of control for appropriations is exercised at the activity level.

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.

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

The components of Fund Balance are:

Nonspendable

The portion of net resources or fund balance that cannot be spent because of their form. These amounts will never convert to cash or not convert soon enough to affect the current period (e.g., long-term receivables or prepaid items).

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies, continued:

Restricted

The restricted fund balance consists of amounts that can be spent only on specific purposes stipulated by constitutional provisions or enabling legislation or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed

The portion of fund balance that consists of amounts that can only be used for specific purposes pursuant to resolution of the District Board. Committed fund balance may be redirected by the District Board to other purposes as long as the original constraint is removed by a similar resolution. The resolution giving rise to the committed fund balance must be imposed by the end of the fiscal year.

Assigned

The portion of fund balance that includes spendable fund balance amounts established by the administration of the District that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned

The portion of fund balance that has not been reported in any other classification within the General Fund.

The District expends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents that prohibit doing this. Additionally, the District would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance, when expenditures are incurred for purposes in which amounts are available from any of these unrestricted fund balance classifications.

Impact Fees: The District receives impact fees in accordance with an interlocal agreement with Lee County, Florida. Impact fees collected by Lee County are remitted on a quarterly basis to the District. The District, with prior Lee County approval, may expend amounts collected on qualifying capital expenditures. Funds received that are not expended within six years must be refunded. Because of the eligibility requirements imposed in the agreement, (1) prior approval before expenditure and (2) refund if not expended, the District records receipts of funds as restricted cash.

Note 2. Cash and Investments:

At September 30, 2023, the carrying amount of the District's deposits was \$1,193,102 and the bank balance was \$1,205,773. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security For Public Deposits Act (Florida Statutes Chapter 280).

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 3. Property Taxes:

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Lee County, Florida, Tax Collector's office bills and collects property taxes on behalf of the District. The tax rate levied upon the taxable property in the district for the fiscal year ended September 30, 2023 was \$0.035 per \$1,000 of assessed taxable property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. On April 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1, and the proceeds collected. The District's portion are then remitted to the District.

Note 4. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
Capital assets not being depreciated:				
Land	\$ 35,918	\$ -	\$ -	\$ 35,918
Total capital assets not being depreciated:	<u>35,918</u>	<u>-</u>	<u>-</u>	<u>35,918</u>
Capital assets being depreciated:				
Buildings and improvements	673,194	-	-	673,194
Vehicles	915,596	30,119	-	945,715
Fire equipment	186,162	9,701	-	195,863
Radio equipment	123,004	-	-	123,004
Station equipment	62,592	-	-	62,592
Medical equipment	9,212	-	(1,027)	8,185
Office equipment	25,270	-	-	25,270
Total capital assets being depreciated:	<u>1,995,030</u>	<u>39,820</u>	<u>(1,027)</u>	<u>2,033,823</u>
Less: Accumulated depreciation	<u>(1,502,544)</u>	<u>(60,751)</u>	<u>1,027</u>	<u>(1,562,268)</u>
Capital Assets, Net	<u>\$ 528,404</u>	<u>\$ (20,931)</u>	<u>\$ -</u>	<u>\$ 507,473</u>

A polaris ranger, valued at \$30,119, was donated to the District.

Note 5. Commitments and Contingencies:

The Board purchases liability and casualty insurance coverage from commercial carriers with coverage's and deductibles in amounts that the Board feels is adequate.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 6. Long-Term Debt:

In December of 2019, the District entered into a purchase agreement with a financial institution to purchase Motorola radios for \$82,510. The terms of the loan call for annual principal and interest payments of \$18,508, including interest at a fixed rate of 3.88%. The first payment was due on February 13, 2022 and the remaining 4 payments due on February 13 of each year with the final payment due in 2025. As of September 30, 2023, the outstanding balance was:

	\$ 34,933
Total loan payable	\$ 34,933

The combined annual payments to retire the District's note payable is as follows:

Fiscal Year	Principal	Interest	Total
2024	17,128	1,380	18,508
2025	17,805	703	18,508
	\$ 34,933	\$ 2,083	\$ 37,016

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

	Balance Oct 1, 2022	Additions	Reductions	Balance Sept 30, 2023	Due within one year
Net pension liability -					
Pension Plan	\$2,067,405	\$ 696,599	\$ 483,444	\$ 2,280,560	\$ -
HIS Plan	298,307	187,613	40,465	445,455	-
Loan payable	51,410	-	16,477	34,933	17,128
Post employment benefits	154,519	176,828	105,966	225,381	-
Total	\$2,571,641	\$1,061,040	\$ 646,352	\$ 2,986,329	\$ 17,128

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 7. State of Florida Retirement Plans

Defined Benefit Plans

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

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

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

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 7. State of Florida Retirement Plans, continued:

Contributions

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

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

The District's contributions for the year ended September 30, 2023, were \$290,550 to the FRS Pension Plan and \$19,861 to this HIS Program.

Pension Liabilities and Pension Expense

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

	<u>FRS</u>	<u>HIS</u>
Net pension liability	\$ 2,280,560	\$ 445,455
Proportion at:		
Current measurement date	0.005723%	0.002805%
Prior measurement date	0.005556%	0.002816%
Pension (benefit) expense	\$ 144,135	\$ 150,639

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 7. State of Florida Retirement Plans, continued:

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

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 214,125	\$ -	\$ 6,521	\$ (1,046)
Change of assumptions	148,666	-	11,711	(38,600)
Net difference between projected and actual earnings on pension plan investments	95,242	-	230	-
Changes in proportion and differences between District contributions and proportionate share of contributions	192,130	(170,308)	37,926	(16,167)
District contributions subsequent to the measurement date	86,226	-	5,959	-
	<u>\$ 736,389</u>	<u>\$ (170,308)</u>	<u>\$ 62,347</u>	<u>\$ (55,813)</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal year ending September 30:	FRS	HIS
2024	\$ 50,375	\$ (3,960)
2025	(14,027)	3,277
2026	373,728	5,205
2027	56,908	(1,544)
2022	12,871	(2,039)
Thereafter	-	(364)
	<u>\$ 479,855</u>	<u>\$ 575</u>

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 7. State of Florida Retirement Plans, continued:

Actuarial Assumptions

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

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

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

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

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

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			2.4%	1.4%

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 7. State of Florida Retirement Plans, continued:

Discount Rate

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

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

Sensitivity Analysis

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

	FRS		
	Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net pension liability	\$ 3,895,661	\$ 2,280,560	\$ 929,335

	HIS		
	Current		
	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
District's proportionate share of the net pension liability	\$ 541,231	\$ 445,455	\$ 373,119

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. FRS Investment Plan contributions for the fiscal year ended September 30, 2023 totaled \$7,879.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 8. Other Post Employment Benefits:

Plan Description

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

Employees Covered by Benefit Terms

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

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	13
	14

Benefits Provided

A retired employee and his or her spouse are eligible to continue health insurance identical to active employees if they meet the eligibility for retirements under the applicable retirement Plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Medicare coverage is assumed to become primary upon attainment of age 65.

Total OPEB Liability

The measurement date is September 30, 2022.

The measurement period for the OPEB expense was October 1, 2021 to September 30, 2022.

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

The District's Total OPEB Liability was measured as of September 30, 2022.

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 8. Other Post Employment Benefits, continued:

Actuarial Assumptions:

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

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.77%
Initial Trend Rate	7.25%
Ultimate Trend Rate	4.00%
Years to Ultimate	52

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

Discount Rate - Given the District's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 4.77%. The high quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense - For the year ended September 30, 2023, the District will recognize OPEB Expense of \$74,510.

Changes in Total OPEB Liability

Reporting Period Ending September 30, 2022	\$ 154,519
Changes for the year:	
Service Cost	5,166
Interest	3,849
Difference Between Expected and Actual Experience	167,813
Changes of Assumptions	(103,348)
Benefit Payments	(2,618)
Net Changes	<u>70,862</u>
Reporting Period Ending September 30, 2023	<u><u>\$ 225,381</u></u>

Bayshore Fire Protection and Rescue Service District
Notes to Financial Statements
September 30, 2023

Note 8. Other Post Employment Benefits, continued:

Changes of assumptions reflect a change in the discount rate from 2.43% for the fiscal year ending September 30, 2022 to 4.77% for the fiscal year ending September 30, 2023. Also reflected as assumption changes are updated health care costs and premiums.

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 3.77%	Current Discount Rate 4.77%	1% Increase 5.77%
Total OPEB Liability	\$ 253,991	\$ 225,381	\$ 201,294

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% - 6.25%	Healthcare Cost Trend Rate 4.00% - 7.25%	1% Increase 5.00% - 8.25%
Total OPEB Liability	\$ 201,655	\$ 225,381	\$ 253,388

Note 9. Deficit Unrestricted Net Position

The District reported a deficit net position in its unrestricted fund balance on the statement of net position. The deficit is attribute to the implementation of GASB No. 68 and the full recognition of the related net pension liability, deferred inflows of resources, and deferred outflows of resources pertaining to the District's defined benefit plans.

Note 10. Deficit Unrestricted Fund Balance

At September 30, 2023, the impact fee fund reported a deficit in fund balance of \$67,294. The deficit fund balance is attributed to the amount it owes the general fund for the repayment of note payable for the acquisition of a water tanker truck.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Bayshore Fire Protection and Rescue Service District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the fiscal year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Ad Valorem taxes	\$ 1,980,115	\$ 2,027,554	\$ 2,027,554	\$ -
Charges for services	37,944	52,137	52,137	-
Intergovernmental rev. - other	960	2,510	2,510	-
Intergovernmental rev. - grant	241,464	260,919	260,919	-
Donations	-	14,969	14,969	-
Insurance proceeds	-	59,336	59,336	-
Miscellaneous	16,305	76,068	76,068	-
Reserves	818,570	903,949	-	(903,949)
Total revenues	<u>3,095,358</u>	<u>3,397,442</u>	<u>2,493,493</u>	<u>(903,949)</u>
Expenditures:				
Public safety				
Personal services	1,839,187	1,818,959	1,818,959	-
Operating	341,719	356,517	356,517	-
Capital outlay	38,000	9,710	9,710	-
Debt Service	18,508	18,508	18,508	-
Reserves	857,944	1,193,748	-	1,193,748
Total expenditures	<u>3,095,358</u>	<u>3,397,442</u>	<u>2,203,694</u>	<u>1,193,748</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	289,799	<u>\$ 289,799</u>
Fund balance, October 1, 2022			<u>1,006,763</u>	
Fund balance, September 30, 2023			<u>\$ 1,296,562</u>	

Bayshore Fire Protection and Rescue Service District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Impact Fee Fund
For the fiscal year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Fees:				
Impact Fees	\$ -	\$ 33,924	\$ 33,924	\$ -
Miscellaneous:				
Interest	-	259	259	-
Reserves	1,339	1,339	-	(1,339)
Total revenues	1,339	35,522	34,183	(1,339)
Expenditures:				
Current				
Public safety				
Personal services	-	-	-	-
Operating	-	-	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
Reserve	1,339	35,522	-	35,522
Total expenditures	1,339	35,522	-	35,522
Excess of expenditures over revenues	\$ -	\$ -	34,183	\$ 34,183
Fund balance, October 1, 2022			(101,477)	
Fund balance, September 30, 2023			\$ (67,294)	

Bayshore Fire Protection and Rescue Service District
Schedule of District Contributions
For the Fiscal Year Ended September 30, 2023

Last Ten Fiscal Years

Florida Retirement System (FRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 290,550	\$ 237,746	\$ 201,922	\$ 195,245	\$ 171,006	\$ 139,879	\$ 190,121	\$ 181,953	\$ 113,567	\$ 141,660
Contributions in relation to contractually require contribution	(290,550)	(237,746)	(201,922)	(195,245)	(171,006)	(139,879)	(190,121)	(181,953)	(113,567)	(141,660)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,067,231	\$ 965,483	\$ 874,695	\$ 833,748	\$ 744,257	\$ 642,582	\$ 909,250	\$ 891,448	\$ 600,684	\$ 779,202
Contributions as a percentage of covered-employee payroll	27.22%	24.62%	23.08%	23.42%	22.98%	21.77%	20.91%	20.41%	18.91%	18.18%

Health Insurance Subsidy Program (HIS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 19,861	\$ 17,044	\$ 15,542	\$ 14,772	\$ 13,228	\$ 11,473	\$ 15,866	\$ 15,598	\$ 8,728	\$ 10,449
Contributions in relation to contractually require contribution	(19,861)	(17,044)	(15,542)	(14,772)	(13,228)	(11,473)	(15,866)	(15,598)	(8,728)	(10,449)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,135,412	\$ 1,026,765	\$ 936,282	\$ 889,860	\$ 796,843	\$ 691,145	\$ 955,795	\$ 939,651	\$ 646,473	\$ 838,599
Contributions as a percentage of covered-employee payroll	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%	1.25%

Bayshore Fire Protection and Rescue Service District
Schedule of the District's Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2023

For the Last Ten Fiscal Years Ended June 30

Florida Retirement System (FRS)										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.005723%	0.005556%	0.005060%	0.005960%	0.005144%	0.005571%	0.007205%	0.006690%	0.004979%	0.006189%
District's proportionate share of the net pension liability	\$ 2,280,560	\$ 2,067,405	\$ 382,240	\$ 2,583,273	\$ 1,771,374	\$ 1,678,033	\$ 2,131,099	\$ 1,689,274	\$ 643,126	\$ 377,613
District's covered-employee payroll	\$ 1,044,314	\$ 966,399	\$ 834,679	\$ 825,342	\$ 692,697	\$ 730,159	\$ 893,897	\$ 796,843	\$ 653,158	\$ 818,114
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	218.38%	213.93%	45.79%	312.99%	255.72%	229.82%	238.41%	212.00%	98.46%	46.16%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
Health Insurance Subsidy Program (HIS)										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.002805%	0.002816%	0.002529%	0.002537%	0.002225%	0.002383%	0.002950%	0.002731%	0.002289%	0.002823%
District's proportionate share of the net pension liability	\$ 445,455	\$ 298,307	\$ 310,195	\$ 309,765	\$ 248,967	\$ 252,244	\$ 315,417	\$ 318,321	\$ 233,394	\$ 263,975
District's covered-employee payroll	\$ 1,111,228	\$ 1,026,405	\$ 895,247	\$ 880,525	\$ 744,169	\$ 778,402	\$ 940,274	\$ 843,169	\$ 694,301	\$ 869,648
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	40.09%	29.06%	34.65%	35.18%	33.46%	32.41%	33.55%	37.75%	33.62%	30.35%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Bayshore Fire Protection and Rescue Service District
Schedule of Changes in Total OPEB Liability and Related Ratios

For the Fiscal Year Ended September 30,

	Total OPEB Liability Change					
Reporting Period Ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability						
Service cost	\$ 5,166	\$ 5,349	\$ 2,526	\$ 2,434	\$ 8,443	\$ 8,318
Interest	3,849	3,409	3,645	3,536	3,670	2,976
Differences between expected and actual experience	167,813	-	12,242	-	(23,359)	(11,320)
Changes of assumptions	(103,348)	(6,966)	38,628	873	5,874	(1,853)
Benefit payments	(2,618)	(2,447)	(2,305)	(2,134)	-	-
Net Change in Total OPEB Liability	70,862	(655)	54,736	4,709	(5,372)	(1,879)
Total OPEB Liability - Beginning	154,519	155,174	100,438	95,729	101,101	102,980
Total OPEB Liability - Ending	<u>\$225,381</u>	<u>\$ 154,519</u>	<u>\$ 155,174</u>	<u>\$ 100,438</u>	<u>\$ 95,729</u>	<u>\$ 101,101</u>
Covered employee payroll	\$996,056	\$ 902,500	\$ 880,488	\$ 609,959	\$ 609,959	\$ 962,595
Total OPEB Liability as a percentage of covered employee payroll	22.63%	17.12%	17.62%	16.47%	15.69%	10.50%

Notes to Schedule:

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

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

Fiscal Year Ending September 30, 2023:	4.77%
Fiscal Year Ending September 30, 2022:	2.43%
Fiscal Year Ending September 30, 2021:	2.14%
Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	3.64%
Fiscal Year Ending September 30, 2018:	3.35%

Also reflected as assumption changes are updated health care costs and premiums.

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

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Board of Commissioners
Bayshore Fire Protection and Rescue Service District
North Fort Myers, 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 of the Bayshore Fire Protection and Rescue Service District, (the "District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements, and have issued our report thereon dated March 12, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
March 12, 2024

Report on the Financial Statements

Board of Commissioners
Bayshore Fire Protection and Rescue Service District
North Fort Myers, Florida

Report on the Financial Statements

We have audited the financial statements of the Bayshore Fire Protection and Rescue Service District, (the "District"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 12, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 12, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District had no component units as of September 30, 2023.

Financial Condition and Management

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

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

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

Special District Component Units

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., Rules of the Auditor General, the District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year is 14
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is 5.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$1,135,026.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is \$27,279.
- e. The District did not have any construction projects with a total cost of at least \$65,000 in the fiscal year ended September 30, 2023.

Special District Component Units, continued

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, is located on pages 31-32.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the District reported:

- a. The mileage rate or rates imposed by the district is 3.50 mills.
- b. The total amount of ad valorem taxes collected by or on behalf of the district is \$2,027,554.
- c. The District does not have any bonds.

Additional Matters

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

Purpose of this Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

March 12, 2024

Independent Accountant's Examination Report

Board of Commissioners
Bayshore Fire Protection & Rescue Service District
North Fort Myers, Florida

We have examined the Bayshore Fire Protection and Rescue Service District's (the "District") compliance with Section 218.415, Florida Statutes, in regards to investments for the year ended September 30, 2023.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Ashley, Brown & Smith, CPAs
Punta Gorda, Florida
March 12, 2024