



East Niceville Fire District

FINANCIAL STATEMENTS

September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
East Niceville Fire District
Niceville, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of East Niceville Fire District (hereinafter referred to as "District"), as of and for the year ended September 30, 2024, 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, the major fund, and the aggregate remaining fund information of the District as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information other than management's discussion and analysis, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2025 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

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

CARR, RIGGS & INGRAM, LLC

Niceville, Florida
May 8, 2025

Management's Discussion and Analysis

East Niceville Fire District Management's Discussion and Analysis

This is Management's Discussion and Analysis (MD&A) of the financial activities of the East Niceville Fire District (the District) for the fiscal year ending September 30, 2024. The reader is encouraged to consider this information with the financial statements and notes to the financial statements to understand the District's financial position.

The annual financial report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and all Governmental Accounting Standards Board (GASB) pronouncements that affect the District.

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

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$211,759 (net position), which represents an increase of \$84,658 (or 67%) over the prior year. Of this amount \$282,994 represents net investments in capital assets (e.g., land, buildings, machinery and equipment) and (\$71,235) is unrestricted.
- The net position of the District increased by \$84,658 primarily due to an increase in the ad valorem taxes received during the fiscal year.
- The District's governmental fund reported an ending fund balance of \$375,642, an increase of \$152,045 (or 68%) from the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$335,841 or 23% of the total expenditures of the General Fund, which is available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

East Niceville Fire District Management's Discussion and Analysis

The statement of net position presents information on all of the District's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as net position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decrease in net position may serve as a useful indicator of the financial position of the District.

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

The government-wide financial statements distinguish and demonstrate that, as a governmental activity, the District is principally supported by property taxes, intergovernmental revenues, and service revenues. The governmental activities of the District include public safety (fire) and debt service. The government-wide financial statements are found on pages 12 – 13 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District can be divided into two categories: governmental funds and fiduciary funds.

FUNDS

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Such information may be useful in evaluating a government's near-term financial requirements. The basic governmental fund financial statements are found on pages 14 – 17 of this report.

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

The District maintains one governmental fund (General Fund). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, which is considered a major fund.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement is provided for the General Fund to demonstrate compliance with this budget.

East Niceville Fire District Management's Discussion and Analysis

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District has one fiduciary fund (Pension Trust Fund). Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for the government-wide financial statement presentation (private-sector business). The basic fiduciary fund financial statements are found on pages 18 – 19 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information, which is essential to the full understanding of the data provided in the government-wide and fund financial statements. Beginning on page 20 of this report are the notes to the financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligations to provide pension and other post-employment benefits (OPEB) to its employees. This required supplementary is found immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$211,759 (net position) as of September 30, 2024, as shown below.

The largest portion of the District's net position, \$282,994, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The District has a deficit unrestricted net position of \$71,235.

The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District reports investments in capital assets net any related debt, it should be noted that the resources needed to repay that debt must be provided from other sources, since capital assets themselves cannot be used to liquidate such liabilities. The District had \$279,647 of such debt as of September 30, 2024.

East Niceville Fire District Management's Discussion and Analysis

The following table reflects the condensed statement of net position and is compared to the prior year:

<i>As of September 30,</i>	2024	2023	Change
Assets			
Current and other assets	\$ 449,871	\$ 281,847	\$ 168,024
Capital assets	562,641	603,068	(40,427)
Total assets	1,012,512	884,915	127,597
Deferred outflows of resources	357,487	540,502	(183,015)
Total assets and deferred outflows of resources	\$ 1,369,999	\$ 1,425,417	\$ (55,418)
Liabilities			
Current liabilities	\$ 110,747	\$ 93,711	\$ 17,036
Long-term liabilities	841,677	1,154,750	(313,073)
Total liabilities	952,424	1,248,461	(296,037)
Deferred inflows of resources	205,816	49,855	155,961
Net position			
Net investment in capital assets	282,994	287,960	(4,966)
Unrestricted	(71,235)	(160,859)	89,624
Total net position	211,759	127,101	84,658
Total liabilities, deferred inflows of resources, and net position	\$ 1,369,999	\$ 1,425,417	\$ (55,418)

Current and other assets increased \$168,024, or 60%, primarily due to increase in cash of approximately \$162,000. This increase was primarily due to the current year increase in net position.

Current liabilities increased \$17,036, or 18%, primarily due to an increase in accrued compensation.

East Niceville Fire District Management's Discussion and Analysis

The following table compares the statement of activities for the current and previous fiscal year:

<i>For the year ended September 30,</i>	2024	2023	Change
General revenue:			
Ad Valorem taxes	\$ 1,596,205	\$ 1,487,969	\$ 108,236
Investment interest	3,870	1,225	2,645
Miscellaneous	4,352	215	4,137
Total general revenue	1,604,427	1,489,409	115,018
Expenses			
Fire	1,519,769	1,378,361	141,408
Total expenses	1,519,769	1,378,361	141,408
 Increase (decrease) in net position	 84,658	 111,048	 (26,390)
 Net position, beginning	 127,101	 16,053	 111,048
 Net position, ending	 \$ 211,759	 \$ 127,101	 \$ 84,658

Ad-valorem tax revenue increased \$108,236 or 7% over the previous year as a result of an increase in the millage rate and growth of the taxable base. Expenses increased \$141,408 or 10% as compared to the prior year primarily as a result of general increases in costs.

Overall, net position increased \$84,658 during the fiscal year 2024.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

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

During fiscal year 2024, the District incurred \$38,927 in capital outlay compared to \$64,629 in the prior year.

East Niceville Fire District Management's Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, revenues and expenditures were favorable compared to budgetary estimates. Overall, the General Fund has a favorable variance as compared to budget in the amount of \$51,005. The most notable favorable variances occurred in the following areas:

- Actual ad valorem tax revenue was less than the budgeted amount by \$32,037 as a result of a lower than expected increase in the tax base.
- Public safety (fire) expenditures were below the amounts budgeted by \$75,820 primarily as a result of lower than anticipated administrative costs.

CAPITAL ASSETS

The District's capital assets for its governmental activities as of September 30, 2024, totaled \$562,641 (net of accumulated depreciation). The additions to the District's capital assets for the current fiscal year were \$38,927, which comprised primarily of various vehicles and equipment. The depreciation expense in the current year totaled \$79,354. The District's capital asset activity for the current and prior fiscal year is summarized in the schedule below.

<i>September 30,</i>	2024	2023	Change
Land	\$ 40,337	\$ 40,337	\$ -
Buildings and improvements	360,009	360,009	-
Equipment & Furniture	6,698	2,850	3,848
Machinery & Equipment	247,501	226,222	21,279
Mini-Pumper fire truck	119,893	119,893	-
Rescue pumper fire truck	462,981	462,981	-
Vehicles	323,040	323,040	-
Software	13,800	-	13,800
Total, prior to depreciation and amortization	1,574,259	1,535,332	38,927
Accumulated depreciation and amortization	(1,011,618)	(932,264)	(79,354)
Net capital assets	\$ 562,641	\$ 603,068	\$ (40,427)

Additional information on the capital assets of the District can be found in Note 2 of this report.

East Niceville Fire District Management's Discussion and Analysis

LONG-TERM LIABILITIES

At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$841,677, as reflected in the following schedule. The District's long-term liabilities decreased \$313,073 as compared to 2023 as reflected in the following schedule. This decrease was mainly due to a decrease in the net pension liability.

<i>September 30,</i>	2024	2023	Change
Compensated absences, more than one year	152,794	118,995	\$ 33,799
Other postemployment benefit liability	141,098	129,448	11,650
Financed purchase, more than one year	243,129	279,647	(36,518)
Net pension liability	304,656	626,660	(322,004)
Total long-term liabilities	\$ 841,677	\$ 1,154,750	\$ (313,073)

Additional information on the District's long-term liabilities can be found in Note 2 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

East Niceville Fire District, an independent special district created by county ordinance 78-11, Okaloosa County, operates under the provisions of Chapters 189 and 191, Florida Statutes. The District operates under an elected Board of Fire Commissioners. The Board establishes policy and sets the millage rate.

On September 26, 2024, the board of commissioners approved a millage rate of 3.40 for fiscal year 2024-2025. The District has taxing authority as revenues are generated by ad valorem taxes. Rates for fiscal year 2024 have been established to provide for the operations of the District and necessary capital and operating requirements.

During the year, the District responded to 840 alarms. These responses include 32 fires, 374 emergency medical calls, and 434 hazardous conditions, service calls, good intent and false alarm calls, and a few other types of emergency responses.

REQUESTS FOR INFORMATION

This report was prepared by the District. Questions concerning this report or requests for additional information should be addressed to the East Niceville Fire District, 1709 East 27th Street, Niceville, FL 32578, attention: Fire Chief David Birch. Information for the District can also be obtained at the District's website, www.enfd.net.

East Niceville Fire District Management's Discussion and Analysis

BOARD OF FIRE COMMISSIONERS

Kenny Revell
Chairman

Ken Delprincipe
Vice Chairman

Leo Tisa
Treasurer

Larry D. Sjoström
Secretary

Open Seat
Commissioner

MANAGEMENT

David Birch
Fire Chief

Jon Kramer
Deputy Chief

Financial Statements

**East Niceville Fire District
Statement of Net Position**

<i>September 30, 2024</i>	Governmental Activities
Assets	
Cash and cash equivalents	\$ 408,938
Accounts receivable	1,132
Prepaid expenses	39,801
Capital assets	
Nondepreciable	40,337
Depreciable, net	522,304
Total assets	1,012,512
Deferred outflows of resources	
Deferred outflows related to pensions	357,487
Total deferred outflows of resources	357,487
Liabilities	
Accounts payable	5,352
Accrued salaries and benefits payable	34,256
Non-current liabilities	
Due within one year	
Compensated absences	34,621
Financed purchase	36,518
Due in more than one year	
Compensated absences	152,794
Financed purchase	243,129
OPEB liability	141,098
Net pension liability	304,656
Total liabilities	952,424
Deferred inflows of resources	
Deferred inflows related to pensions	205,816
Total deferred inflows of resources	205,816
Net position	
Invested in capital assets	282,994
Unrestricted	(71,235)
Total net position	\$ 211,759

The accompanying footnotes are an integral part of these financial statements.

**East Niceville Fire District
Statement of Activities**

<i>For the year ended September 30, 2024</i>		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Function/Program	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities					
Fire	\$ 1,519,769	\$ -	\$ -	\$ -	\$ 1,519,769
General revenue					
Ad valorem taxes collected, net of fees					1,596,205
Interest income					3,870
Miscellaneous income					4,352
<hr/>					
Total general revenue					1,604,427
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Change in net position					84,658
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Net position - beginning of the year					127,101
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Net position - end of the year					\$ 211,759
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The accompanying footnotes are an integral part of these financial statements.

**East Niceville Fire District
Balance Sheet – Governmental Fund**

<i>September 30, 2024</i>	General
Assets	
Cash and cash equivalents	\$ 408,938
Accounts receivable	1,132
Prepaid expenditures	39,801
<hr/>	
Total assets	\$ 449,871
<hr/> <hr/>	
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 5,352
Accrued payroll and related liabilities	34,256
Compensated absences payable	34,621
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Total liabilities	74,229
<hr/>	
Fund balances	
Nonspendable	39,801
Unassigned	335,841
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Total fund balances	375,642
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Total liabilities and fund balances	\$ 449,871
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The accompanying footnotes are an integral part of these financial statements.

East Niceville Fire District
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position

September 30, 2024

Total fund balances, governmental funds	\$	375,642
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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, therefore, are not reported in the funds.		562,641
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Deferred outflows and inflows of resources related to pensions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		151,671
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Long-term liabilities, including total OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Financed purchase		(279,647)
Other postemployment benefits liability		(141,098)
Compensated absences		(152,794)
Net pension liability		(304,656)

Net position of governmental activities	\$	211,759
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The accompanying footnotes are an integral part of these financial statements.

East Niceville Fire District
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund

<i>For the year ended September 30, 2024</i>	General
Revenues	
Property taxes	\$ 1,596,205
Interest and other	3,870
Miscellaneous revenue	4,352
<hr/>	
Total revenues	1,604,427
Expenditures	
Current	
Fire	
Personnel services	
Salaries and benefits	871,980
Section 175 retirement contributions	141,815
Operating services:	
Administrative	71,546
Operating supplies	145,530
Insurance	77,359
Repairs and maintenance	23,244
Training	17,925
Utilities	19,205
Capital Outlay	38,927
Debt Service	
Principal	35,461
Interest	9,390
<hr/>	
Total expenditures	1,452,382
Excess of revenue over expenditures	152,045
Fund balances, beginning of year	223,597
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Fund balances, end of year	\$ 375,642
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The accompanying footnotes are an integral part of these financial statements.

East Niceville Fire District

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities**

For the year ended September 30, 2024

Net change in fund balances - governmental fund \$ 152,045

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period. (40,427)

Changes to the OPEB liability and the related deferred outflows of resources and deferred inflows of resources are reported as expenses in the statement of activities, but do not require the use of current financial resources; therefore, are not reported as an expenditure in governmental funds. (11,650)

Changes to the pension liability and the related deferred outflows of resources and deferred inflows of resources are reported as expenses in the statement of activities, but do not require the use of current financial resources; therefore, are not reported as an expenditure in governmental funds. (16,972)

Repayment of financed purchase principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position 35,461

Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year. (33,799)

Change in net position of governmental activities \$ 84,658

The accompanying footnotes are an integral part of these financial statements.

East Niceville Fire District
Statement of Fiduciary Net Position – Fiduciary Fund

	Pension Trust Fund
<i>September 30, 2024</i>	
<hr/>	
Assets	
Cash and cash equivalents	\$ 143,557
Investments	2,233,939
Due from members	1,207
Due from State of Florida	15,925
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Total assets	2,394,628
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Liabilities	
Accrued expenses	8,754
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Total liabilities	8,754
<hr/>	
Net position	
Restricted for	
Held in trust for pension benefits	\$ 2,385,874
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The accompanying footnotes are an integral part of these financial statements.

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

	Pension Trust Fund
<i>For the year ended September 30, 2024</i>	
<hr/>	
Additions	
Contributions	
Employer	\$ 140,702
Employees	33,568
State	75,388
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Total contributions	249,658
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Investment Income (loss)	
Net appreciation in fair value of investments	434,095
Realized loss on investments	(29,214)
Interest and dividends	61,141
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Total net investment income	466,022
Less: investment related expense	(17,500)
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Net investment income	448,522
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Total additions	698,180
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Deductions	
Benefits paid	88,109
Administrative expenses	44,343
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Total deductions	132,452
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Net increase in fiduciary net position	565,728
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Net position, beginning of year	1,820,146
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Net position, end of year	\$ 2,385,874
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The accompanying footnotes are an integral part of these financial statements.

East Niceville Fire District Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The East Niceville Fire District is a special independent District created by county ordinance 78-11, in Okaloosa County, Florida, in 1978. The District is an independent fire control district operating pursuant to the provisions of Chapter 191, Florida Statutes, the Independent Fire Control District Act. The current code, as adopted in 2005, authorizes the District to provide fire suppression, fire inspection, rescue, and emergency medical services.

Reporting Entity

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund and the fiduciary fund, even though the latter is excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The pension trust fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. Government-wide financial statements, including the statement of net position and statement of activities, present information about the District as a whole. These statements include the non-fiduciary financial activity of the primary government.

Government-wide financial statement net position is divided into three components – invested in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Invested in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

Unrestricted – This component of net position consists of amounts that do not meet the definition of “restricted” or “invested in capital assets”.

Fund Financial Statements

The fund financial statements provide information about the District’s funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and fiduciary funds, each presented in a separate column. The fiduciary fund is used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government’s own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The District reports the following major governmental fund:

The *General Fund* is the District’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Additionally, the District reports the following fiduciary fund:

The *pension trust fund* accounts for the activities of the East Niceville Fire District Firefighters’ Pension Trust Fund, which accumulates resources for pension benefit payments to qualified public safety employees.

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The appropriated budget is prepared by function and department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

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

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

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

- A. Prior to September 1, the Fire Chief and a committee appointed by the Board of Commissioners submit to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- B. The budget is submitted in summary form, but a more detailed line-item budget is included for administrative control. The level of control for the detailed budget is at the department head level.
- C. Upon tentative approval by the Board of Commissioners, public hearings are conducted to obtain taxpayer comment.
- D. Prior to September 30, the budget is legally enacted through approval by the Board.
- E. Formal budgetary integration is employed as a management control device during the year for the general fund.
- F. Appropriations lapse at the end of each fiscal year.
- G. The Board of Commissioners may authorize supplemental appropriations during the year.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Deposits and Investments

Section 218.415, Florida Statutes, requires the investment of surplus public funds and prescribes allowable investments, specifically the State of Florida Local Government Surplus Funds Trust Fund, direct obligations of the United States government or other obligations unconditionally guaranteed by the United States government, collateralized interest-bearing time deposits or savings accounts in state or federal banks or savings and loan associations, debt securities of the Federal Farm Credit Banks, the Federal Home Loan Mortgages Corporation, the Federal Home Loan Bank, the Government National Mortgage Association, the Federal National Mortgage Association, and securities of or other interest in certain investment companies or investment trusts, the portfolio of which is limited to United States government obligations or repurchase agreements fully collateralized by such obligations. The District adheres strictly to the provisions of those cited statutes, as well as with Chapter 280, Florida Statutes, which requires the District to maintain deposits only with "Qualified Public Depositories." The District's investments are stated at fair value.

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Deposits and Investments (Continued)

The Pension Trust Fund may invest in collateralized interest-bearing time deposits or savings accounts in state or federal banks or savings and loan associations, direct obligations of the United States government or other obligations unconditionally guaranteed by the United States government, stocks, commingled funds administered by national or state banks, mutual funds or other evidences of indebtedness, provided that (a) all individually held securities in a commingled mutual fund must be issued or guaranteed by a corporation organized under the laws of the United States or its territories and in the case of bonds shall hold a rating in one of the three highest classifications by a rating service; (b) up to ten percent (15%) of the assets may be invested in foreign securities; (c) the Board shall not invest more than five percent (5%) of its assets in the common stock, capital stock or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five percent (5%) of the outstanding capital stock of that company; nor shall the aggregate of its investments in common stock, capital stock and convertible securities at cost exceed sixty percent (70%) of the assets of the fund. During the year, the District maintained cash and investments in accordance with retirement fund plan documents. Investments are stated at fair value.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Statement of Net Position and Balance Sheet – Governmental Fund. These items will be expensed over the applicable usage period.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements but are not recorded in the governmental fund financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$750 and a useful life of more than one year. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment sold, destroyed or obsolete is removed from the accounts periodically. Interest cost is not capitalized on self-constructed fixed assets.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

- Buildings and improvements – 30 years
- Vehicles and equipment – 5 to 15 years.

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

The District has one (1) item that qualifies for reporting as deferred outflows of resources, the *deferred outflows related to pensions*, reported in the government-wide statements of net position. The deferred amount related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification (GASBC) Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

In addition to liabilities, the Statement of Net Position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

The District has one (1) item that qualifies for reporting as deferred inflows of resources. The *deferred inflows related to pensions* are an aggregate of items relate to pensions as calculated in accordance with GASBC Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

Compensated Absences

Vacation and sick leave accrue for all employees. The District has accrued the accumulated and unpaid amounts due its employees for leave in the financial statements at September 30, 2024. The liability presented represents the total amount the District would owe its employees if all employees quit or were terminated.

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

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

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Financed Purchases

The government accounts for financed purchases, including lease-purchase agreements and installment contracts, in accordance with Governmental Accounting Standards Board (GASB) Statements No. 87 (*Leases*).

For governmental fund types, the acquisition of capital assets through financed purchase agreements is recorded as an expenditure in the fund financial statements and as an other financing source in the year the asset is received.

In the government-wide financial statements, financed purchases are recognized as liabilities at the present value of payments expected to be made during the term of the agreement. The corresponding capital assets are recorded at acquisition cost.

Interest expense is recognized over the term of the agreement using the effective interest method. Assets acquired through financed purchases are depreciated over their estimated useful lives, consistent with the government's depreciation policy for similar capital assets.

The government evaluates all financing arrangements to determine whether they meet the criteria of a lease or a financed purchase under applicable GASB guidance. Agreements that transfer ownership of the asset by the end of the contract term and meet other criteria for financed purchases are treated as such, rather than as leases.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumption – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted fund balance as of September 30, 2024.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The District did not have any committed fund balance as of September 30, 2024.

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Categories and Classification of Net Position and Fund Balance (Continued)

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The governing council (the Board) has by resolution authorized management to assign fund balance. The Board may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignment generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The District did not have any assigned fund balance as of September 30, 2024.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenue and Expenditures/Expenses

Ad Valorem Property Tax Revenue

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

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

- Assessment Date - January 1st
- Maximum Discount - November 1st
- Past Due - April 1st of the following year
- Tax Certificates Sold - June 1st of the following year

The Board of Commissioners approved for this fiscal year the millage rate of 3.4000.

Expenditures/Expenses

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Expenditures/Expenses (Continued)

Expenditures/Expenses (Continued)

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year presentation. Such reclassifications have no effect on net position or fund balances previously reported.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 8, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this statement.

East Niceville Fire District Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

The Governmental Accounting Standards Board has issued a statement that will become effective in future years. This statements is as follows:

GASB Statement No. 101, Compensated Absences, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits

As of September 30, 2024, \$250,000 of the District's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Chapter 280, Florida Statutes.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificates of deposits are defined as public deposits. The financial institutions in which the District places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2024, the value of the District's deposits for the general fund was \$408,938, all of which were entirely covered by pooled collateral held by the State Treasurer and, therefore, have no custodial credit risk over its deposits.

Investments

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Pension Trust Fund's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. As of September 30, 2024, the fair value of the Pension Trust Fund's investments were \$2,233,939, all of which were invested in mutual funds and, therefore, not subject to interest rate risk.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (Continued)

Credit risk – GASBC Section 150: *Investments* of the GASBC requires that government provide information about credit risk associate with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The Pension Trust Fund’s investment policy does not limit investment to those with specific credit ratings.

Concentration risk – GASBC Section 150: *Investments* of the GASBC requires disclosures of investment in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed U.S. government, investments in mutual funds, external investment pools and other pooled investments. The Pension Trust Fund’s investment policy restricts the percentage that may be held in the stock of any one company and the bonds issued by any one issuer.

Fair Value – GASBC Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.
- Level 2 (L2): Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 (L3): inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Investments (Continued)

The following table sets forth by level, within the fair value hierarchy, the Pension Trust Fund's assets at fair value as of September 30, 2024:

	Fair Value	Level 1	Level 2	Level 3
Fiduciary fund investments				
Equity mutual funds	\$ 1,615,310	\$ 1,615,310	\$ -	\$ -
Fixed income mutual funds	618,629	618,629	-	-
 Total fiduciary fund investments	 \$ 2,233,939	 \$ 2,233,939	 \$ -	 \$ -

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

Mutual funds – Mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those investments. Mutual funds classified in Level 2 of the fair value hierarchy, while underlying securities have observable Level 1 pricing inputs or observable Level 2 significant other pricing inputs, are not publicly quoted and are based on market-corroborated data.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 40,337	\$ -	\$ -	\$ 40,337
Capital assets, being depreciated				
Buildings	314,460	-	-	314,460
Building Improvements	45,549	-	-	45,549
Machinery & Equipment	226,222	21,279	-	247,501
Equipment & Furniture	2,850	3,848	-	6,698
Mini-Pumper Fire Truck	119,893	-	-	119,893
Vehicles	323,040	-	-	323,040
Rescue Pumper Fire Truck	462,981	-	-	462,981
Software	-	13,800	-	13,800
Capital assets being depreciated	1,494,995	38,927	-	1,533,922
Less accumulated depreciation	(932,264)	(79,354)	-	(1,011,618)
Total capital assets being depreciated, net	562,731	(40,427)	-	522,304
Capital assets, net	\$ 603,068	\$ (40,427)	\$ -	\$ 562,641

Depreciation and amortization expense was charged to the governmental functions in the statement of activities as follows:

<i>For the year ended September 30,</i>	<i>2024</i>
Governmental Activities:	
Fire	\$ 79,354

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities

Financed Purchase Liability

The District entered into a 10 year noncancellable financed purchase agreement, effective June 25, 2021, for a new fire truck at a fixed rate of interest of 2.98% with fixed annual payments of \$44,851. The purchase agreement expires on June 25, 2031. Payment made under the financed purchase agreement for the year ending September 30, 2024 was \$35,461 principal and \$9,390 interest. The agreement may be terminated by the District if the Board of Commissioners fails to appropriate, in any fiscal year, for payments under the agreement or if other funds are not available for such payments. The District does not anticipate that the lease will be terminated.

Annual requirements to amortize the long-term obligation and related interest are as follows:

The following is a schedule of the financed purchase liability as of September 30:

<i>For the years ending September 30,</i>	Principal Payments	Interest Expense	Total
2025	36,518	8,333	44,851
2026	37,606	7,245	44,851
2027	38,727	6,125	44,852
2028	39,881	4,971	44,852
2029	41,069	3,782	44,851
2030	42,293	2,558	44,851
2031	43,553	1,298	44,851
Total minimum payments	279,647	34,312	313,959
Current portion	(36,518)	(8,333)	(44,851)
Payable after one year	\$ 243,129	\$ 25,979	\$ 269,108

Long-term liability activity for the year ended September 30, 2024, was as follows for governmental activities:

	Begining Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchase	\$ 315,108	\$ -	\$ (35,461)	\$ 279,647	\$ 36,518
Compensated absences	150,832	36,583	-	187,415	34,621
Governmental activities long-term liabilities	\$ 465,940	\$ 36,583	\$ (35,461)	\$ 467,062	\$ 71,139

Compensated absences and financed purchase liability will be liquidated in future periods primarily by the General Fund for governmental activities.

East Niceville Fire District Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Investment in Capital Assets

The elements of this calculation are as follows:

		Governmental Activities
Capital assets (net)	\$	562,641
Outstanding debt related to capital assets		(279,647)
Net investment in capital assets	\$	282,994

Note 3: DEFINED BENEFIT PENSION PLAN

Description of Plan

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

Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits, refunds and administrative costs are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Presentation of Financial Statements

The Plan does not issue stand-alone financial reports and are not included in the reports of any other entity.

Note 3: DEFINED BENEFIT PENSION PLAN (Continued)

Funding Requirements

The District uses the entry age normal actuarial costs method to determine required contributions. This method provides a stable pattern of minimum required contributions at a level dollar amount and allows a more transparent analysis of the changes experienced from one year to the next.

Florida Statutes, Chapters 175 and 185, require members to contribute not less than .5% of their annual salary. The plan members are required to contribute 5% of their annual covered salary to the Plan. The District is required to contribute at an actuarially determined rate. The actual contribution rate for the District and State contribution equaled 29% of the employees' salaries for the covered annual payroll.

The District contributed \$140,702 to the Plan for the year ended September 30, 2024.

Florida Statute Chapter 175 authorized special fire control districts to levy a tax upon certain insurance companies who engage in the business of property insurance. The District imposed the tax by Resolution 2006-01, effective October 1, 2006. The proceeds from this tax are to be used in partial support of the Chapter 175 Plan. At September 30, 2024, the District was owed \$15,925 from the State of Florida as proceed from this tax. This amount is reported as contributions in the statement of changes in fiduciary net position – fiduciary fund. While contributions to the Plan are currently funded through these various sources, it is ultimately the responsibility of the District to fund the Plan.

Plan Membership and Benefits

Vesting occurs after 10 years of credited service. Members are eligible for normal retirement at the earlier of age 55 and 10 years of credited service, or age 52 and 25 years of credited service. Early retirement may be taken after 10 years of credited service and attaining age 50; however, the accrued benefit will be actuarially reduced. Upon retirement, members are entitled to receive a monthly amount approximately equal to 3% of average final compensation per year of credited service.

As of September 30, 2024, the Plan had a total of eleven (11) active plan members; two (2) inactive plan members entitled to, but not yet receiving benefits; and two (2) inactive plan members or beneficiaries currently receiving benefits.

Rate of Return

For the year ended September 30, 2024 the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 25.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Note 3: DEFINED BENEFIT PENSION PLAN (Continued)

Plan Membership and Benefits (Continued)

Net Pension Liability, Significant Assumptions and Discount Rate

The components of the net pension liability of the District on September 30, 2024 were as follows:

Total Pension Liability	\$ 2,690,530
Plan Fiduciary Net Position	(2,385,874)
<hr/>	
District's Net Pension Liability	<u>\$ 304,656</u>

Plan fiduciary net position as a percentage of the total pension liability	88.68%
-------------------------------------------------------------------------------	--------

The total pension liability was determined by an actuarial valuation as of October 1, 2023, using the following actuarial assumptions applied to all measurement period for the Plan.

Inflation	2.50%
Salary increases (including inflation)	Service based
Investment rate of return (net of investment expense, including inflation)	7.00%
Discount rate	7.00%
Mortality rates	
Healthy	PubS.H-2010
Beneficiary	PubG.H-2010
Disabled	80% PubG.H-2010 / 20% PubS.H-2010

The actuarial assumptions used in the October 1, 2023 valuation were based on the results of an actuarial experience study dated December 1, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Note 3: DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability, Significant Assumptions and Discount Rate (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	55.0%	7.5%
International equity	15.0%	8.5%
Broad marked fixed income	20.0%	2.5%
Fixed income (non-core)	5.0%	2.5%
Global fixed income	5.0%	3.5%

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

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

For the year ended September 30, 2024, the District recognized a pension expense of \$219,571 for the Plan. On September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 353,858	\$ 26,115
Change of assumptions	3,629	12,028
Net difference between projected and actual earnings on pension plan investments	-	167,673
Total	\$ 357,487	\$ 205,816

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

Note 3: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>For the years ending September 30,</i>	Amount
2025	\$ 33,785
2026	57,364
2027	(27,012)
2028	228
2029	51,109
Thereafter	36,197
Total	\$ 151,671

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2023	\$ 2,446,806	\$ 1,820,146	\$ 626,660
Changes for the year			
Service cost	127,338		127,338
Interest	178,051		178,051
Differences between expected and actual experience	12,952		12,952
Share plan allocation	13,492		13,492
Contributions - employer		140,702	(140,702)
Contributions - state		75,389	(75,389)
Contributions - employee		33,566	(33,566)
Net investment income		448,525	(448,525)
Benefit payments, including refunds of employee contributions	(88,109)	(88,109)	-
Administrative expenses		(44,345)	44,345
Net changes	243,724	565,728	(322,004)
Balances at September 30, 2024	\$ 2,690,530	\$ 2,385,874	\$ 304,656

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

Note 3: DEFINED BENEFIT PENSION PLAN (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate (Continued)

The sensitivity of the net pension liability to changes in the discount rate is shown below.

	1%		Current		1%
	Decrease		Discount		Increase
	(6.0%)		Rate		(8.0%)
			(7.00%)		
Net pension liability	\$ 750,975	\$	304,656	\$	(56,927)

Note 4: OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Postemployment Healthcare Benefits Plan (Plan) is a single employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District, and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical, and prescription drug coverage.

The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The rates paid by the retirees eligible for Medicare are reduced by the Medicare premium. The Plan does not issue a stand-alone report, and it is not included in the report of a Public Employee Retirement System or another entity.

Funding Policy

Contribution requirements of the District and plan members are established and may be amended through action from the District Board. The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis. For the year ending September 30, 2024, there were no retirees receiving postemployment health care benefits.

Eligibility

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

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

Note 4: OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Membership

At the valuation date October 1, 2023, OPEB membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not currently receiving benefits	-
Active participants	11
Total	11

Actuarial Assumptions and Other Inputs

At the September 30, 2024 measurement date, the actuarial assumptions and other inputs, applied include the following:

Inflation	2.50%
Salary increases	2.50%
Discount rate	4.06%
Initial trend rate	7.00%
Ultimate trend rate	4.00%
Years to Ultimate	51

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

Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

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

Note 4: OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in OPEB Liability and Sensitivity to Changes in Discount Rate

As of September 30, 2024, the District reported a total OPEB liability of \$141,098. The information has been provided as of September 30, 2024 measurement date.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at September 30, 2023	\$ 129,448	\$ -	\$ 129,448
Changes for the year			
Service cost	5,295	-	5,295
Interest	5,998	-	5,998
Differences between expected and actual experience	(10,524)	-	(10,524)
Changes of assumptions	13,049	-	13,049
Contributions - employer	-	2,168	(2,168)
Benefit payments, including refunds of employee contributions	(2,168)	(2,168)	-
Administrative expenses	-	-	-
Net changes	11,650	-	11,650
Balances at September 30, 2024	\$ 141,098	\$ -	\$ 141,098

Changes of assumptions reflect a change in the discount rate from 4.87% for the fiscal year ending September 30, 2023 to 4.06% for the fiscal year ending September 30, 2024.

Sensitivity of the Net OPEB Liability

The following table represents the District's total and net OPEB liability calculated using the discount rate of 4.06%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.06%) or one percentage point higher (5.06%) than the current rate:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
Net OPEB liability	\$ 172,221	\$ 141,098	\$ 117,069

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

Note 4: OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in OPEB Liability and Sensitivity to Changes in Discount Rate (Continued)

The following table represents the District’s total and net OPEB liability calculated using the health care cost trend rates of 4.00% - 7.00%, as well as what the District’s net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower (3.00% - 6.00%) or one percentage point higher (5.00% - 8.00%) than the current rate:

		1% Decrease (3.0%-6.0%)	Health Care Cost Trend Rates (4.0%-7.0%)		1% Increase (5.0%-8.0%)
Net OPEB liability	\$	114,592	\$	141,098	\$ 175,288

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2024, the District recognized an OPEB expense of \$16,818. The District qualifies for the Alternative Measurement Method in Accordance with GASB 75; therefore, changes in the total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

Note 5: RISK MANAGEMENT

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

**Required Supplementary Information
(Other than MD&A)**

East Niceville Fire District
Budgetary Comparison Schedule – Governmental Fund

<i>For the year ended September 30, 2024</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 1,628,242	\$ 1,628,242	\$ 1,596,205	\$ (32,037)
Interst and other	800	800	3,870	3,070
Miscellaneous revenue	200	200	4,352	4,152
Total revenues	1,629,242	1,629,242	1,604,427	(24,815)
Expenditures				
Current				
Fire				
Personnel services				
Salaries and benefits	821,176	821,176	871,980	(50,804)
Section 175 retirement	146,831	146,831	141,815	5,016
Operating services:				
Administrative	305,342	305,342	71,546	233,796
Operating supplies	35,000	35,000	145,530	(110,530)
Insurance	30,000	30,000	77,359	(47,359)
Repairs and maintenance	30,000	30,000	23,244	6,756
Training	40,000	40,000	17,925	22,075
Utilities	25,000	25,000	19,205	5,795
Capital Outlay	50,000	50,000	38,927	11,073
Debt Service				
Principal	35,462	35,462	35,461	1
Interest	9,391	9,391	9,390	1
Total expenditures	1,528,202	1,528,202	1,452,382	75,820
Excess of revenue over expenditures	101,040	101,040	152,045	51,005
Fund balances, beginning of year	71,098	71,098	223,597	152,499
Fund balances, end of year	\$ 172,138	\$ 172,138	\$ 375,642	\$ 203,504

East Niceville Fire District Schedule of Changes in Net Pension Liability and Related Ratios

September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 127,338	\$ 112,720	\$ 114,667	\$ 125,286	\$ 102,581	\$ 93,668	\$ 85,836	\$ 74,125	\$ 74,125	\$ 69,276
Interest	178,051	152,801	129,581	105,615	83,817	71,608	67,320	48,804	48,804	41,039
Share Plan Allocation	13,492	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience										
Changes of Assumptions	12,952	142,091	136,779	148,776	139,764	-	(87,052)	49,256	-	-
Contributions - Buy Back	-	-	-	-	(27,064)	-	1,412	-	36,289	-
Benefit Payments, Including Refunds of Employee Contributions	(88,109)	(61,907)	(32,862)	(20,489)	-	(1,269)	(16,969)	(18,768)	(5,584)	(2,904)
Net Change in Total Pension Liability										
Total Pension Liability - Beginning	2,446,806	2,101,101	1,752,936	1,393,747	1,094,649	934,205	883,658	779,497	625,863	518,009
Adjustment to the beginning of the year								(49,256)		
Total Pension Liability - Ending	\$ 2,690,530	\$ 2,446,806	\$ 2,101,101	\$ 1,752,935	\$ 1,393,747	\$ 1,094,649	\$ 934,205	\$ 883,658	\$ 779,497	\$ 625,863
Plan Fiduciary Net Position										
Contributions - Employer	\$ 140,702	\$ 144,722	\$ 120,279	\$ 85,499	\$ 59,624	\$ 57,570	\$ 42,716	\$ 32,985	\$ 12,046	\$ 13,918
Contributions - State	75,388	68,683	53,334	47,918	40,089	31,963	30,528	35,001	45,656	56,017
Contributions - Employee	33,568	33,138	35,932	35,865	33,012	27,993	22,559	20,313	18,681	18,575
Contributions - Buy Back	-	-	-	-	-	-	-	-	-	443
Net Investment Income	448,522	200,639	(303,133)	229,746	75,853	34,998	64,430	43,250	34,978	1,169
Difference between projected and actual earnings on Pension Plan Investments	-	-	-	-	-	-	(33,175)	-	-	-
Benefit Payments, Including refunds of Employee Contributions	(88,109)	(61,907)	(32,862)	(20,489)	-	(1,269)	(16,969)	(18,768)	(5,584)	(2,904)
Administrative Expense	(44,343)	(30,336)	(32,788)	(41,445)	(48,033)	(16,973)	(1,327)	(9,776)	(1,399)	(2,520)
Net Change in Plan Fiduciary Net Position										
Plan Fiduciary Net Position - Beginning	1,820,146	1,465,207	1,624,445	1,287,350	1,126,805	992,523	883,761	780,756	676,378	591,680
Plan Fiduciary Net Position - Ending	2,385,874	1,820,146	1,465,207	1,624,444	1,287,350	1,126,805	992,523	883,761	780,756	676,378
Net Pension Liability - Ending	\$ 304,656	\$ 626,660	\$ 635,894	\$ 128,491	\$ 106,397	\$ (32,156)	\$ (58,318)	\$ (103)	\$ (1,259)	\$ (50,515)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability										
Pension Liability	89%	74%	70%	93%	92%	103%	106%	100%	100%	108%
Covered Payroll	\$ 671,320	\$ 662,759	\$ 718,638	\$ 717,291	\$ 660,347	\$ 559,854	\$ 451,173	\$ 463,739	\$ 413,216	\$ 408,671
Net Pension Liability as a Percentage of Covered Payroll	45%	95%	88%	18%	16%	-6%	-13%	0%	0%	-12%

East Niceville Fire District Schedule of Pension Contributions

<i>September 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 200,165	\$ 192,626	\$ 173,613	\$ 133,417	\$ 99,713	\$ 90,136	\$ 72,639	\$ 65,749	\$ 59,779	\$ 62,041
Contributions in Relation to the										
Actuarially Determined Contributions	216,091	199,913	173,613	133,417	99,713	89,533	73,244	67,986	57,702	69,935
Contribution Deficiency (Excess)	<u>\$ (15,926)</u>	<u>\$ (7,287)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603</u>	<u>\$ (605)</u>	<u>\$ (2,237)</u>	<u>\$ 2,077</u>	<u>\$ (7,894)</u>
Covered Payroll	\$ 671,320	\$ 662,759	\$ 718,638	\$ 717,291	\$ 660,347	\$ 559,854	\$ 451,173	\$ 463,739	\$ 413,216	\$ 408,671
Contributions as a Percentage of										
Covered Payroll	32%	30%	24%	19%	15%	16%	16%	15%	14%	17%

Notes to schedule:

Valuation date: October 1, 2023

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

Methods and assumptions used to determine contribution rates:

Funding method:	Entry age normal actuarial cost method.
Mortality rate:	PubS.H-2010 (sex distinct)
Interest rate:	7% per year
Inflation:	2.5% per year
Retirement age:	10% (previously 5%) per year eligible for early retirement. 10% per year eligible for normal retirement (with 100% at age 52 with 25 years of service). Also any member who has reached normal retirement age on the valuation date is assumed to continue employment for one additional year.
Disability rates:	Percentage becoming disabled during the year, escalating scale based on age.
Termination rates:	Percentage terminating during the year, escalating scale based on age.
Salary increases:	Salary increases deescalates based on years of service. Previously 6% per year until the assumed retirement age.
Payroll growth assumption:	None

East Niceville Fire District
Schedule of Pension Investment Returns

<u><i>Fiscal Year Ended</i></u>	<u>Annual Money-Weighted Rate of Return Net of Investment Expense</u>
September 30, 2024	25.06%
September 30, 2023	14.97%
September 30, 2022	-19.60%
September 30, 2021	17.97%
September 30, 2020	6.72%
September 30, 2019	3.58%
September 30, 2018	3.55%
September 30, 2017	0.04%
September 30, 2016	2.46%
September 30, 2015	0.09%

East Niceville Fire District
Schedule of Changes in Net OPEB Liability and Related Ratios

<i>September 30,</i>	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 5,295	\$ 4,763	\$ 7,186	\$ 10,980	\$ 9,891	\$ 7,941	\$ 8,516
Interest	5,998	6,033	4,246	3,703	5,295	5,220	4,520
Differences Between Expected and Actual Experience	(10,524)	-	891	-	(2,033)	-	-
Changes of Assumptions	13,049	(2,050)	(55,339)	(8,374)	10,694	11,806	(10,050)
Benefit Payments, Including Refunds of Employee Contributions	(2,168)	(2,021)	(1,802)	(1,685)	(1,933)	(1,790)	(1,650)
Net Change in Total OPEB Liability	11,650	6,725	(44,818)	4,624	21,914	23,177	1,336
Total OPEB Liability - Beginning	129,448	122,723	167,541	162,917	141,003	117,826	116,490
Total OPEB Liability - End	<u>\$ 141,098</u>	<u>\$ 129,448</u>	<u>\$ 122,723</u>	<u>\$ 167,541</u>	<u>\$ 162,917</u>	<u>\$ 141,003</u>	<u>\$ 117,826</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	0%	0%	0%	0%	0%	0%
Covered Payroll	\$ 669,818	\$ 668,599	\$ 652,292	\$ 567,738	\$ 553,891	\$ 524,220	\$ 511,434
Total OPEB Liability as a Percentage of Covered Payroll	21%	19%	19%	30%	29%	27%	23%

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

Notes to schedule:

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

Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The discount rates used were 4.06%, 4.87%, and 4.77% for the fiscal years ending September 30, 2024, 2023, and 2022, respectively. Also reflected as assumption changes are updated health care costs and premiums.

No assets are accumulated in a trust.

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2024. Expected net benefits produced by the valuation model for the same period are shown above.



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INDEPENDENT AUDITOR'S 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

To the Board of Commissioners
East Niceville Fire District
Destin, 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, the major fund, and the aggregate remaining fund information of East Niceville Fire District, ("the District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 8, 2025.

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.

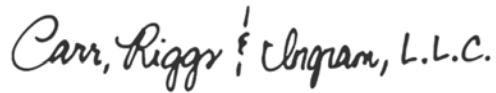
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Niceville, Florida
May 8, 2025



Carr, Riggs & Ingram, L.L.C.
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MANAGEMENT LETTER

To the Board of Commissioners
East Niceville Fire District
Destin, Florida

Report on the Financial Statements

We have audited the financial statements of the East Niceville Fire District (“District”) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 8, 2025.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report(s) 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 May 8, 2025 should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.

Specific Information

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 total number of district employees compensated in the last pay period of the District's fiscal year as 10.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as \$0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$659,892.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- 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 is estimated at \$0.
- 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. The District has a favorable budget variance of \$50,005 when general fund results are compared to the original budget.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, East Niceville Fire District reported:

- a. The millage rate imposed by the District as 3.40.
- b. The total amount of ad valorem taxes collected by or on behalf of the District as \$1,596,205.
- c. The total amount of outstanding bonds issued by the District as \$0.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have 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 Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Niceville, Florida
May 8, 2025



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES

To the Board of Commissioners
East Niceville Fire District
Destin, Florida

We have examined East Niceville Fire District's compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2024. 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 specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

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

CARR, RIGGS & INGRAM, LLC
Niceville, Florida
May 8, 2025