

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Fire Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Lake Tarpon Special Fire Control District (District) as of and for the year ended September 30, 2025, 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2025, 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.

We did not audit the financial statements of the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund, which represent 100 percent of the assets, net position, and revenues of the aggregate remaining fund information as of September 30, 2025, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund, is based solely on the report of the other auditors.

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

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

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 other required supplementary information 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 and other auditors 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 Information

Management is responsible for the other information included in the basic financial statements. The other information comprises the impact fee affidavit on page 58, but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

CS&L CPAs

CS&L CPAs, P.A.

March 13, 2026
Tampa, Florida

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

As management of the East Lake Tarpon Special Fire Control District (District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the fiscal year by \$9,610,918.
- The District's net position increased by \$1,607,730 during the current fiscal year.
- As of the close of the fiscal year, the District's governmental funds (general and capital projects funds) reported an ending fund balance of \$9,131,355. Total fund balance increased \$1,037,392 during the year ended September 30, 2025.
- \$1,366,756 is available for spending in the General Fund at the District's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to 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, using accounting methods similar to a private-sector business. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

The statement of net position presents information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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 this statement for some items that will only result in cash flows in future fiscal periods (e.g., unused vacation leave).

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

The government-wide financial statements should distinguish functions of the District that are principally supported by property taxes, impact fees and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the District's activities reported in these statements are governmental.

The government-wide financial statements can be found on pages 12 – 13 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental funds consist of the general fund and the capital project fund. The District also has a fiduciary fund.

GOVERNMENTAL FUNDS

Governmental funds 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. These funds are reported using the modified accrual method of accounting and the current financial resources focus. As a result, long-term assets and liabilities are not included. The District uses a general fund and a capital projects fund.

The general fund is the general operating fund. All general tax revenues are accounted for in this fund. From this fund all general operating expenditures and certain budgeted capital expenditures are paid. The capital projects fund is used to account for revenues generated under the Public Safety Construction Fee Ordinance which are designated for acquisition and construction of capital improvements.

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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14 to 17 of this report.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

FIDUCIARY FUND

The fiduciary fund is used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the District's own programs. Accounting used for fiduciary funds is much like that used for the government-wide financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 20.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) as listed in the table of contents.

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 District's case, assets and deferred outflows of the District exceeded its liabilities and deferred inflows by \$9,610,918 at the end of the fiscal year.

A large portion of the District's net position, \$5,919,682, reflects its net investment in capital assets (e.g., land, buildings and improvements, and equipment). The District uses these capital assets to provide fire protection and emergency services to citizens within the boundaries of the District; consequently, these assets are not available for future spending.

The unrestricted category of net position, with a balance of \$3,542,043 at September 30, 2025 may be used to meet the District's ongoing obligations to citizens and creditors.

The table on the following page provides a comparative summary of the District's statement of net position as of September 30, 2025 and September 30, 2024:

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

	Governmental Activities	
	2025	2024
Assets		
Cash and investments	\$ 9,298,417	\$ 8,234,272
Other current assets	49,295	83,213
Capital assets, net	<u>5,919,682</u>	<u>5,859,642</u>
Total assets	<u>15,267,394</u>	<u>14,177,127</u>
Deferred outflows of resources	<u>1,692,233</u>	<u>1,069,638</u>
Total assets and deferred outflows of resources	<u>\$ 16,959,627</u>	<u>\$ 15,246,765</u>
Liabilities		
Current liabilities	267,433	273,729
Non-current liabilities	<u>5,538,665</u>	<u>5,963,503</u>
Total liabilities	<u>5,806,098</u>	<u>6,237,232</u>
Deferred inflows of resources	<u>1,542,611</u>	<u>961,938</u>
Net position		
Net investment in capital assets	5,919,682	5,859,642
Restricted	149,193	477,807
Unrestricted	<u>3,542,043</u>	<u>1,710,146</u>
Total net position	<u>9,610,918</u>	<u>8,047,595</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 16,959,627</u>	<u>\$ 15,246,765</u>

As noted above, a portion of the District's net position represented net investment in capital assets and a portion restricted for future capital projects. The remaining balance of unrestricted net position is \$3,452,043.

The table on the following page provides a comparative summary of the District's statement of activities as of September 30, 2025 and September 30, 2024:

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Program revenues		
Charges for services	\$ 2,416,077	\$ 2,111,318
Operating grants and contributions	75,988	37,847
Total program revenues	<u>2,492,065</u>	<u>2,149,165</u>
General revenues		
Property taxes	8,055,083	7,382,378
Investment income	254,014	187,514
Other	158,975	178,192
Total general revenues	<u>10,960,137</u>	<u>9,897,249</u>
Expenses		
Public Safety – Fire and EMS	<u>9,352,407</u>	<u>8,970,122</u>
Total expenses	<u>9,352,407</u>	<u>8,970,122</u>
Change in net position	1,607,730	927,127
Net position, beginning	8,047,595	7,120,468
Change in accounting principle	(44,407)	-
Net position, ending	<u>\$ 9,610,918</u>	<u>\$ 8,047,595</u>

Governmental activities increased the District's net position by \$1,607,730 from the previous fiscal year.

- Revenues increased by \$1,062,888 largely due to property taxes of \$672,705 and charges for services of \$304,759.
- Expenses increased by \$382,285 due mainly to an increase in personnel services, including salaries and retirement.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

The focus of the District's governmental funds 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The general fund is the District's operating fund, which reported a fund balance of \$8,982,162. \$406 of fund balance is non-spendable related to prepaid items. \$6,115,000 and \$1,500,000 of fund balance has been committed and assigned, respectively, for large future known expenditures. The remaining fund balance of \$1,366,756 is unassigned, which is available for

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

future spending at the District's discretion.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance represents 14% of total 2025 general fund expenditures, compared to 11% in the prior year.

The fund balance of the District's General Fund increased \$1,009,823 during the current fiscal year. Revenues in the General Fund increased by \$1,096,330, mainly due property tax revenue and charges for services. Expenditures in the General Fund increased \$1,259,802. The increase is largely related to increases in salaries and wages, retirement and capital outlay.

Capital Projects Fund

The capital projects fund accounts for revenues generated under the Public Safety Construction Fee Ordinance which are designated for acquisition and construction of capital improvements. Fund balance for the capital projects fund is restricted. During 2025, fund balance increased by \$27,569.

Fiduciary Fund

The fiduciary fund increased by \$2,597,184 during the year due to contributions of \$2,499,425 and investment income of \$2,677,852, offset by deductions of \$2,075,184. Net position restricted for pensions totaled \$28,200,856 .

GENERAL FUND BUDGETARY HIGHLIGHTS

An annual budget is legally adopted for the general fund and was not amended during 2025. Actual revenue amounts were less than budgeted revenues by \$449,714. Property taxes, representing 69.79% of the District's budgeted revenue exceeded budget by \$107,474. Actual expenditures were under budget by \$1,459,537. The general fund budget is presented as required supplementary information as listed in the table of contents.

A summary of the actual results compared to the final budget is included on the following page.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

	Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 7,947,609	\$ 8,055,083	\$ 107,474
Charges for services	2,392,114	2,388,050	(4,064)
Operating grants and contributions	10,000	75,988	65,988
Interest income	60,000	253,672	193,672
Other	978,455	165,671	(812,784)
Total revenues	<u>11,388,178</u>	<u>10,938,464</u>	<u>(449,714)</u>
Expenses			
Public safety – Personnel	9,286,438	8,141,189	1,145,249
Public safety – Other operating	1,513,240	1,288,075	225,165
Capital outlay	588,500	499,377	89,123
Total expenditures	<u>11,388,178</u>	<u>9,928,641</u>	<u>1,459,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,009,823</u>	<u>\$ 1,009,823</u>

CAPITAL ASSETS

The District's investment in capital assets amounts to \$5,919,682 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and equipment. The District's investment in capital assets for the current fiscal year increased by \$60,040 due to capital additions being greater than depreciation expense and disposals.

Capital assets held by the District at the end of the current and prior year are summarized as follows:

	Beginning Balance	Net Additions/ (Deletions)	Ending Balance
Land	\$ 447,010	\$ -	\$ 447,010
Non-depreciable assets	-	10,000	10,000
Buildings and improvements	5,445,593	-	5,445,593
Equipment	4,783,916	452,705	5,236,621
Total capital assets	<u>10,676,519</u>	<u>462,705</u>	<u>11,139,224</u>
Less accumulated depreciation	<u>(4,816,877)</u>	<u>(402,665)</u>	<u>(5,219,542)</u>
Capital assets, net	<u>\$ 5,859,642</u>	<u>\$ 60,040</u>	<u>\$ 5,919,682</u>

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

LONG-TERM LIABILITIES

At the end of 2025, the District had total long-term liabilities in the amount of \$5,589,741 which included compensated absences, pension obligations and OPEB obligations at the end of fiscal year.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

More detailed information about the District's noncurrent liabilities can be found in Note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Commissioners approved the budget for the 2025-26 fiscal year. Total budgeted revenues were \$14,116,695 and total budgeted expenditures were \$14,116,695.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for the District's residents and creditors. Questions concerning this report or requests for additional financial information should be directed to Chief Jason Gennaro, 3375 Tarpon Lake Blvd., Palm Harbor, Florida 34685. For additional information about the District's services, visit the District's website at www.elfr.org.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Primary Government Governmental Activities
Assets	
Current Assets	
Cash and cash equivalents	\$ 3,845,543
Investments	5,452,874
Accounts receivable	48,889
Prepaid expenses	406
Total current assets	9,347,712
Capital Assets	
Non-depreciable	457,010
Depreciable	10,682,214
Accumulated depreciation	(5,219,542)
Total non-current assets	5,919,682
Total assets	15,267,394
Deferred outflows of resources	
Deferred outflows – pension	1,692,233
Liabilities	
Current liabilities	
Accounts payable	32,410
Accrued liabilities	183,947
Compensated absences	51,076
Total current liabilities	267,433
Non-current liabilities	
Compensated absences	459,687
Net pension liability	4,635,532
Total OPEB liability	443,446
Total non-current liabilities	5,538,665
Total liabilities	5,806,098
Deferred inflows of resources	
Deferred inflows – pension	1,542,611
Net position	
Net investment in capital assets	5,919,682
Restricted	149,193
Unrestricted	3,542,043
Total net position	\$ 9,610,918

The accompanying notes are an integral part of these financial statements

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Primary Government</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Functions:					
Governmental activities:					
Public safety – fire and rescue	\$ 9,352,407	\$ 2,416,077	\$ 75,988	\$ –	\$ (6,860,342)
Total governmental activities	<u>9,352,407</u>	<u>2,416,077</u>	<u>75,988</u>	<u>–</u>	<u>(6,860,342)</u>
Total primary government	<u>\$ 9,352,407</u>	<u>\$ 2,416,077</u>	<u>\$ 75,988</u>	<u>\$ –</u>	<u>\$ (6,860,342)</u>
			General revenues		
			Property taxes	8,055,083	
			Tax collector fee rebate	45,545	
			Firefighters' educational incentive	13,583	
			Interest and investment earnings	254,014	
			Miscellaneous	99,847	
			Total general revenues	<u>8,468,072</u>	
			Change in net position	1,607,730	
			Net position, beginning of year, as originally stated	8,047,595	
			Change in accounting principle	<u>(44,407)</u>	
			Net position, beginning of year, as restated	8,003,188	
			Net position, end of year	<u>\$ 9,610,918</u>	

The accompanying notes are an integral part of these financial statements

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 3,696,210	\$ 149,333	\$ 3,845,543
Investments	5,452,874	-	5,452,874
Accounts receivable	48,889	-	48,889
Prepaid items	406	-	406
Total assets	<u>\$ 9,198,379</u>	<u>\$ 149,333</u>	<u>\$ 9,347,712</u>
Liabilities			
Accounts payable	\$ 32,270	\$ 140	\$ 32,410
Accrued liabilities	183,947	-	183,947
Total liabilities	<u>216,217</u>	<u>140</u>	<u>216,357</u>
Fund balances			
Non-spendable	406	-	406
Restricted	-	149,193	149,193
Committed	6,115,000	-	6,115,000
Assigned	1,500,000	-	1,500,000
Unassigned	1,366,756	-	1,366,756
Total fund balances	<u>8,982,162</u>	<u>149,193</u>	<u>9,131,355</u>
Total liabilities and fund balances	<u>\$ 9,198,379</u>	<u>\$ 149,333</u>	<u>\$ 9,347,712</u>

The accompanying notes are an integral part of these financial statements

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Fund balances – Total governmental funds		\$ 9,131,355
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 governmental funds		
Governmental non-depreciable assets	\$ 457,010	
Governmental depreciable assets	10,682,214	
Less accumulated depreciation	<u>(5,219,542)</u>	5,919,682
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds		
		1,692,233
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds		
Net pension liability	(4,635,532)	
Total OPEB liability	(443,446)	
Compensated absences	<u>(510,763)</u>	(5,589,741)
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the governmental funds		
		<u>(1,542,611)</u>
Net position of governmental activities		<u>\$ 9,610,918</u>

The accompanying notes are an integral part of these financial statements

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Property taxes	\$ 8,055,083	\$ -	\$ 8,055,083
Charges for services	2,388,050	-	2,388,050
Tax collector fee rebate	45,545	-	45,545
Firefighters' educational incentive	13,583	-	13,583
Impact fees	-	28,027	28,027
Operating grants and contributions	75,988	-	75,988
Interest and investment earnings	253,672	342	254,014
Miscellaneous	106,543	-	106,543
Total revenues	<u>10,938,464</u>	<u>28,369</u>	<u>10,966,833</u>
Expenditures			
Personnel services			
Salaries	5,307,023	-	5,307,023
Retirement	1,267,984	-	1,267,984
Insurance – employee	1,048,842	-	1,048,842
Payroll expenditures	389,479	-	389,479
Workers' compensation	127,861	-	127,861
Total personnel services	<u>8,141,189</u>	<u>-</u>	<u>8,141,189</u>
Other operating expenditures			
Contractual services	61,790	-	61,790
Fire prevention	6,501	-	6,501
Hazardous material support	46,857	-	46,857
Medical and health services	42,552	-	42,552
Miscellaneous expenditures	211,225	800	212,025
Operating equipment	39,118	-	39,118
Professional services	309,719	-	309,719
Repairs and maintenance	289,308	-	289,308
Postage	415	-	415
Subscriptions	10,105	-	10,105
Computer hardware and software	57,769	-	57,769
Supplies	13,288	-	13,288
Telephone	21,297	-	21,297
Training and education	72,003	-	72,003
Uniforms	44,130	-	44,130
Utilities	61,998	-	61,998
Total other operating expenditures	<u>1,288,075</u>	<u>800</u>	<u>1,288,875</u>
Capital outlay	499,377	-	499,377
Total expenditures	<u>9,928,641</u>	<u>800</u>	<u>9,929,441</u>
Excess of revenues over expenditures	1,009,823	27,569	1,037,392
Fund balances, beginning of year	<u>7,972,339</u>	<u>121,624</u>	<u>8,093,963</u>
Fund balances, end of year	<u>\$ 8,982,162</u>	<u>\$ 149,193</u>	<u>\$ 9,131,355</u>

The accompanying notes are an integral part of these financial statements

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balances – Total governmental funds \$ 1,037,392

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 these assets are depreciated over their estimated useful lives

Capital outlay	499,377
Current year depreciation	(432,641)
Disposal of capital assets	(6,696)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Change in compensated absences	35,721
--------------------------------	--------

In the governmental funds, current year expenditures related to pensions and OPEB are comprised solely of amounts contributed to the plans for the current year. However, in the statement of activities, expenses related to pensions and OPEB include amounts that do not require the use of current financial resources. These amounts represent the difference in the required accounting treatment of pensions, OPEB and related items

Change in deferred outflows of resources – pension	622,595	
Change in net pension liability	406,687	
Change in other post-employment benefits	25,968	
Change in deferred inflows of resources – pension	(580,673)	474,577

Net position of governmental activities \$ 1,607,730

The accompanying notes are an integral part of these financial statements

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2025

	Public Safety Pension Fund
Assets	
Cash	\$ 5,515
Receivables	
Plan members	4,614
Interest and dividends	24,760
State excise tax rebate	21,644
	51,018
Investments	
U.S. Government obligations	1,213,522
U.S. Government agency obligations	71,387
Corporate bonds	1,146,709
Domestic stocks	6,277,348
International stocks	579,208
Domestic equity investment funds	7,049,533
International equity investment funds	3,767,297
Fixed income investment funds	5,086,629
Real estate investment funds	1,591,102
Temporary investment funds	1,406,933
Total investments	28,189,668
Total assets	28,246,201
Liabilities	
Current liabilities	
Accounts payable	43,931
Accounts payable, broker – dealers	1,414
Total liabilities	45,345
Net position restricted for pensions	\$ 28,200,856

The accompanying notes are an integral part of these financial statements

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Public Safety Pension Fund
Additions	
Contributions	
Employer	\$ 1,230,559
Plan members	268,866
Total contributions	1,499,425
Intergovernmental revenue:	
State excise tax rebate	495,485
Investment income	
Net appreciation in fair value of investments	1,822,770
Interest and dividend income	934,062
Total investment income	2,756,832
Less investment expenses	78,980
Net investment income	2,677,852
Total additions	4,672,762
Deductions	
Benefits:	
Age and service	1,301,705
Disability	120,701
DROP	498,449
Share	63,624
Refund of contributions	4,205
Administrative expenses	86,894
Total deductions	2,075,578
Net increase in net position	2,597,184
Net position restricted for pensions	
Beginning of year	25,603,672
End of year	\$ 28,200,856

The accompanying notes are an integral part of these financial statements

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of East Lake Tarpon Special Fire Control District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described as follows:

A. Reporting Entity:

The East Lake Tarpon Special Fire Control District (the “District”) was created under the Laws of the State of Florida Chapter 61–2661 as amended by House Bill 795 as an independent fire control district. The District is approximately thirty–three square miles in area. The District was organized to prevent and control damage, destruction or injury to people or property by fire, disaster, or other emergencies and to provide Emergency Medical Services (“EMS”) to citizens in need in the District in accordance with an annually renewable agreement for services between the District and the Pinellas County, Florida Board of County Commissioners.

GAAP requires that these financial statements present the District (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. For the year ended September 30, 2025, the District has no component units.

B. Basis of Presentation:

The District’s financial statements include government–wide (which reports the District as a whole, but excludes the fiduciary fund) and fund financial statements (which report on the general fund, capital projects fund and fiduciary fund). The financial statements present only governmental activities, as the District conducts no business type activities.

C. Government–Wide Financial Statements:

The government–wide financial statements (the statement of net position and the statement of activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. For the most part, interfund activity has been removed from these statements. The District also utilizes a fiduciary fund, which is also accounted for on this basis of accounting.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The statement of net position reports all financial and capital resources of the District's governmental activities. It is presented in a net position format (assets plus deferred outflows less liabilities plus deferred inflows equal net position) and shown with three components: net investment in capital assets, restricted net position and unrestricted net position.

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

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

D. Fund Financial Statements:

The District's accounts are organized based on funds, which are self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures.

The District utilizes governmental funds, which follow the modified accrual basis of accounting. Under this method, revenues are recorded when they become 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. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a fund liability is incurred. The District reports the following governmental funds, which are both considered major funds:

- (1) General Fund – The general fund is the general operating fund of the District. All general tax revenues are accounted for in this fund. General personal service and operating expenditures are paid from this fund.
- (2) Capital Projects Fund – The capital projects fund is used to accounts for revenues generated under the Public Safety Construction Fee Ordinance which are designated for acquisition and construction of capital improvements.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The District also reports the following fiduciary fund:

- (1) Pension Trust Fund – This fund is used to account for assets held by the District in a trustee capacity. Consequently, net position of the fiduciary fund is restricted for pension benefits. The pension trust fund is accounted for on the accrual basis since capital maintenance is critical. Contributions are recognized in the period in which contributions are due. Retirement benefits and refunds are recognized when due and payable in accordance with the Plan.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the fund financial statements to the government-wide presentation.

E. Deposits and Investments:

The District's cash and cash equivalents are considered to be demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Demand deposits are held in a qualified public depository, therefore, deposits whose values exceeded federal depository insurance limits are entirely insured or collateralized pursuant to Chapter 280 of the Florida Statutes.

The District's investment policy is to maintain funds in investments within the limitations established by Florida Statutes, Chapter 218.415(17). Provisions of those statutes authorize the District to invest in:

- The Local Government Surplus Funds Trust Fund, or any governmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in state-certified qualified public depositories, as defined in Section 280.02 Florida Statutes.
- Direct obligations of the U.S. Treasury.

Investments in fixed income securities held by the General Fund are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between market participants, other than in a forced or liquidation sale.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments held by the District’s pension trust fund are reported at fair value, unless they are short-term investments (which are reported at amortized cost and approximates fair value), or reported at net asset value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values with the advice of professional investment advisors.

The pension trust fund invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position.

F. Accounts Receivable:

All accounts receivables are shown net of an allowance for doubtful accounts. All accounts receivable were considered to be collectable as of September 30, 2025. Accordingly, there is no allowance for doubtful accounts.

G. Interfund Receivables/Payables:

Interfund receivables/payables arise from temporary interfund transfers. When a fund has an interfund receivable and an interfund payable to the same fund, the amounts are recorded in separate accounts. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or advances to/from other funds” (i.e. the long-term portion of interfund loans). Internal activity and balances between governmental funds have been eliminated in the government-wide statement of net position, as applicable.

H. Capital Assets:

Capital assets, which include land, buildings, improvements, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred. The District does not have infrastructure assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and equipment of the District are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building and improvements	10-50
Equipment	5-30

I. Deferred Outflows/Inflows:

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This 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/expenditure) until then. One item qualifies for reporting in this category. A deferred outflow of pension resources is reflected in the government-wide statement of net position.

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. One item qualifies for reporting in this category. A deferred inflow of pension earnings is reported in the government-wide statement of net position.

J. Long-Term Obligations:

In the government-wide financial statements, long-term obligations are reported as liabilities. These include net pension liability, total OPEB liability, and compensated absences. In the fund financial statements, no long-term obligations are reported as they are not due to be paid from current financial resources.

K. Compensated Absences:

It is the District's policy to permit employees to accumulate earned but unused vacation, holiday and sick pay benefits. In governmental fund types, the cost of eligible compensated absences are recognized when payments are made to employees or when matured, as a result of employee resignation or retirement. The general fund is the primary fund utilized to liquidate the liability for compensated absences.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. Net Position:

Net position of the government-wide activities represents the difference between assets plus deferred outflows and liabilities and deferred inflows. Net position is reported in three parts as applicable: Net investment in capital assets, restricted and unrestricted. Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and the outstanding balance on any borrowing spent for acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other government. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed.

M. Fund Balance:

In the fund financial statements, governmental funds report the difference between assets and liabilities/deferred inflows as fund balance. The District has established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications are non-spendable and spendable. Spendable is then further classified as restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

The District classifies governmental fund balances as follows:

- (1) Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.
- (2) Spendable Fund Balance:
 - a. Restricted – includes amounts that can be spent only for specific purposes because of State or Federal laws or enabling legislation, or which are externally restricted by providers, such as creditors or grantors.
 - b. Committed – includes amounts that can be spent only for specific purposes that are approved by a formal action of the Board of Commissioners through a resolution or the budget process.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- c. Assigned – includes amounts constrained by the District’s intent to be used for specific purposes, which are neither restricted nor committed, as determined by management based on Commission direction.
- d. Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

It is the desire of the District to maintain adequate general fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The Commission has adopted a financial policy standard to maintain a general fund minimum fund balance of 60 days of budgeted expenditures. Fund balance created as a result of actual revenue and expenditure deviations from the budget will be used to achieve and maintain the District’s minimum fund balance goals and to meet the next year’s budget expenditure requirements.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

N. Property Taxes:

Property taxes represent the major source of operating revenue for the District and are recognized as revenue when they become measurable and available. The budget for the fiscal year ended September 30, 2025 was adopted by the Board of Commissioners in September 2024. Taxes are assessed for the District on January 1 of each year by the Pinellas County Property Appraiser. Taxes are collected for the District by the Pinellas County Tax Collector and are payable from November of the current year through March of the following year. A 1% discount is offered for each month paid in advance beginning with November and ending with February. Taxes become delinquent after April 1 and attach as an enforceable lien on the property. The maximum rates of tax are set by the Legislature of the State of Florida. The key dates in the property tax cycle are as follows:

Assessment roll validated	July 1
Beginning of fiscal year for which taxes have been levied	October 1
Tax bills rendered and due	November 1

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property taxes payable:	
Maximum discount	November 30
Delinquent	April 1
Tax certificates sold	May 31
Fiscal year begins	October 1
Fiscal year ends	September 30

Property taxes are recognized as revenue in the fiscal year for which the taxes have been levied to the extent they result in current receivables. Under the system outlined above, no material amount of taxes is receivable after the end of the fiscal year.

O. Budgets:

As empowered by State Statute the District Board of Commissioners adopts an annual budget resolution for the general fund to assist in planning and analyzing financial activity for the fiscal period. The amounts authorized by the annual budget resolution for the period are reported in the budget column of the financial statements. Any revision that alters the total expenditures of the fund must be approved by the District commission. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in these financial statements present the initial as well as the final authorized amounts.

Expenditures may not legally exceed budgeted appropriations at the division level within the general fund. During the year, there were no revisions to the budget.

P. Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Adoption of a New Accounting Standard:

Effective October 1, 2024, the District adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences (GASB No. 101).

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

GASB No. 101 updates the recognition and measurement guidance for compensated absences, including vacation, sick leave, and other paid leave benefits. Under GASB No.101, liabilities for compensated absences are recognized when the benefits are both attributable to services already rendered and are expected to be paid. The standard eliminates the requirement to segregate obligations into “vesting” and “non-vesting” components, instead emphasizing whether leave accumulates and whether it is more likely than not to be paid. This change required the restatement of the beginning balances of the governmental activities. The restatement effective October 1, 2024 for the statement of net position and statement of activities are as follows:

	Governmental Activities
Statement of Net Position:	
Compensated absences at October 1, 2024, as originally stated	\$ 502,077
Change in accounting principle:	
GASB No. 101, <i>Compensated Absences</i>	44,407
Total restatement	44,407
Compensated absences at October 1, 2024, as restated	\$ 546,484
Statement of Activities:	
Net Position at October 1, 2024, as originally stated	\$ 8,047,595
Change in accounting principle:	
GASB No. 101, <i>Compensated Absences</i>	(44,407)
Total restatement	(44,407)
Net position at October 1, 2024, as restated	\$ 8,003,188

NOTE 2 – CASH AND CASH EQUIVALENTS

At September 30, 2025, the carrying amount of the District’s deposits was \$3,845,543 and the bank balance was \$3,873,344.

The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida’s Security for Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – INVESTMENTS

Investments in the general fund consist of investments in the Florida Fixed Income Trust (FIT). Investments in FIT are recorded at fair value. The District’s investment is in its shares held in the FIT pool and not the underlying investments. The District’s investment in FIT are included in the FIT Cash Pool, which has a Fitch rating of AA Af/S1, and have a weighted average to maturity of 85 days, and a weighted average life (WAL) of 310 days.

The District’s investment policy sets limits to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds have same day liquidity.

The Trust has the following recurring fair value measurements (defined in Note 6) as of September 30, 2025:

<u>Investment by fair value level</u>	<u>Level 2</u>
FL-FIT Cash Pool	\$ 5,452,874
Total investments	<u>\$ 5,452,874</u>

Investments held by the pension trust fund are discussed in Note 6.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 447,010	\$ -	\$ -	\$ -	\$ 447,010
Construction in progress	-	10,000	-	-	10,000
Total capital assets, not being depreciated	447,010	10,000	-	-	457,010
Capital assets, being depreciated					
Buildings	5,267,383	-	-	-	5,267,383
Improvements	178,210	-	-	-	178,210
Equipment and furniture	4,783,916	489,377	(36,672)	-	5,236,621
Total capital assets, being depreciated	10,229,509	489,377	(36,672)	-	10,682,214
Less accumulated depreciation for:					
Buildings	(1,680,597)	(87,789)	-	-	(1,768,386)
Improvements	(41,151)	(9,763)	-	-	(50,914)
Equipment and furniture	(3,095,129)	(335,089)	29,976	-	(3,400,242)
Total accumulated depreciation	(4,816,877)	(432,641)	29,976	-	(5,219,542)
Total capital assets, being depreciated, net	5,412,632	56,736	(6,696)	-	5,462,672
Governmental activities capital assets, net	<u>\$ 5,859,642</u>	<u>\$ 66,736</u>	<u>\$ (6,696)</u>	<u>\$ -</u>	<u>\$ 5,919,682</u>

Depreciation expense in the amount of \$432,641 is included in public safety – fire and rescue expenses in the statement of activities.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations and other noncurrent liabilities of the District for the year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Restatement</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities						
Compensated absences	\$ 502,077	\$ 44,407	\$ –	\$ (35,721) *	\$ 510,763	\$ 51,076
Total OPEB liability	469,414	–	33,980	(59,948)	443,446	–
Net pension liability	5,042,219	–	6,293,256	(6,699,943)	4,635,532	–
Total	<u>\$ 6,013,710</u>	<u>\$ 44,407</u>	<u>\$ 6,327,236</u>	<u>\$ (6,795,612)</u>	<u>\$ 5,589,741</u>	<u>\$ 51,076</u>

* The change in compensated absences is reported net.

See Note 6 for further discussion on the net pension liability and Note 9 for the total OPEB liability.

Compensated absences includes accumulated vacation and sick time for services rendered. These amounts have been recorded as liabilities in the government-wide financial statements. As they are not expected to be paid for using current financial resources, these liabilities have not been recorded in the fund financial statements.

NOTE 6 – CHAPTER 175 RETIREMENT PLAN

During the fiscal year ended September 30, 2001, the District established a single employer, defined benefit pension plan under Chapter 175 of the Florida Statutes (East Lake Tarpon Special Fire Control District Firefighters’ Pension Trust Fund) which covers all of its firefighters. During the year ended September 30, 2002, the District’s defined contribution plan which previously covered substantially all of the District’s general employees and firefighters was terminated and the assets belonging to all sworn employees were rolled over to the new Chapter 175 plan. The assets belonging to the non-sworn employees remained in the defined contribution plan and were rolled over to a new plan custodian (trustee).

Separate audited financial statements are issued for the Firefighters’ Pension Trust Fund (Trust). This report may be obtained from the Fire Chief’s Office, East Lake Tarpon Special Fire Control District, 3375 Tarpon Lake Boulevard, Palm Harbor, Florida 34685.

The Plan’s fiduciary net position and basis of accounting have been determined on the same basis as that used by the Trust.

Plan Description

The East Lake Tarpon Special Fire Control District Firefighters’ Pension Trust Fund (Plan) is a single employer defined benefit pension plan covering all full-time sworn firefighters of the District. Participation in the Plan is required as a condition of employment. The Plan was originally established in 2001 and subsequently amended. The last amendment date is June 27, 2023. The Plan provides for pension, death and disability benefits. The Plan is subject to the provisions of Chapter 175, Florida Statutes.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

The Plan, in accordance with the above statute, is governed by a five-member pension board. Two firefighters elected by the majority of the members of the Plan, two current residents appointed by the District’s board of directors, and a fifth member elected by the other four members constitute the pension board. The District and plan participants are obligated to fund all Plan costs based upon actuarial valuations. The District is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of the net pension liability.

Current membership in the Plan is comprised of all full-time sworn firefighters of the District and is summarized, as of September 30, 2025, as follows:

Inactive currently receiving benefits	31
Inactive not yet receiving benefits	9
Active plan members	<u>35</u>
Total	<u><u>75</u></u>

Disclosed information in these financial statements are for general information purposes only. Participants should refer to the Plan Ordinance for more complete information.

Benefits Provided

The Plan provides retirement, termination, disability and death benefits. Benefits are equal to 4% effective February 1, 2022 (3% prior to February 1, 2022) of the participant’s average final compensation times the number of years of service, provided however, in no event shall the monthly benefit exceed 100% of average final compensation. If the Funded Ratio (actuarial value of assets divided by the entry age normal actuarial accrued liability) drops below 75%, then the benefit accrual rate drops back to 3% for the period of time the Funded Ratio is below 75%. A participants’ monthly retirement benefit is paid over their life, but the participant or beneficiary shall receive at least 120 monthly benefit payments. The amount of the monthly benefit of an early retiree is reduced by 3% for each year by which the commencement of benefits precedes the date which would have been the participant’s normal retirement date. The Plan provides for an automatic annual cost-of-living adjustment (COLA) for normal retirees only that begins 5 years after retirement of 0.65% per year.

Under the Plan, participants with 7 or more years of continuous service are fully vested and entitled to pension benefits.

Plan Provisions

Normal retirement age is 52 and 25 years of credited service, or age 55 and 10 years of credited service. Credited service is defined as the total years and fractional parts of years of employment with the District as a Firefighter.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

A participant is eligible for early retirement at the age of 50 and 10 years of credited service.

Disability if service incurred is covered from the date of employment and if non-service incurred requires 10 years of credited service. The benefit is accrued to date of disability but is not less than 42% of average final compensation for service-incurred disability and is payable for life with 10 years certain (options available) or until recovery (as determined by the Board).

Pre-retirement death benefits if vested provides a monthly accrued benefit payable to the designated beneficiary for 10 years at the member's normal or early retirement date. If non-vested the member is entitled to a refund of accumulated contributions without interest.

Post-retirement death benefits are payable to beneficiary in accordance with option selected at retirement.

Deferred Retirement Option Plan (DROP)

Any Plan participant who is eligible to receive an early or normal retirement pension may elect to participate in a deferred retirement option plan (“DROP”) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the Plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. Participation in the DROP ceases for a Plan participant after 5 years. The DROP balance as of September 30, 2025 is \$143,509.

Supplemental Benefit – Share Plan

There is a separate member “share account” created for each member of the Plan. At retirement, termination (vested), disability or death, there shall be an additional benefit paid to the member. The Share Plan is funded solely with state excise tax rebates. The funding that is received for this Share Plan is allocated to the member’s share account based on a formula which gives the member an allocation based on years of credited service. The share accounts receive their proportionate share of the income or loss on the assets in the Plan. Monies will be allocated to the share plan except in years that the funded ratio is less than 75% and the multiplier reverts back to 3.00%.

Contributions

Firefighter contribution rates are established at 7.0% of salary. Accumulated firefighter contributions without interest are refunded if a firefighter leaves covered employment before seven years of credited service. State excise taxes collected from the District’s residents by the State of Florida are restricted to fund the Plan under Chapter 175, Florida Statutes.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

Contributions are received from the District in amounts sufficient to fund the Plan at an actuarially determined rate specified by Chapter 175, Florida Statutes as a percentage of covered payroll as recommended by the Plan’s actuary. The Plan’s administrative costs are financed through investment earnings. The District’s contractually required contribution rate for the year ended September 30, 2025, was 27.6%. The projected State required contribution for the year ended September 30, 2025, was 13.1%.

Contributions to the pension plan from the District and the State excise tax rebate were \$1,230,559 and \$495,485, respectively during the year ended September 30, 2025. Employee contributions during the year ended September 30, 2025 totaled \$268,866.

Net Pension Liability

The net pension liability was measured as of September 30, 2025 based on an actuarial valuation performed on October 1, 2024. The components of the net pension liability of the District at September 30, 2025 were as follows:

Total pension liability	\$ 32,853,160
Plan fiduciary net position	<u>(28,217,628)</u>
 District's net pension liability	 <u><u>\$ 4,635,532</u></u>
 Plan fiduciary net position as a percentage of total pension liability	 85.89%

The components of total pension liability and plan fiduciary net position during the year ended September 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance as of September 30, 2024	\$ 30,621,591	\$ 25,579,372	\$ 5,042,219
Change due to:			
Service cost	737,191	–	737,191
Interest	2,201,421	–	2,201,421
Difference between expected and actual experience	553,844	–	553,844
Changes of assumptions	727,797	–	727,797
Changes of benefit terms	–	–	–
Contributions – Employer	–	1,230,559	(1,230,559)
Contributions – State	–	518,921	(518,921)
Contributions – Employee	–	268,866	(268,866)
Net investment income	–	2,692,913	(2,692,913)
Benefit payments, including refunds of employee contributions	(1,988,684)	(1,988,684)	–
Administrative expenses	–	(84,319)	84,319
Net Changes	<u>2,231,569</u>	<u>2,638,256</u>	<u>(406,687)</u>
Balance as of September 30, 2025	<u><u>\$ 32,853,160</u></u>	<u><u>\$ 28,217,628</u></u>	<u><u>\$ 4,635,532</u></u>

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

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

For the year ended September 30, 2025, the District recognized pension expense of \$1,300,871. At September 30, 2025, 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
Difference between expected and actual experience	\$ 943,620	\$ 41,375
Changes of assumptions	748,613	5,403
Net difference between projected and actual earnings on pension plan investments	-	1,495,833
Total	\$ 1,692,233	\$ 1,542,611

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

Year ending September 30,	
2026	\$ 823,999
2027	(426,817)
2028	(393,977)
2029	146,417
2030	-
Net deferred outflows	\$ 149,622

Actuarial Assumptions

The total pension liability, net pension liability, and certain sensitivity information were determined based on an actuarial valuation as of October 1, 2024, updated to a measurement date of September 30, 2025. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Salary increases	Service based

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

Discount rate	7.25%
Long-term rate of return	7.25%
Cost Method	Entry Age Normal
Latest Experience Study Date	July 8, 2024
Mortality	
Healthy Active Lives:	Female: PubS-2010 for Employees Male: PubS-2010 for Employees, set forward 1 year
Healthy Retiree Lives:	Female: PubS-2010 for Healthy Retirees Male: PubS-2010 for Healthy Retirees, set forward 1 year
Beneficiary Lives:	Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back 1 year
Disabled Lives:	Female: PubG.H-2010 for Disabled Retirees, set forward 1 year Male: PubG.H-2010 for Disabled Retirees

All rates are projected generationally with Mortality Improvement Scale MP-2021.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk employees.

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. For 2025, the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's asset allocation as of September 30, 2025 are summarized in the following table:

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45.00%	7.50%
International equity	15.00%	8.50%
Fixed income (Core)	15.00%	2.50%
Fixed income (Non-core)	10.00%	2.50%
Real estate	10.00%	4.50%
Alternative	5.00%	5.73%
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine discount rate assumed that plan member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the pension plan fiduciary net pension 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.

Changes of Assumptions

Total pension liability as of the September 30, 2025 measurement date reflects the following assumption change:

- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman’s July 1, 2024, FRS valuation report for special risk employees.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s net pension liability if it were calculated using a discount rate that is 1–percentage–point lower or 1–percentage–point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's net pension liability	<u>\$ 8,717,888</u>	<u>\$ 4,635,532</u>	<u>\$ 1,242,079</u>

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

Trust Investments

Investments at both fair value and cost as of September 30, 2025 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>
U.S. Government obligations	\$ 1,238,436	\$ 1,213,522
U.S. Government agency obligations	75,241	71,387
Corporate bonds	1,162,775	1,146,709
Domestic stocks	3,615,163	6,277,348
International stocks	605,853	579,208
Domestic equity investment funds	4,177,460	7,049,533
International equity investment funds	2,892,894	3,767,297
Fixed income investment funds	5,397,534	5,086,629
Real estate investment funds	373,463	1,591,102
Temporary investment funds	1,406,933	1,406,933
Total	<u>\$ 20,945,752</u>	<u>\$ 28,189,668</u>

As of September 30, 2025, the Trust's investment in the U.S. Real Estate Investment Fund, LLC represented a concentration. The fair value of \$1,591,102 represented 5.6% of fiduciary net position.

The Trust held the following fixed income investments as of September 30, 2025:

	<u>Fair Value</u>	<u>Standard & Poor's Credit Rating</u>	<u>Range of Effective Duration (Years)</u>
U.S. Government obligations	\$ 1,213,522	AA+	1.0 – 8.0
U.S. Government agency obligations	71,387	AAA	0.1 – 2.4
Corporate bonds	1,146,709	A+ – BBB-	0.3 – 7.1
Fixed income investment funds	5,086,629	N/A	N/A
Temporary investment funds	1,406,933	N/A	N/A

The Board recognizes that the obligations of the Trust are long-term, and that the investment policy should be made with a view toward performance and return over a number of years. The general investment objective, then, is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or loss commensurate with the Prudent Investor Rule and Chapter 175, Florida Statutes.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, annuities and life insurance contracts, time deposits insured by FDIC, bonds issued by the State of Israel, real estate (limited to ten percent of Plan assets), and common or preferred stocks and high-quality corporate bonds or notes. The Board may invest up to ten percent of the Trust's assets, at cost, in foreign securities. Investments in foreign securities are denominated in United States currency.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

A portion of the Trust’s net position restricted for pensions is designated for benefits that accrue in relation to DROP and share accounts. Allocations to the DROP and Share accounts as of September 30, 2025 are as follows:

Restricted for DROP accounts (fully funded)	\$ 143,509
Restricted for Share accounts (fully funded)	701,839
Total restricted for DROP and Share	<u>845,348</u>
Restricted for defined benefits	<u>27,355,508</u>
Total net position restricted for pensions	<u><u>\$ 28,200,856</u></u>

Fair Value Hierarchy

GASB Statement 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in inactive markets, and other inputs that are observable or corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a plan’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – CHAPTER 175 RETIREMENT PLAN – CONTINUED

The Trust has the following recurring fair value measurements as of September 30, 2025:

<u>Investment by fair value level</u>	Level 1	Level 2	Level 3	Total
U.S. Government obligations	\$ 362,218	\$ 851,304	\$ -	\$ 1,213,522
U.S. Government agency obligations	-	71,387	-	71,387
Corporate bonds	-	1,146,709	-	1,146,709
Domestic stocks	6,277,348	-	-	6,277,348
International stocks	579,208	-	-	579,208
Domestic equity investment funds	7,049,533	-	-	7,049,533
International equity investment funds	3,767,297	-	-	3,767,297
Fixed income investment funds	5,086,629	-	-	5,086,629
Temporary investment funds	1,406,933	-	-	1,406,933
Total investments by fair value	<u>\$ 24,529,166</u>	<u>\$ 2,069,400</u>	<u>\$ -</u>	<u>\$ 26,598,566</u>
Investment measured at the net asset value:				
Real estate investment funds				1,591,102
Total investments				<u>\$ 28,189,668</u>

<u>Investments measured at NAV</u>	Fair Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate investment funds				
U.S. Real Estate Investment Funds, LLC	<u>\$ 1,591,102</u>	<u>\$ -</u>	Quarterly	60 Days

- U.S. Government obligations, domestic stocks, international stocks, domestic equity investment funds, fixed income investment funds, temporary investment funds – Valued at the quoted net asset value (“NAV”) of shares held by the Plan at year end.
- U.S. Government obligations, U.S. Government agency obligations, corporate bonds – Valued with Matrix pricing used by International Data Pricing and Reference Data, LLC.
- Real estate investment fund – Valued at the NAV per unit of the Plan’s ownership interest in partners’ capital. The NAV is used as a practical expedient to estimate fair value. The real estate investment fund is excluded from the fair value hierarchy.

NOTE 7 – DEFINED CONTRIBUTION PLAN

The District offers a 401(A) profit sharing plan to all non-firefighters, which is a defined contribution plan administered by Charles Schwab. The name of the plan is the East Lake Tarpon Special Fire Control District Governmental Employees 401(A) Plan. Non-elective contributions are allocated to all eligible participants:

- Group A: Accumulated sick leave and vacation hours will be calculated as of September 30th. The number of sick hours in excess of the 1,040 hours will be multiplied by the member's current pay rate and the resulting dollar amount will be contributed by the District in the participant's account in October as an annual District contribution.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – DEFINED CONTRIBUTION PLAN – CONTINUED

- Group B: Accumulated sick leave and vacation hours will be calculated as of September 30th. The number of sick hours in excess of 1,440 hours will be multiplied by the member's current pay rate and the resulting dollar amount will be contributed by the District into the participant's account in October as an annual District contribution.
- Group C: The District will make a fixed contribution of 15% of Participant's compensation allocated as an Employer contribution on a monthly basis.

For the year ended September 30, 2025, the District contributed \$37,425 related to the 15% contribution and \$95,227 related to accumulated sick leave. Plan members do not make contributions to the plan. There were no forfeitures used during the year. As of September 30, 2025, the District recognized a contribution payable in amount of \$38,112 for contributions required to be made on October 1, 2025.

NOTE 8 – DEFERRED COMPENSATION PLAN

The District offers its employees an optional deferred compensation plans in accordance with Internal Revenue Code Section 457 through Nationwide Retirement Solutions, Inc. This plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is classified as an other employee benefit plan.

Plan amendments have been made so that the plan is in compliance with IRC Section 457, as amended by the 1996 changes to the tax code. The assets are now held in various custodial accounts. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, or rights are solely the property and rights of the various participants of the plan. Accordingly, the assets and liabilities of the plan are not reported within the District's financial statements.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, (GASB No. 75) requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefits. The total OPEB liability is recorded and the allocated amount for governmental activities is presented at the government-wide level. The annual OPEB cost is allocated by function for governmental activities on the government-wide financial statements.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – CONTINUED

Plan Description

Employees who retire from the District, and eligible dependents and survivors, are eligible to continue to participate in the District’s health insurance programs at the “blended” employee group rate which is determined annually by the District and approved by the District Board. Retirees have 31 days to elect to enroll in the District’s health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement.

The District provides no funding for any portion of the premiums after retirement. However, the District recognizes that there is an “implicit subsidy” arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

At September 30, 2025, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>39</u>
Total	<u><u>45</u></u>

Benefits Provided

Retirees may participate in the group insurance plans offered by the District, but they are required to contribute 100% of the active premiums. The OPEB benefits are unfunded and there is no separate trust fund or equivalent arrangement into which the District would make contributions to advance-fund the obligation.

Annual OPEB Cost and Net OPEB Obligation

The District’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB No. 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Funding Policy

Currently, the District’s OPEB benefits are unfunded. There is no separate Trust Fund or equivalent arrangement into which the District would make contributions to advance-fund the obligation, as it does for its pension plans.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – CONTINUED

Total OPEB Liability

The District's total OPEB liability of \$443,446 was measured as of September 30, 2025, and was determined by an actuarial valuation as of September 30, 2023. The valuation was performed using the Alternative Measurement Method. Under this method, all deferred outflows/(inflows) of resources are fully recognized immediately.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2023 actuarial valuation (measurement date of September 30, 2025) was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

- Discount rate of 4.50% (previously 4.06%) based on the September 30, 2025 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
- Inflation and salary increase rate of 2.50%.
- Morality rate is based on PubG-2010 Mortality Table projected to the valuation date using MP-2019.
- Retirement rates are 100% at age 58.
- Marial status is 100% assumed married with male spouses 3 years older than female spouses.
- Health care participation of 20% participation assumed, with 50% electing spouse coverage.
- Health care inflation with an initial rate of 7.00% in fiscal year 2025, grading down to the ultimate trend rate of 4.00% in fiscal year 2075.
- Termination rates for age 20 is 29.60%, 30 is 59.30%, 40 is 84.10 and 50+ is 100%.
- No disability rates are assumed.
- Funding method based on entry age cost method (level % of pay).
- Credit services based on total completed years of employment with the District.
- Eligibility for insurance coverage requires the participant to meet the eligibility requirements for retirement.
- Health contributions for employees at 100% of the active premium rate and for the District any remaining amount necessary for payment of claims.

Actuarial Assumptions and Other Inputs

Changes of assumptions reflect a change in the discount rate from 4.06% for the fiscal year ending September 30, 2024 to 4.50% for the fiscal year ending September 30, 2025.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – CONTINUED

Changes in the Total OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of October 1, 2024	\$ 469,414	\$ -	\$ 469,414
Change for the year:			
Service cost	14,953	-	14,953
Interest cost	19,027	-	19,027
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(28,204)	-	(28,204)
Benefit payments	(31,744)	-	(31,744)
Balances as of October 1, 2025	<u>\$ 443,446</u>	<u>\$ -</u>	<u>\$ 443,446</u>

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

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

	1% Decrease 3.50%	Current Discount Rate 4.50%	1% Increase 5.50%
Total OPEB liability	<u>\$ 510,916</u>	<u>\$ 443,446</u>	<u>\$ 386,872</u>

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

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

	1% Decrease 3.00% – 6.00%	Current Healthcare Cost Trend Rate 4.00% – 7.00%	1% Increase 5.00% – 8.00%
Total OPEB liability	<u>\$ 376,785</u>	<u>\$ 443,446</u>	<u>\$ 524,632</u>

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

Under the Alternative Measurement Method, 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 are immediately recognized through OPEB expense.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – CONTINUED

For the year ended September 30, 2025, the District recognized OPEB (revenue)/ expense in the amount of \$7,526.

NOTE 10 – FUND BALANCE

Fund balance as of September 30, 2025 consists of the following:

Non-spendable:	
Prepaid items	\$ 406
Total non-spendable	406
Spendable:	
Restricted for:	
Capital projects	149,193
Total restricted	149,193
Committed for:	
Apparatus replacement	2,550,000
SCBA replacement	500,000
Station 58 replacement	2,900,000
Statutory cancer accrual	100,000
Statutory performance audit	65,000
Total committed	6,115,000
Assigned to:	
Infrastructure and equipment	750,000
Stabilization	750,000
Total assigned	1,500,000
Unassigned	1,366,756
Total fund balance	\$ 9,131,355

NOTE 11 – RISK MANAGEMENT

The District is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To mitigate some of those risks, the District maintains a commercial general liability policy. There have been no losses for these risks in any of the prior three fiscal years, and the District is not aware of any material liabilities related to these risks as of September 30, 2025.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 – CONTRACTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

On November 3, 2015, an agreement was entered into between Pinellas County, Florida and the District. The purpose of the contract was for the District to make a commitment to provide fire protection services to Brooker Creek Reserve for a term commencing on October 1, 2015 and ending on September 30, 2020. This agreement allows for additional five-year period extensions on the same terms and conditions with a current through September 30, 2025. During the year ended September 30, 2025, the County was contracted to pay the District \$12,000 these services. An additional extension was signed on June 13, 2025 for an additional five years effective October 1, 2025. Future contracted amounts range from \$16,000 to \$19,448.

In 1997, a ten-year agreement to provide First Responder Services was entered into between Pinellas County Emergency Medical Services Authority and the District. The term of this agreement was renewed for ten years commencing on October 1, 2007. On October 25, 2022, a new agreement was entered into between Pinellas County, Florida and the District. The initial term of this agreement shall be for two years, commencing on October 1, 2022, and ending on September 30, 2024 for an annual compensation amount of \$1,962,043. The agreement was extended for an additional year in October 2024 which ends on September 30, 2025 for annual compensation of \$2,368,430. In September 2025, an additional extension was agreed upon providing annual compensation of \$2,464,578 for fiscal year 2025–26.

NOTE 13 – CONCENTRATIONS OF LABOR SUBJECT TO COLLECTIVE BARGAINING AGREEMENT

The District's professional firefighters and line personnel, which represent a significant portion of the District's employees, are represented by a Union. The agreement is effective through fiscal year 2025–2026.

NOTE 14 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 13, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ 7,947,609	\$ 7,947,609	\$ 8,055,083	\$ 107,474
Charges for services	2,392,114	2,392,114	2,388,050	(4,064)
Tax collector fee rebate	32,500	32,500	45,545	13,045
Firefighters' educational incentive	16,560	16,560	13,583	(2,977)
Operating grants and contributions	10,000	10,000	75,988	65,988
Interest and investment earnings	60,000	60,000	253,672	193,672
Miscellaneous	929,395	929,395	106,543	(822,852)
Total revenues	<u>11,388,178</u>	<u>11,388,178</u>	<u>10,938,464</u>	<u>(449,714)</u>
Expenditures				
Personnel services				
Salaries	6,026,253	6,026,253	5,307,023	719,230
Retirement	1,281,304	1,281,304	1,267,984	13,320
Insurance – employee	1,346,610	1,346,610	1,048,842	297,768
Payroll expenditures	453,958	453,958	389,479	64,479
Workers' compensation	178,313	178,313	127,861	50,452
Total personnel services	<u>9,286,438</u>	<u>9,286,438</u>	<u>8,141,189</u>	<u>1,145,249</u>
Other operating expenditures				
Contractual services	75,944	75,944	61,790	14,154
Fire prevention	10,920	10,920	6,501	4,419
Hazardous material support	56,100	56,100	46,857	9,243
Medical and health services	95,648	95,648	42,552	53,096
Miscellaneous expenditures	252,303	252,303	211,225	41,078
Operating equipment	86,560	86,560	39,118	47,442
Professional services	323,600	323,600	309,719	13,881
Repairs and maintenance	267,368	267,368	289,308	(21,940)
Postage	1,400	1,400	415	985
Subscriptions	12,910	12,910	10,105	2,805
Computer hardware and software	69,125	69,125	57,769	11,356
Supplies	16,050	16,050	13,288	2,762
Telephone	27,299	27,299	21,297	6,002
Training and education	124,851	124,851	72,003	52,848
Uniforms	28,640	28,640	44,130	(15,490)
Utilities	64,522	64,522	61,998	2,524
Total other operating expenditures	<u>1,513,240</u>	<u>1,513,240</u>	<u>1,288,075</u>	<u>225,165</u>
Capital outlay	588,500	588,500	499,377	89,123
Total expenditures	<u>11,388,178</u>	<u>11,388,178</u>	<u>9,928,641</u>	<u>1,459,537</u>
Excess of revenues over expenditures	-	-	1,009,823	1,009,823
Fund balance, beginning of year	<u>7,972,339</u>	<u>7,972,339</u>	<u>7,972,339</u>	-
Fund balance, end of year	<u>\$ 7,972,339</u>	<u>\$ 7,972,339</u>	<u>\$ 8,982,162</u>	<u>\$ 1,009,823</u>

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CHAPTER 175 PLAN
LAST TEN YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability:										
Service cost	\$ 364,858	\$ 414,454	\$ 444,274	\$ 482,716	\$ 505,700	\$ 574,571	\$ 663,365	\$ 695,284	\$ 711,510	\$ 737,191
Interest	1,155,747	1,408,929	1,503,163	1,542,348	1,673,790	1,773,981	1,886,759	1,977,270	2,094,472	2,201,421
Share plan allocation	90,131	60,495	54,928	64,985	77,415	70,797	-	-	-	-
Changes of benefit terms	-	-	-	-	-	622,472	(8,075)	-	-	-
Difference between expected and actual experience	(184,104)	179,050	(322,667)	567,429	(289,626)	251,804	262,979	383,583	268,684	553,844
Changes of assumptions	366,068	-	-	-	-	676,999	-	-	80,318	727,797
Contributions – buy back	-	-	-	-	(29,008)	-	-	-	-	-
Benefit payments	(756,851)	(563,374)	(1,263,945)	(810,354)	(1,124,470)	(1,224,198)	(1,143,852)	(1,307,644)	(1,422,314)	(1,988,684)
Net change in total pension liability	1,035,849	1,499,554	415,753	1,847,124	813,801	2,746,426	1,661,176	1,748,493	1,732,670	2,231,569
Total pension liability – beginning	17,120,745	18,156,594	19,656,148	20,071,901	21,919,025	22,732,826	25,479,252	27,140,428	28,888,921	30,621,591
Total pension liability – ending (a)	<u>\$ 18,156,594</u>	<u>\$ 19,656,148</u>	<u>\$ 20,071,901</u>	<u>\$ 21,919,025</u>	<u>\$ 22,732,826</u>	<u>\$ 25,479,252</u>	<u>\$ 27,140,428</u>	<u>\$ 28,888,921</u>	<u>\$ 30,621,591</u>	<u>\$ 32,853,160</u>
Plan fiduciary net position:										
Contributions – employer	\$ 441,496	\$ 432,442	\$ 530,757	\$ 543,960	\$ 692,579	\$ 700,319	\$ 704,150	\$ 800,107	\$ 967,946	\$ 1,230,559
Contributions – state	322,211	305,281	312,442	322,935	336,065	329,447	335,632	370,570	417,046	518,921
Contributions – employee	109,694	118,477	148,225	132,954	149,705	143,887	184,141	210,445	226,927	268,866
Contributions – buy back	-	-	-	-	-	27,737	22,632	-	-	-
Net investment income (loss)	850,250	2,031,412	1,257,387	625,327	1,589,724	3,976,424	(4,023,333)	1,780,353	4,543,744	2,692,913
Benefit payments	(756,851)	(563,374)	(1,263,945)	(810,354)	(1,124,470)	(1,224,198)	(1,143,852)	(1,307,644)	(1,422,314)	(1,988,684)
Administrative expenses	(57,306)	(61,161)	(69,555)	(71,170)	(103,690)	(85,531)	(76,508)	(82,809)	(107,876)	(84,319)
Net change in fiduciary net position	909,494	2,263,077	915,311	743,652	1,539,913	3,868,085	(3,997,138)	1,771,022	4,625,473	2,638,256
Plan fiduciary net position – beginning	12,940,483	13,849,977	16,113,054	17,028,365	17,772,017	19,311,930	23,180,015	19,182,877	20,953,899	25,579,372
Plan fiduciary net position – ending (b)	<u>\$ 13,849,977</u>	<u>\$ 16,113,054</u>	<u>\$ 17,028,365</u>	<u>\$ 17,772,017</u>	<u>\$ 19,311,930</u>	<u>\$ 23,180,015</u>	<u>\$ 19,182,877</u>	<u>\$ 20,953,899</u>	<u>\$ 25,579,372</u>	<u>\$ 28,217,628</u>
Net pension liability (asset) (a) – (b)	<u>\$ 4,306,617</u>	<u>\$ 3,543,094</u>	<u>\$ 3,043,536</u>	<u>\$ 4,147,008</u>	<u>\$ 3,420,896</u>	<u>\$ 2,299,237</u>	<u>\$ 7,957,551</u>	<u>\$ 7,935,022</u>	<u>\$ 5,042,219</u>	<u>\$ 4,635,532</u>
Plan fiduciary net position as a percentage of total pension liability	76.28%	81.97%	84.84%	81.08%	84.95%	90.98%	70.68%	72.53%	83.53%	85.89%
Covered employee payroll	\$ 2,193,886	\$ 2,369,463	\$ 2,568,494	\$ 2,659,084	\$ 2,790,648	\$ 2,766,982	\$ 3,032,861	\$ 3,006,352	\$ 3,241,808	\$ 3,840,949
Net pension liability (asset) as a percentage of covered employee payroll	196.30%	149.53%	118.49%	155.96%	122.58%	83.10%	262.38%	263.94%	155.54%	120.69%

Notes to Schedule:

Benefit changes: There were no benefit changes since the prior measurement date.

Changes of assumptions: As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2024, FRS valuation report for special risk employees.

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CHAPTER 175 PLAN
LAST TEN YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 649,390	\$ 732,164	\$ 811,644	\$ 818,998	\$ 904,170	\$ 830,095	\$ 1,016,008	\$ 1,025,166	\$ 1,163,809	\$ 1,563,266
Contributions in relation to actuarially determined contribution	649,390	732,164	811,644	818,998	901,253	958,969	1,039,782	1,170,677	1,384,992	1,749,480
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 2,917	\$ (128,874)	\$ (23,774)	\$ (145,511)	\$ (221,183)	\$ (186,214)
Covered employee payroll	\$ 2,193,886	\$ 2,369,463	\$ 2,568,494	\$ 2,659,084	\$ 2,790,648	\$ 2,766,982	\$ 3,032,861	\$ 3,006,352	\$ 3,241,808	\$ 3,840,949
Contributions as a percentage of covered employee payroll	29.60%	30.90%	31.60%	30.80%	32.30%	34.66%	34.28%	38.94%	42.72%	45.55%

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
CHAPTER 175 PLAN**

Valuation Date	October 1, 2024
GASB 67/68 Measurement Date	September 30, 2025
GASB 68 Reporting Date	September 30, 2025
Discount Rate	7.25%
Long-Term Rate of Return	7.25%
Salary Scale	Service based
Inflation	2.50%
Cost Method	Entry Age Normal
Latest Experience Study Date	July 8, 2024
Mortality	
Healthy Active Lives:	Female: PubS-2010 for Employees Male: PubS-2010 for Employees, set forward 1 year
Healthy Retiree Lives:	Female: PubS-2010 for Healthy Retirees Male: PubS-2010 for Healthy Retirees, set forward 1 year
Beneficiary Lives:	Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back 1 year
Disabled Lives:	Female: PubG.H-2010 for Disabled Retirees, set forward 1 year Male: PubG.H-2010 for Disabled Retirees
All rates are projected generationally with Mortality Improvement Scale MP-2021.	

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk employees.

A summary of other assumptions reflected in the valuation can be found in the October 1, 2024 Actuarial Valuation Report for the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
CHAPTER 175 PLAN
LAST TEN YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return net of investment expense	7.05%	14.63%	8.01%	3.71%	8.72%	20.71%	-17.47%	9.30%	21.77%	10.58%

**EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS (1)**

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability:								
Service cost	\$ 18,733	\$ 17,480	\$ 18,598	\$ 18,955	\$ 20,837	\$ 13,813	\$ 13,421	\$ 14,953
Interest	14,536	16,335	16,105	9,253	14,979	21,400	21,694	19,027
Differences between expected and actual experience	-	-	9,608	-	191,187	-	(4,906)	-
Changes of assumptions	(27,844)	31,871	(33,296)	(18,110)	(174,627)	(5,843)	18,384	(28,204)
Benefit payments	(12,213)	(13,248)	(21,467)	(16,899)	(21,328)	(22,775)	(31,860)	(31,744)
Net change in total OPEB liability	(6,788)	52,438	(10,452)	(6,801)	31,048	6,595	16,733	(25,968)
Total OPEB liability – Beginning	386,641	379,853	432,291	421,839	415,038	446,086	452,681	469,414
Total OPEB liability – Ending	<u>\$ 379,853</u>	<u>\$ 432,291</u>	<u>\$ 421,839</u>	<u>\$ 415,038</u>	<u>\$ 446,086</u>	<u>\$ 452,681</u>	<u>\$ 469,414</u>	<u>\$ 443,446</u>
Covered–employee payroll	\$ 3,008,158	\$ 3,083,362	\$ 3,133,854	\$ 3,212,201	\$ 3,236,715	\$ 3,317,633	\$ 3,275,993	\$ 3,357,893
Total OPEB liability as a percentage of covered–employee payroll	12.63%	14.02%	13.46%	12.92%	13.78%	13.64%	14.33%	13.21%

(1) This schedule is intended to have ten years of data. Additional data will be compiled as information becomes available.

Notes to Schedule:

The OPEB benefits are unfunded and there is no separate trust fund or equivalent arrangement into which the District would make contributions to advance–fund the obligation.

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2025	4.50%
2024	4.06%
2023	4.87%
2022	4.77%

Benefit Payments: The District did not provide actual net benefits paid by the District for the fiscal year ending on September 30, 2025.

OTHER REPORTS

**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 Fire Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Lake Tarpon Special Fire Control District (District), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 13, 2026. The financial statements of the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the aggregate remaining fund information or that are reported on separately by those auditors who audited the financial statements of the aggregate remaining fund information.

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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CS&L CPAs

CS&L CPAs, P.A.

March 13, 2026
Tampa, Florida

MANAGEMENT LETTER

To the Board of Fire Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

Report on the Financial Statements

We have audited the financial statements of East Lake Tarpon Special Fire Control District (District) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 13, 2026. We did not audit the financial statements of the East Lake Tarpon Special Fire Control District Firefighters' Pension Trust Fund; those financial statements were audited by other auditors.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 13, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District 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 our connection with our audit, we did not have any such recommendations.

Specific Information for an Independent Special District

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 was 47.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the District's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$5,198,758.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$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. There were none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance is presented on page 46.

Specific Information for an Independent Special District that Imposes Ad Valorem Taxes

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

- a. The millage rate or rates imposed by the District was 1.990.
- b. The total amount of ad valorem taxes collected by or on behalf of the District was \$8,055,083.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds was \$0, as there were none.

Additional Matters

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

Purpose of this Letter

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

CS&L CPAs

CS&L CPAs, P.A.

March 13, 2026
Tampa, Florida



**INDEPENDENT ACCOUNTANT'S REPORT
ON INVESTMENT COMPLIANCE**

**To the Board of Fire Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida**

We have examined East Lake Tarpon Special Fire Control District's (District's) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. 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 examination 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 Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2025.

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

CS&L CPAs

CS&L CPAs, P.A.

March 13, 2026
Tampa, Florida



**EAST LAKE TARPON
SPECIAL FIRE CONTROL DISTRICT**
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Palm Harbor, FL 34685
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www.elfr.org

**BOARD OF
FIRE COMMISSIONERS**
Randy Burr
Maryellen Crowder
Jim Downes
Kevin Kenney
Mike Peasley

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Jennifer Spicher, Chief Financial Officer, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of East Lake Tarpon Special Fire Control District which is an Independent Special District of the State of Florida;
2. East Lake Tarpon Special Fire Control District adopted Resolution No. 2017-01 implementing an impact fee; and
3. East Lake Tarpon Special Fire Control District has complied and, as of the date of this affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Jennifer Spicher
Jennifer Spicher, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF Pinellas

SWORN TO AND SUBSCRIBED before me this 20th day of October, 2025 by Jennifer Spicher

Personally known OR produced identification
Type of Identification Produced: _____

NOTARY SEAL

Kathryn Ryan Cunningham
Notary's Signature
Kathryn Ryan Cunningham
Notary's Name

KATHRYN RYAN CUNNINGHAM
NOTARY PUBLIC
STATE OF FLORIDA
NO. HH 489722
MY COMMISSION EXPIRES MAR. 13, 2028

My Commission Expires: March 13, 2028

**KATHRYN RYAN CUNNINGHAM
NOTARY PUBLIC
STATE OF FLORIDA
NO. HH 489722
MY COMMISSION EXPIRES MAR. 13, 2028**