

CAPTIVA ISLAND FIRE CONTROL DISTRICT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2023



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**CAPTIVA ISLAND FIRE CONTROL DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Captiva Island Fire Control District
Captiva, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Captiva Island Fire Control 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 and the general fund of the District, as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' 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 the 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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, the schedule of changes in the District's total OPEB liability and related ratios, and the schedules of the District's proportionate share of the net pension liability and the schedules of District contributions 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 April 23, 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 solely 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 considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".**CliftonLarsonAllen LLP**

Fort Myers, Florida
April 23, 2024

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
(UNAUDITED)**

This discussion and analysis of the Captiva Island Fire Control District's (the District) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the District's financial activities for the fiscal year ended September 30, 2023. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and notes to the financial statements. We hope this will assist readers in identifying significant financial issues and changes in the District's financial position.

District Highlights

- At the close of fiscal year 2023, the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources, resulting in net position (deficit) of (\$276,465).
- The District's total net position decreased \$225,481, or 442.26%, as compared to Net Position at the beginning of the year.
- Total revenues increased \$255,818 or 8.79%, in comparison to the prior year.
- Total expenses increased \$968,482 or 39.99%, in comparison to the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of the following three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. Most of the District's revenue is collected via ad valorem taxes and is, therefore, reported as a Governmental Fund. The District does not perform any services to individual customers on a fee basis; therefore, there are no Proprietary Funds to report.

Government-Wide Financial Statements

Government-wide financial statements (statement of net position and statement of activities found on pages 11 and 12) 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 11) presents information on all of the District's assets and deferred outflows, and liabilities and deferred inflows, with the difference 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 12) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2023
(UNAUDITED)**

Governmental 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 13 and 15.

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 18. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

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

The following is a condensed summary of net position for the primary government as of September 30:

	<u>2023</u>	<u>2022</u>
Assets:		
Current and Other Assets	\$ 1,795,687	\$ 1,838,329
Capital Assets	3,429,316	3,581,800
Total Assets	<u>5,225,003</u>	<u>5,420,129</u>
Deferred Outflow of Resources:		
Deferred Amount Related to Pensions	828,094	736,771
Deferred Amount Related to OPEB	41,789	43,693
Total Deferred Outflow of Resources	<u>869,883</u>	<u>780,464</u>
Liabilities:		
Current Liabilities	441,830	561,223
Noncurrent Liabilities	5,771,711	5,490,589
Total Liabilities	<u>6,213,541</u>	<u>6,051,812</u>
Deferred Inflow of Resources:		
Deferred Amount Related to Pensions	<u>157,810</u>	<u>199,765</u>
Net Position:		
Net Investment in Capital Assets	1,146,412	1,023,605
Restricted for Capital Outlay	10,506	9,697
Unrestricted	(1,433,383)	(1,084,286)
Total Net Position (Deficit)	<u>\$ (276,465)</u>	<u>\$ (50,984)</u>

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2023
(UNAUDITED)**

At the close of the 2023 budget year, the District's current and other assets totaled \$1,795,687 a 2.32% decrease as compared to the prior year.

The balances of unrestricted cash and investments represent amounts that are available for spending at the District's discretion. Restricted cash balances are comprised of the impact fee funds restricted for the purchase of capital assets.

Capital assets totaled \$3,429,316, which represents 65.63% of total assets and is comprised of land, construction-in-progress, building, equipment, furniture, and vehicles, net of accumulated depreciation.

The deferred outflow of resources related to pensions of \$828,094 and related to OPEB of \$41,789 reflects the consumption of net assets during fiscal year 2023 that actually relate to and will be recognized in future periods. See Note 7, which begins on page 29, and Note 9, which begins on page 39, respectively, for more detailed descriptions. Deferred outflows have a positive effect on the District's net position.

The District's total liabilities increased 2.67% as compared to the prior year. Current liabilities decreased by \$119,393 or 21.27%, while noncurrent liabilities increased by \$281,122 or 5.12%, primarily due to an increase in the District's proportionate share of the net pension liability.

The deferred inflow of resources related to pensions of \$157,810 reflects the acquisition of net assets during fiscal year 2023 that actually relate to and will be recognized in future periods. See Note 7, which begins on page 29 for a more detailed description. Deferred inflows have a negative effect on the District's net position.

The decrease in unrestricted net position of \$349,097 is mostly the result of a decrease in ad valorem tax revenue in 2023 resulting from the effects of Hurricane Ian. The emergency catastrophic event refund provided a refund for 2022 taxes originally levied and paid to property owners, and thus a reduction in funds to the District.

The unrestricted net position balance of (\$1,433,383) represents the difference between the District's total net position and the amounts invested in capital assets and restricted for capital outlay.

CAPTIVA ISLAND FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2023
(UNAUDITED)

The following schedule reports the revenues, expenses, and changes in net position for the District for the year ended September 30:

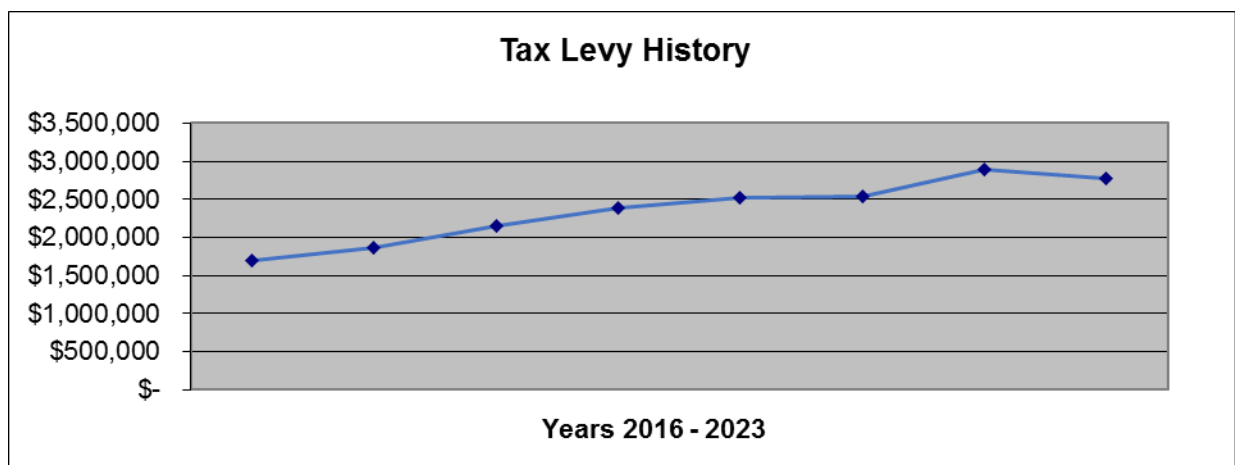
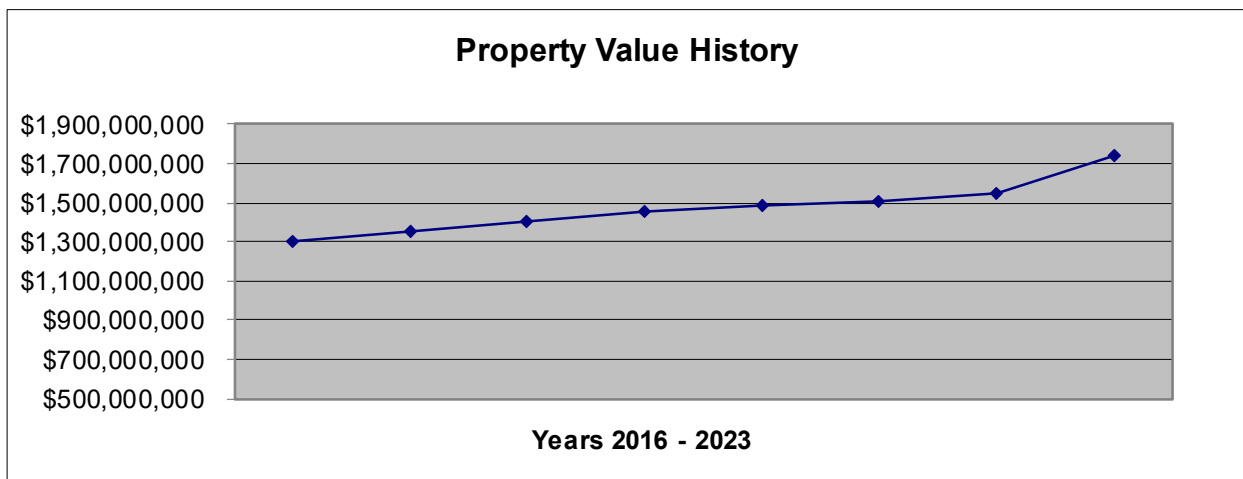
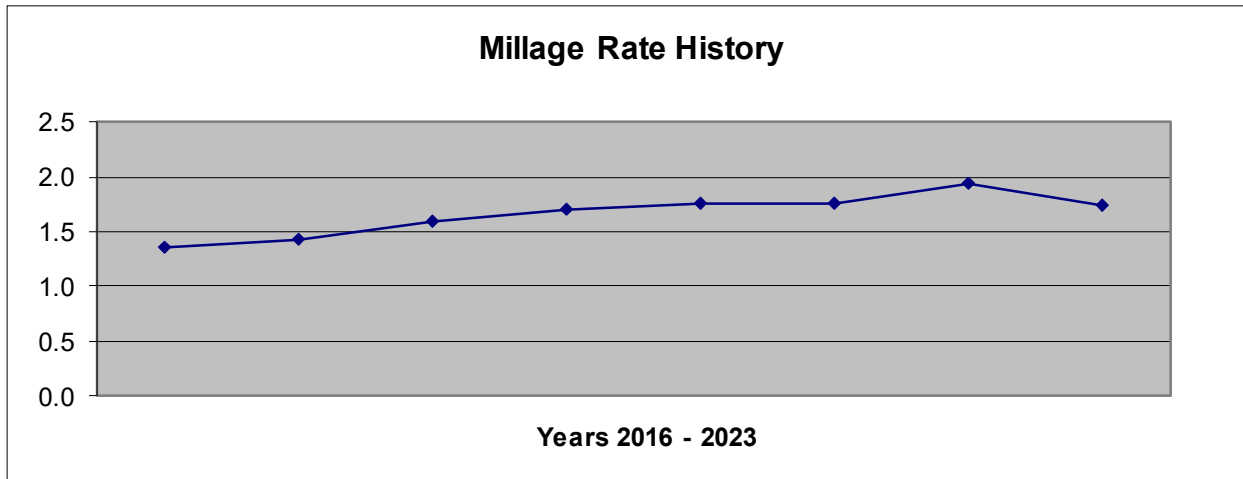
	<u>2023</u>	<u>2022</u>
Revenues:		
General Revenues:		
Ad Valorem Taxes	\$ 2,774,391	\$ 2,884,908
Investment Earnings	40,396	1,485
Impact Fees	771	5,003
Miscellaneous	249,785	9,936
Program Revenues:		
Charges and Fees	18,590	4,300
Operating Grants and Contributions	80,657	3,140
Total Revenues	<u>3,164,590</u>	<u>2,908,772</u>
Expenses:		
Public Safety - Fire and Rescue Services:		
Personal Services	2,529,930	1,871,000
Operating	610,361	288,268
Interest	61,259	68,482
Depreciation	188,521	193,839
Total Expenses	<u>3,390,071</u>	<u>2,421,589</u>
Increase (Decrease) in Net Position	(225,481)	487,183
Net Position - Beginning	<u>(50,984)</u>	<u>(538,167)</u>
Net Position - Ending	<u><u>\$ (276,465)</u></u>	<u><u>\$ (50,984)</u></u>

Total revenues increased \$255,818, or 8.79%, in comparison to the prior year primarily due to the increase in insurance proceeds, investment earnings, operating grants and contributions.

Total expenses increased \$968,482, or 39.99%, in comparison to the prior year. The \$658,930 or 35.22% increase in Personal Services was primarily the result of increased pension expenses, and also an increase in overtime costs incurred during the aftermath of Hurricane Ian. While most budget line items were cut, operating expenses increased \$322,093 or 111.73%, primarily due to new performance review expense, roof repairs due to damage caused by Hurricane Ian, and HVAC system replacement. The District continues to strive to reduce expenses where possible without a reduction in services.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2023
(UNAUDITED)**

The following charts display the history of millage rates, property values, and taxes levied for the past eight years.



**CAPTIVA ISLAND FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2023
(UNAUDITED)**

Budgetary Highlights

The District adopts an annual budget for its funds as required by Florida Statute (see Note 1 for more information). The District did not amend the budget for 2023.

Total personal services expenditures were less than the budgeted amount by \$233,580 or 9.57% due the projected raise to the Deputy Chief being less than originally planned. The District currently has the Deputy Chief role as a budget line item and has been unable to fill the position after retirement of the current employee. The salary, health insurance, and retirement contributions reflect the expenditure being less than budgeted. Total operating expenditures were more than the budgeted amount by \$63,994 or 11.73% primarily due to repairs and other expenses incurred as result of damages causes by Hurricane Ian. Most notably, the District had to replace the roof of the fire station which was not a budgeted expense.

See page 17 for more information on the District's budget to actual performance in the General Fund.

Capital Assets

Nondepreciable capital assets are comprised of land and construction in progress. Depreciable assets include buildings, office equipment, machinery and equipment, and vehicles.

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

	<u>2023</u>	<u>2022</u>
Land	\$ 180,170	\$ 180,170
Work in Progress	23,361	-
Total Capital Assets Not Being Depreciated	<u>203,531</u>	<u>180,170</u>
Capital Assets Being Depreciated:		
Fire and Rescue Equipment	310,733	298,057
Buildings	3,090,856	3,090,856
Fire and Rescue Vehicles	1,055,383	1,055,383
Pagers and Radios	58,343	58,343
Furniture, Fixtures, and Equipment	141,800	141,800
Total Capital Assets Being Depreciated	<u>4,657,115</u>	<u>4,644,439</u>
Accumulated Depreciation:		
Fire and Rescue Equipment	208,853	178,930
Buildings	652,544	573,291
Fire and Rescue Vehicles	435,871	370,899
Pagers and Radios	40,985	31,969
Furniture, Fixtures, and Equipment	93,077	87,720
Total Accumulated Depreciation	<u>1,431,330</u>	<u>1,242,809</u>
Total Capital Assets Being Depreciated, Net	<u>3,225,785</u>	<u>3,401,630</u>
Total Capital Assets	<u><u>\$ 3,429,316</u></u>	<u><u>\$ 3,581,800</u></u>

See Note 3 to the financial statements for capital asset activity for the year ended September 30, 2023.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2023
(UNAUDITED)**

Long-Term Liabilities

The following is a schedule of the District's long-term liabilities at September 30:

	<u>2023</u>	<u>2022</u>
Finance Purchase Obligations	<u>\$ 2,282,902</u>	<u>\$ 2,558,195</u>

See Note 5 for more information on the District's long-term liabilities.

Economic Factors and Next Year's Budget Rates

The following were factors considered when next year's budget was prepared:

- Property values were assessed by the Lee County Property Appraiser's office at 2.28% less than the previous year, which provided a taxable property base of \$1,715,045,280 for the budget year 2023-2024. With another \$243,933,158 in deletions from Hurricane Ian, the District elected to not utilize the roll-back rate of 1.5540 mils and instead levied an operating millage rate of 2.0850. The DR-422 showed another decrease in the taxable property base by 19.97%, bringing the taxable property value to 1,372,602,161. To meet the current budget requirements, the District was forced to increase the millage rate to 2.6052 which will provide an increase to ad valorem tax revenue of 17.38%.
- Increased personal services expenditures in the budget year 2023-2024 include increases to the personnel step plan, cost-of-living raises, the creation of an Executive Assistant position, promotion of a Deputy Chief, hiring two (2) additional Firefighter (to meet state staffing levels), as well as a mandated increase to the HIS employer contribution rate. See Note 7 for breakdown of the increase. FRS employer contribution rate increased from 27.83% to 32.67%.
- Increased operating expenditures were budgeted in fiscal year 2023-2024 for estimated increases in professional services for the State mandated performance review, increased station security measures, and expected inflationary increases to repair and maintenance and fuel costs.
- Decreases to Capital Outlay for the fiscal year 2023-2024 were proposed to include a replacement schedule for fire hydrants, outfitting a new medical beach rescue vehicle, station security solutions, bunker gear and miscellaneous fire and rescue equipment totaling \$62,500.

Request for Information

Questions regarding any information provided in this report should be directed to:

Captiva Island Fire Control District
Chief Jeff Pawul
P.O. Box 477
Captiva, Florida 33924
(239) 472-9494

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash	\$ 1,714,835
Investments	38,280
Accounts Receivable	228
Due from Other Governments	11,059
Prepaid Expenses	20,779
Cash, Restricted	10,506
Capital Assets:	
Nondepreciable	203,531
Depreciable, Net	<u>3,225,785</u>
Total Assets	5,225,003
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amount Related to Pensions	828,094
Deferred Amount Related to OPEB	<u>41,789</u>
Total Deferred Outflows of Resources	869,883
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,941
Accrued Interest Payable	19,515
Accrued Expenses	102,160
Total OPEB Liability - Current	41,789
Compensated Absences - Current	77,476
Finance Purchase Obligation - Current	<u>198,949</u>
Total Current Liabilities	441,830
Noncurrent Liabilities:	
Net Pension Liability	3,190,189
Total OPEB Liability	300,545
Compensated Absences	197,024
Finance Purchase Obligation	<u>2,083,953</u>
Total Noncurrent Liabilities	5,771,711
Total Liabilities	6,213,541
DEFERRED INFLOWS OF RESOURCES	
Deferred Amount Related to Pensions	<u>157,810</u>
NET POSITION	
Net Investment in Capital Assets	1,146,412
Restricted for Capital Outlay	10,506
Unrestricted	<u>(1,433,383)</u>
Total Net Position (Deficit)	<u><u>\$ (276,465)</u></u>

See accompanying Notes to Financial Statements.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>
PROGRAM EXPENSES	
Public Safety - Fire Control:	
Personal Service	\$ 2,529,930
Operating	610,361
Interest	61,259
Depreciation	188,521
Total Program Expenses	<u>3,390,071</u>
PROGRAM REVENUES	
Charges and Fees	18,590
Operating Grants and Contributions	80,657
Total Program Revenues	<u>99,247</u>
Net Program Expenses	3,290,824
GENERAL REVENUES	
Ad Valorem Taxes	2,774,391
Miscellaneous:	
Investment Income	40,396
Impact Fees	771
Other	249,785
Total General Revenues	<u>3,065,343</u>
CHANGE IN NET POSITION	(225,481)
Net Position - Beginning of Year	<u>(50,984)</u>
NET POSITION - END OF YEAR	<u><u>\$ (276,465)</u></u>

See accompanying Notes to Financial Statements.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2023**

ASSETS

CURRENT ASSETS

Cash	\$ 1,714,835
Investments	38,280
Accounts Receivable	228
Due from Other Governments	11,059
Cash, Restricted	<u>10,506</u>

Total Assets	<u><u>\$ 1,774,908</u></u>
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LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Account Payable	\$ 1,941
Accrued Expenditures	<u>102,160</u>
Total Liabilities	104,101

FUND BALANCE

Restricted for Capital Outlay	10,506
Committed:	
Postemployment Health Benefits	80,000
Disaster Contingency	300,000
Equipment Replacement Reserve	40,000
Reserve for Future Retirement	50,000
Assigned to Subsequent Year's Expenditures	18,585
Unassigned	<u>1,171,716</u>
Total Fund Balance	<u>1,670,807</u>

Total Liabilities and Fund Balance	<u><u>\$ 1,774,908</u></u>
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**CAPTIVA ISLAND FIRE CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GENERAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total Fund Balance - General Fund	\$	1,670,807
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the fund.		3,429,316
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Prepaid expenses reported on statement of net position are not reported in the fund.		20,779
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Deferred outflows of resources are reported as a result of changes in deferred amounts related to pensions and OPEB in the statement of net position.		869,883
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Debt interest payable that will not be liquidated with current financial resources is not reported as a liability on the balance sheet.		(19,515)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.

Compensated Absences	\$	(274,500)	
Finance Purchase Obligation Payable		(2,282,902)	
Total OPEB Liability		(342,334)	
Net Pension Liability		<u>(3,190,189)</u>	(6,089,925)

Deferred inflows of resources are reported as a result of changes in deferred amounts related to pensions in the statement of net position.		<u>(157,810)</u>
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Net Position (Deficit) of Governmental Activities	\$	<u><u>(276,465)</u></u>
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**CAPTIVA ISLAND FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023**

REVENUES

Ad Valorem Taxes	\$ 2,774,391
Intergovernmental Revenue	80,657
Charges for Services	18,590
Miscellaneous:	
Interest Income	40,396
Impact Fees	771
Other	15,768
Total Revenues	<u>2,930,573</u>

EXPENDITURES

Public Safety - Fire Control:	
Current:	
Personal Services	2,207,928
Operating	609,610
Debt Service:	
Principal	275,293
Interest	64,277
Capital Outlay	36,037
Total Expenditures	<u>3,193,145</u>

REVENUES OVER (UNDER) EXPENDITURES (262,572)

OTHER FINANCING SOURCES

Insurance Recoveries	234,017
Total Other Financing Sources	<u>234,017</u>

NET CHANGE IN FUND BALANCE (28,555)

Fund Balance - Beginning of Year 1,699,362

FUND BALANCE - END OF YEAR \$ 1,670,807

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Net Change in Fund Balance - General Fund	\$	(28,555)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay 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. Transactions involving capital assets are summarized below.

Capital Outlay	\$	36,037	
Depreciation		<u>(188,521)</u>	(152,484)

Certain operating expenditures for future periods are recognized on the statement of revenues, expenditures, and changes in fund balance but not on the statement of activities. This amount represents the change in prepaid expenses.	1,684
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Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Payments of financed purchase obligations	275,293
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Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are reported as expenditures in the governmental fund.

Change in Compensated Absences	(39,465)	
Change in Accrued Interest Payable	<u>3,020</u>	(36,445)

Net change in the total OPEB liability and related deferred amounts is reported in the government-wide statements, but not in the governmental fund statements.	120,363
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Net change in the net pension liability and related deferred amounts is reported in the government-wide statements, but not in the governmental fund statements.	<u>(405,337)</u>
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Change in Net Position of Governmental Activities	\$	<u><u>(225,481)</u></u>
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**CAPTIVA ISLAND FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Ad Valorem Taxes	\$ 2,902,374	\$ 2,902,374	\$ 2,774,391	\$ (127,983)
Intergovernmental Revenue	3,240	3,240	80,657	77,417
Charges for Services	2,200	2,200	18,590	16,390
Miscellaneous:				
Interest Income	1,500	1,500	40,396	38,896
Impact Fees	-	-	771	771
Other	3,500	3,500	15,768	12,268
Total Revenues	2,912,814	2,912,814	2,930,573	17,759
EXPENDITURES				
Current:				
Personal Services:				
Personal Service	1,453,357	1,453,357	1,321,758	131,599
Personal Services Benefits	988,151	988,151	886,170	101,981
Operating:				
Professional Services	159,350	159,350	139,521	19,829
Communications Services	27,700	27,700	20,680	7,020
Tax Collector Commissions	62,000	62,000	45,218	16,782
Insurance	45,000	45,000	30,349	14,651
Repairs and Maintenance	68,175	68,175	299,036	(230,861)
Training and Education	46,180	46,180	1,517	44,663
Other Operating Expenditures	137,211	137,211	73,289	63,922
Debt Service:				
Principal			275,293	
Interest			64,277	
Total Debt Service	340,705	340,705	339,570	1,135
Capital Outlay	81,500	81,500	36,037	45,463
Total Expenditures	3,409,329	3,409,329	3,193,145	216,184
REVENUES OVER (UNDER) EXPENDITURES	(496,515)	(496,515)	(262,572)	233,943
OTHER FINANCING SOURCES				
Insurance Recoveries	-	-	234,017	234,017
Total Other Financing Sources	-	-	234,017	234,017
NET CHANGE IN FUND BALANCE	(496,515)	(496,515)	(28,555)	467,960
Fund Balance - Beginning of Year	1,699,362	1,699,362	1,699,362	-
FUND BALANCE - END OF YEAR	<u>\$ 1,202,847</u>	<u>\$ 1,202,847</u>	<u>\$ 1,670,807</u>	<u>\$ 467,960</u>

See accompanying Notes to Financial Statements.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Defining the Governmental Reporting Entity

The Captiva Island Fire Control District (the District) is an independent special district of the state of Florida. The District was established by act of the Florida legislature dated May 10, 1955, as Chapter 30929, Laws of Florida 1955, and as repealed and replaced by Chapter 2000 – 421, Laws of Florida, on June 5, 2000. The business and affairs of the District are governed by an elected Board of Commissioners, which consists of three members who are elected for terms of four years.

The purpose of the District is to provide fire suppression and control and emergency medical and rescue response services to Captiva Island. In providing these services, the District operates and maintains one station house and its related equipment and employs 14 full-time employees.

In evaluating the District as a reporting entity, management considered all potential component units in accordance with applicable Governmental Accounting Standards Board (GASB) Statements. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Management reviewed all of the financial accountability concepts and determined that there are no component units required to be included in the District's financial statements.

Basic Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities that report information about the District as a whole. The statement of net position reports all financial and capital resources.

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

Fund financial statements are presented to report additional and detailed information about the District. Fund financial statements accompany the government-wide financial statements and present a summary reconciliation to explain differences between the data reported in the governmental funds and the data reported for the corresponding governmental activities in the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when such liabilities have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Ad valorem property taxes are recorded as revenues in the fiscal year in which the taxes are due and collected within 60 days of fiscal year-end. Investment earnings are recognized when earned. All other revenue items are recognized when they become measurable and available to finance expenditures of the fiscal period. Generally, revenues are considered available when they are collected within the current period or within 60 days after the end of the fiscal year.

Fund Accounting

The accounts of the District are organized on the basis of a fund accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District reports the following major governmental fund:

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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements. The District has elected to treat these items under the purchase method for the governmental fund financial statements. As such, the costs are recognized immediately as expenditures when paid.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported only in the government-wide financial statements. Capital assets are those acquired for general government purposes with an initial, individual cost equal to or more than \$1,000 and an estimated useful life of more than one year for all capital assets except infrastructure. Infrastructure assets with a cost exceeding \$5,000 and an estimated useful life of one year or more are capitalized. Capital assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at their estimated acquisition value at the date of the donation.

The cost 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 projects are constructed.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Building	20 to 40 Years
Fire and Rescue Vehicles	5 to 20 Years
Fire and Rescue Equipment	5 to 40 Years
Furniture and Fixtures	7 to 30 Years
Pagers and Radios	5 Years

Budgets and Budgetary Accounting

The following procedures are used by the District in establishing the budgetary data reflected in the financial statements:

1. During the summer of each year, the District Fire Chief submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on the upcoming first day of October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget transfers can be made throughout the year between expenditure accounts within a fund by approval of the Board of Commissioners.
5. Budget amounts, as shown in these financial statements, are as originally adopted and as finally amended by the Board of Commissioners.
6. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States. Budgeted appropriations lapse at year-end.
7. The level of control for appropriations is exercised at the fund level.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources reported in the District's statement of net position represent pension related amounts and other postemployment benefit (OPEB) related amounts. These amounts will be recognized as an increase in pension expense and OPEB expense in future years.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the District's statement of net position represent pension related amounts. This amount will be recognized as reductions in pension expense in future years.

Pensions

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

Other Postemployment Benefits (OPEB)

In the government-wide statement of net position, a liability is recognized for the District's total OPEB liability as determined by an actuarial review of the health care coverage purchased by retirees to continue participation in the District's health plan. The District subsidizes 50% of the retirees' premium cost. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current year service cost, interest on the total OPEB liability and changes of benefit terms, actuarial assumptions, or experience.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District's employees accumulate sick and vacation leave based on years of continuous service. District policy allows employees to accumulate vacation leave up to a maximum of 500 hours. Upon termination of employment, an employee will receive payment for accumulated vacation leave. District policy allows employees to accumulate sick leave up to a maximum of 1,304 hours. Upon termination of employment, an employee may receive payment of one-half of the sick leave accumulated.

The amount of compensated absences recorded as a liability in the General Fund would be the amount currently payable due to an employee termination. The District has no current portion in the current year. Both the current and noncurrent portion of compensated absences is reported in the statement of net position.

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 20 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.

Fund Balances

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.

- **Nonspendable Fund Balance.** Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact. The District did not report Nonspendable Fund Balance as of September 30, 2023.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

- **Restricted Fund Balance.** Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance.** Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the District's Board of Commissioners, the District's highest level of decision-making authority. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.
- **Assigned Fund Balance.** 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 Fund Balance.** Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for the general fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District expends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. 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 for which amounts in any of the unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy

Unassigned fund balance is the residual classification for the general fund and represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund.

Annually, if prior committed or assigned fund balances cause the unassigned fund balance to fall below 20% of general fund operating expenditures, the Fire Chief will notify the Board of Commissioners in order for the necessary action to be taken to restore the unassigned fund balance to 20% of the general fund operating expenditures within no more than two years.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of 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 as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

In May 2020, GASB introduced a new standard, statement No. 96 Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based technology arrangements (SBITAs) for government end users (Governments). This statement (1) defines SBITA, (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requires note disclosures regarding SBITAs. The District adopted the requirements of the guidance in 2023.

NOTE 2 CASH AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. In accordance with its policy, all District depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof and, therefore, the District is not exposed to custodial credit risk for its deposits.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments

In accordance with its policy and Section 218.415(17), Florida Statutes, the District is authorized to invest its funds in the Florida PRIME™ (PRIME) Trust Fund (formerly the Local Government Surplus Funds Trust Fund Investment Pool), which is administered by the Florida State Board of Administration (SBA) under the regulatory oversight of the State of Florida, Chapter 19-7 of the Florida Administrative Code.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the District's participant account balance is also recorded at amortized cost and exempt from the GASB Statement No. 72, *Fair Value Measurement and Application*. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2023, was 35 days. The District's investment in the SBA Florida Prime investment pool was rated AAAm by *Standard and Poor's* as of September 30, 2023.

The balance of the District's investment in Florida PRIME was \$38,280 at September 30, 2023.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, as a participant in a qualifying external investment pool, the District should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity or redemption gates) in notes to the financial statements.

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

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

With regard to liquidity fees, Florida Statute 219.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

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

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, is as follows:

	Balance September 30, 2022	Additions	Deletions	Balance September 30, 2023
Capital Assets Not Being Depreciated:				
Land	\$ 180,170	\$ -	\$ -	\$ 180,170
Work in Progress	-	23,361	-	23,361
Total Capital Assets Not Being Depreciated	180,170	23,361	-	203,531
Capital Assets Being Depreciated:				
Fire and Rescue Equipment	298,057	12,676	-	310,733
Buildings	3,090,856	-	-	3,090,856
Fire and Rescue Vehicles	1,055,383	-	-	1,055,383
Pagers and Radios	58,343	-	-	58,343
Furniture, Fixtures, and Equipment	141,800	-	-	141,800
Total Capital Assets Being Depreciated	4,644,439	12,676	-	4,657,115
Accumulated Depreciation:				
Fire and Rescue Equipment	180,245	28,608	-	208,853
Buildings	573,291	79,253	-	652,544
Fire and Rescue Vehicles	370,899	64,972	-	435,871
Pagers and Radios	31,969	9,016	-	40,985
Furniture, Fixtures, and Equipment	86,405	6,672	-	93,077
Total Accumulated Depreciation	1,242,809	188,521	-	1,431,330
Total Capital Assets Being Depreciated, Net	3,401,630	(175,845)	-	3,225,785
Total Capital Assets	<u>\$ 3,581,800</u>	<u>\$ (152,484)</u>	<u>\$ -</u>	<u>\$ 3,429,316</u>

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 LINE OF CREDIT

The District has an agreement with a Centennial Bank to provide a \$750,000 revolving line of credit. The proceeds of this line of credit can be used for working capital or other lawful purpose, as may be duly approved by the District's Board of Commissioners.

The line of credit was instated effective June 15, 2023, and has a maturity date of June 14th, 2024. The balance of the line of credit was \$-0- at year-end. Interest is charged at a rate of 6.16%. There is no collateral associated with this line of credit. During the year ended September 30, 2023, the District borrowed and repaid \$-0- under this line of credit.

NOTE 5 LONG-TERM LIABILITIES

Governmental activities long-term liabilities at September 30, 2023, are comprised of the following:

<u>Description</u>	<u>Amount</u>
\$124,237 finance purchase obligation, annual payments of \$21,372, including interest payable at 4.96%, due April 1, 2025.	\$ 39,760
\$2,755,767 finance purchase obligation, semi-annual payments of \$117,254 including interest payable at 2.50% due June 1, 2034.	2,243,142
Compensated Absences	<u>274,500</u>
Total Long-Term Liabilities	<u><u>\$ 2,557,402</u></u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 235,035	\$ 116,942	\$ 77,477	\$ 274,500	\$ 77,476
Finance Purchase Obligation	2,558,195	-	275,293	2,282,902	198,949
Total	<u><u>\$ 2,793,230</u></u>	<u><u>\$ 116,942</u></u>	<u><u>\$ 352,770</u></u>	<u><u>\$ 2,557,402</u></u>	<u><u>\$ 276,425</u></u>

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

On May 1, 2018, the District entered into a finance purchase obligation at an interest rate of 4.96% with a financial institution to purchase a fire rescue boat. The finance purchase obligation is effective for the period from April 1, 2018 through April 1, 2025.

On June 1, 2013, the District entered into a finance purchase obligation with a financial institution to re-build its fire station. This finance purchase obligation was restructured in April 2020 to take advantage of favorable interest rates. The interest rate on the finance purchase obligation is 2.50% and semi-annual payments are due through June 1, 2034.

Debt service requirements to maturity for the financed purchase obligations are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 198,949	\$ 56,937	\$ 255,886
2025	204,422	51,458	255,880
2026	188,692	45,816	234,508
2027	193,439	41,069	234,508
2028	198,305	36,203	234,508
2029-2034	1,299,095	239,863	1,538,958
Total	<u>\$ 2,282,902</u>	<u>\$ 471,346</u>	<u>\$ 2,754,248</u>

NOTE 6 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 Tax Collector's office bills and collects property taxes on behalf of the District. The tax rate levied upon all of the taxable property in the Captiva Island Fire Control District for the fiscal year ended September 30, 2023, was \$1.7345 per \$1,000 of assessed taxable property value. Property tax revenue is recognized 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 are remitted to the District.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan.

Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiemployer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The District's pension expense totaled \$774,548 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2023.

	<u>FRS Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net Pension Liability	\$ 2,676,639	\$ 513,550	\$ 3,190,189
Deferred Outflows of Resources			
Related to Pensions	764,982	63,112	828,094
Deferred Inflows of Resources			
Related to Pensions	103,670	54,140	157,810
Pension Expense	571,669	202,879	774,548

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

- **Regular Class.** Members of the FRS who do not qualify for membership in the other classes.
- **Elected County Officers Class.** Members who hold specified elective offices in local government.
- **Senior Management Service Class (SMSC).** Members in senior management level positions.
- **Special Risk Class.** Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Benefits under the FRS 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
Regular Class Members Initially Enrolled Before July 1, 2011:	
Retirement up to Age 62 or up to 30 Years of Service	1.60 %
Retirement up to Age 63 or up to 31 Years of Service	1.63
Retirement up to Age 64 or up to 32 Years of Service	1.65
Retirement up to Age 65 or up to 33 Years of Service	1.68
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement up to Age 65 or up to 33 Years of Service	1.60
Retirement up to Age 66 or up to 34 Years of Service	1.63
Retirement up to Age 67 or up to 35 Years of Service	1.65
Retirement up to Age 68 or up to 36 Years of Service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular:	
Service from December 1, 1970 Through September 30, 1974	2.00
Service on and After October 1, 1974	3.00

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement. In 2017, Senate Bill 7022 made several changes to FRS. The bill provides for renewed membership in the investment plan to reemployed defined contribution plan retirees as well as In-Line-of Duty Death Benefits.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the District, effective July 1, 2022, were applied to employee salaries as follows: regular employees 10.19%, special risk 26.11%, county elected officials 55.28%, senior management 29.85%, and DROP participants 16.94%. The District's contributions to the FRS Plan were \$346,261 for the year ended September 30, 2023.

Pension Costs

At September 30, 2023, the District reported a liability of \$2,676,639 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportion of the net pension liability was based on the District's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2023, the District's proportion was .00672%, which was 0.00048% more than its proportion measured as of June 30, 2022.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

For the year ended September 30, 2023, the District recognized pension expense of \$571,669 for its proportionate share of FRS's pension expense. In addition, the District reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual		
Economic Experience	\$ 251,313	\$ -
Changes in Actuarial Assumptions	174,486	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	111,784	-
Changes in Proportion and Differences		
Between District Contributions and Proportionate		
Share of Contributions	140,059	103,670
District Contributions Subsequent to the		
Measurement Date	87,340	-
Total	<u>\$ 764,982</u>	<u>\$ 103,670</u>

\$87,340 reported as deferred outflows of resources related to pensions resulting from District contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 87,194
2025	(27,767)
2026	436,855
2027	57,963
2028	19,727
Total	<u>\$ 573,972</u>

Actuarial Assumptions

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

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.70%, Net of Pension Plan Investment Expense, Including Inflation

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

	Target Allocation	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	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.4 %

Discount Rate

The discount rate used to measure the total pension liability for the FRS Plan at the current measurement date was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the 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.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
FRS Plan Discount Rate	5.70%	6.70%	7.70%
District's Proportionate Share of the FRS Plan Net Pension Liability	\$ 4,572,245	\$ 2,676,639	\$ 1,090,738

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiemployer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. On July 1, 2023, the rate increased to 2%. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The District's contributions to the HIS Plan were \$22,948 for the year ended September 30, 2023.

Pension Costs

At September 30, 2023, the District reported a liability of \$513,550 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportion of the net pension liability was based on the District's contributions received during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all participating employers. At June 30, 2023, the District's proportion was 0.003234%, which was an increase of 0.000099% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the District recognized pension expense of \$202,879 for its proportionate share of HIS's pension expense. In addition, the District reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual		
Economic Experience	\$ 7,518	\$ 1,205
Changes in Actuarial Assumptions	13,501	44,501
Net Difference Between Projected and Actual		
Earnings on HIS Program Investments	265	-
Changes in Proportion and Differences		
Between District Contributions and Proportionate		
Share of Contributions	35,922	8,434
District Contributions Subsequent to the		
Measurement Date	5,906	-
Total	<u>\$ 63,112</u>	<u>\$ 54,140</u>

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

\$5,906 reported as deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 5,068
2025	4,370
2026	2,350
2027	(5,584)
2028	(3,324)
Thereafter	186
Total	<u>\$ 3,066</u>

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.65%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability for HIS plan has increased from 3.54% to 3.65% in the current year measurement period. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	2.65%	3.65%	4.65%
District's Proportionate Share of the HIS Plan Net Pension Liability	\$ 585,880	\$ 513,550	\$ 453,593

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

NOTE 8 DEFINED CONTRIBUTION PLAN

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Special Risk Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-23 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class. The percentages are the same as those listed previously to the FRS Plan.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 DEFINED CONTRIBUTION PLAN (CONTINUED)

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

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

The District's Investment Plan pension expense totaled \$14,652 for the year ended September 30, 2023.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description and Funding Policy

The District provides postretirement health care benefits in accordance with Section 112.0801, Florida Statutes, to all eligible employees who retire from the District through a third party, fully insured group health, dental, and vision plan administered by the Lee County Board of County Commissioners.

For employees hired prior to January 1, 2006, the retiree is responsible for 50% of the cost and submits their portion prior to the District's monthly payment to its provider. There were five employees hired prior to January 1, 2006, of which all five have retired as of September 30, 2023, and are receiving this subsidized benefit.

For eligible employees hired after January 1, 2006, the retirees must pay 100% of the monthly premium as determined by the insurance carrier and paid by the District. The premium varies depending on whether the retiree elects single, couple, single plus children, or family coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the plan on average than those of active employees.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Description and Funding Policy (Continued)

The plan is currently being funded on a pay-as-you-go basis. No trust fund has been established for the plan, and there are no assets accumulated in trust for payment of benefits.

The plan does not issue a separate financial report.

Participant Data

As of the September 30, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefits	5
Active Employees	14
Total Employees	<u>19</u>

Total OPEB Liability

The District's total OPEB liability of \$342,334 was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2021, using the alternative measurement method. The following table shows the changes in the District's total OPEB liability for the year ended September 30, 2023 reporting date.

	Total OPEB Liability
Balance, as of October 1, 2022	\$ 464,601
Changes:	
Service Cost	-
Interest	9,696
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	(1,536)
Changes of Assumptions	(86,734)
Benefit Payments	(43,693)
Net Changes	<u>(122,267)</u>
Balance, as of September 30, 2023	<u>\$ 342,334</u>

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Methods and Assumptions

The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions.

Actuarial Cost Method	Entry Age Normal Level Percent of Pay
Discount Rate	4.40% (Fidelity 20-Year Municipal GO AA Index as of September 30, 2021)
Health Care Cost Trend Rate	6.7% for FY2022, Gradually Decreasing Over Several Decades to an Ultimate Rate of 3.7% in FY2075 and Later Years
Inflation Rate	2.25%

Mortality rates were based on the Pub-2010 headcount weighted mortality tables for General Employees. Generational projection using scale MP-2020 was applied to these base rates.

The following are changes in assumptions and inputs that have been made since the previous measurement date:

- The discount rate was changed from 2.19% to 4.40% based on updated 20-year municipal bond rates.
- Health care trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- The projection scale used for the mortality rates were updated from the MP-2018 scale to the MP-2020 scale for general employees.
- The inflation assumption was unchanged from 2.25% based on a historical analysis of inflation rates and forward-looking market expectations.

OPEB Liability Discount Rate Sensitivity

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
OPEB Plan Discount Rate	3.40%	4.40%	5.40%
Total OPEB Liability	\$ 377,586	\$ 342,334	\$ 312,362

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liability Discount Rate Sensitivity (Continued)

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using a health-trend rate 1-percentage-point lower or 1-percentage-point higher than the current health-trend rate:

Description	1% Decrease	Current Health Care Cost Trend Rate	1% Increase
OPEB Plan Health Care Cost Trend Rate	5.70%	6.70%	7.70%
Total OPEB Liability	\$ 310,686	\$ 342,334	\$ 378,911

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2023, the District's OPEB expense was \$78,574. At September 30, 2023, the District's projected deferred outflows of resources related to OPEB totaled \$41,789 from benefit payments subsequent to the measurement date. This deferred outflow of resources will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2024.

Health Savings Plan

In order to assist employees hired after January 1, 2006 to fund future health expenses, the District contributes to a retirement health savings plan provided by ICMA Retirement Corporation (the Plan), a public sector retirement plan provider. Under the provisions of the Plan, the District is required to pay a match up to \$2,000 per eligible employee, based off the employees' annual 457b contributions, into a trust held by ICMA-RC. The administrator is required to maintain separate sub-accounts in the name of each participant having an interest in the Plan. The participant's balance is subject to vesting requirements and is fully vested after the employee has been employed for six continuous years with the District. Upon a participant's separation from service with the District, the participant (or, in the event of a deceased participant, his dependents) shall be entitled to be reimbursed from the participant's sub-account for qualifying medical expenses or health care premiums incurred by the participant, subject to vesting requirements. These benefits are limited to the participant's respective sub-account balance as of the date of the claim. Alternatively, the employee may elect to apply his or her benefit to their required contribution for dependent coverage.

During the fiscal year ended September 30, 2023, the District made contributions totaling \$24,000 to the Plan.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 10 RISK MANAGEMENT

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

The District participates in the public entity risk pool administered by Florida League of Cities, Inc. for workers' compensation. The District pays an annual premium to Florida League of Cities, Inc. for this insurance program. Participation in this risk pool is nonassessable. The District transfers the risk of loss to the pool with limits of liability of \$1,000,000 per accident or disease for workers' compensation.

The Florida League of Cities, Inc.'s published financial report for the year ended September 30, 2023 can be obtained from the Florida League of Cities, Inc., Public Risk Service, 135 East Colonial Drive, Orlando, Florida 32853-0065.

Insurance programs for general/professional liability, automobile, and property are covered by commercial insurance. The District retains the risk of loss up to a deductible amount (ranging from \$100 to \$5,000) with the risk of loss in excess of this amount transferred to the insurance carrier with limits of liability amounts (ranging from \$1,000,000 to \$6,000,000 per occurrence) for general/professional liability, automobile, and property.

There were no significant reductions in insurance coverage as compared to the prior year. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS¹
LAST SIX FISCAL YEARS**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	9,696	15,374	19,317	26,124	28,383	28,626
Change in Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,536)	(115,077)	-	47,969	-	-
Changes of Assumptions	(86,734)	(23,350)	22,062	61,030	(40,498)	(31,316)
Benefit Payments	(43,693)	(100,507)	(111,324)	(118,211)	(115,269)	(104,304)
Net Change in Total OPEB Liability	(122,267)	(223,560)	(69,945)	16,912	(127,384)	(106,994)
Total OPEB Liability - Beginning	464,601	688,161	758,106	741,194	868,578	975,572
Total OPEB Liability - Ending	<u>\$ 342,334</u>	<u>\$ 464,601</u>	<u>\$ 688,161</u>	<u>\$ 758,106</u>	<u>\$ 741,194</u>	<u>\$ 868,578</u>
Covered-Employee Payroll	\$ 1,130,856	\$ 1,144,525	\$ 1,007,066	\$ 975,972	\$ 951,974	\$ 728,427
District's Total OPEB Liability as a Percentage of its Covered-Employee Payroll	30.3%	40.6%	68.3%	77.7%	77.9%	119.2%

Note: There are no assets accumulated in a trust for payment of OPEB benefits

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.006717320%	0.006233980%	0.006622759%	0.006864376%	0.006834517%	0.006290693%	0.006087253%	0.006090390%	0.004956261%	0.004680159%
District's Proportionate Share of the Net Pension Liability	\$ 2,676,639	\$ 2,319,542	\$ 500,274	\$ 2,975,122	\$ 2,353,712	\$ 1,894,789	\$ 1,800,569	\$ 1,537,828	\$ 640,168	\$ 285,559
District's Covered Payroll	\$ 1,199,575	\$ 1,083,733	\$ 1,089,073	\$ 932,021	\$ 905,882	\$ 809,250	\$ 747,652	\$ 719,026	\$ 639,431	\$ 620,168
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	223.13%	214.03%	45.94%	319.21%	259.83%	234.14%	240.83%	213.88%	100.12%	46.05%
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%

*The amounts presented for each fiscal year were determined as of June 30.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 346,261	\$ 268,013	\$ 254,858	\$ 227,160	\$ 217,960	\$ 187,129	\$ 156,979	\$ 149,477	\$ 129,472	\$ 120,607
Contributions in Relation to the Contractually Required Contribution	(346,261)	(268,013)	(254,858)	(227,160)	(217,960)	(187,129)	(156,979)	(149,477)	(129,472)	(120,607)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 1,237,418	\$ 1,057,836	\$ 1,085,814	\$ 879,864	\$ 919,356	\$ 823,938	\$ 767,954	\$ 729,599	\$ 775,290	\$ 620,915
Contributions as a Percentage of Covered Payroll	27.98%	25.34%	23.47%	25.82%	23.71%	22.71%	20.44%	20.49%	16.70%	19.42%

*The amounts presented for each fiscal year
were determined as of September 30.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.003233670%	0.003134861%	0.003223230%	0.002834211%	0.002849773%	0.002874230%	0.002666524%	0.002651765%	0.002420540%	0.002279482%
District's Proportionate Share of the Net Pension Liability	\$ 513,550	\$ 332,032	\$ 395,378	\$ 346,053	\$ 318,859	\$ 304,210	\$ 285,115	\$ 309,051	\$ 246,857	\$ 213,137
District's Covered Payroll	\$ 1,281,100	\$ 1,161,930	\$ 1,153,668	\$ 983,679	\$ 969,307	\$ 938,772	\$ 849,944	\$ 818,614	\$ 735,705	\$ 715,268
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	40.09%	28.58%	34.27%	35.18%	32.90%	32.41%	33.55%	37.75%	33.55%	29.80%
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%

*The amounts presented for each fiscal year
were determined as of June 30.

**CAPTIVA ISLAND FIRE CONTROL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 22,948	\$ 18,809	\$ 18,859	\$ 16,471	\$ 16,094	\$ 15,563	\$ 14,436	\$ 13,796	\$ 10,718	\$ 8,693
Contributions in Relation to the Contractually Required Contribution	(22,948)	(18,809)	(18,859)	(16,471)	(16,094)	(15,563)	(14,436)	(13,796)	(10,718)	(8,693)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,321,628	\$ 1,152,333	\$ 1,135,852	\$ 928,893	\$ 937,491	\$ 937,491	\$ 869,650	\$ 831,087	\$ 782,658	\$ 716,016
Contributions as a Percentage of Covered Payroll	1.74%	1.63%	1.66%	1.77%	1.72%	1.66%	1.66%	1.66%	1.37%	1.21%

*The amounts presented for each fiscal year were determined as of September 30.



**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
Captiva Island Fire Control District
Captiva, 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 and the general fund of the Captiva Island Fire Control 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, and have issued our report thereon dated April 23, 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 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.

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. 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 or significant deficiencies may exist that were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Fort Myers, Florida
April 23, 2024



MANAGEMENT LETTER

Board of Commissioners
Captiva Island Fire Control District
Captiva, Florida

Report on the Financial Statements

We have audited the financial statements of the Captiva Island Fire Control District (the District), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 23, 2024.

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 the 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 April 23, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial 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 discloses this information in Note 1 to the financial statements.

Financial Condition and Management

Section 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 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. The District does not have any special district component units.

Specific Information

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 as : 13.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as: 9.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$2,205,757.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: \$92,412.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: None.
- 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, as: None.

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 millage rate or rates imposed by the district as: 1.7345.
- b. The total amount of ad valorem taxes collected by or on behalf of the district as:
\$1,735,809,088.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as:
None.

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 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 23, 2024



INDEPENDENT ACCOUNTANTS' REPORT

Board of Commissioners
Captiva Island Fire Control District
Captiva, Florida

We have examined the Captiva Island Fire Control District's (the District) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2023. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the 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 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 judgment, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the District complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023.

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

CliftonLarsonAllen LLP

Fort Myers, Florida
April 23, 2024