

LEALMAN SPECIAL FIRE CONTROL DISTRICT
FINANCIAL REPORT
FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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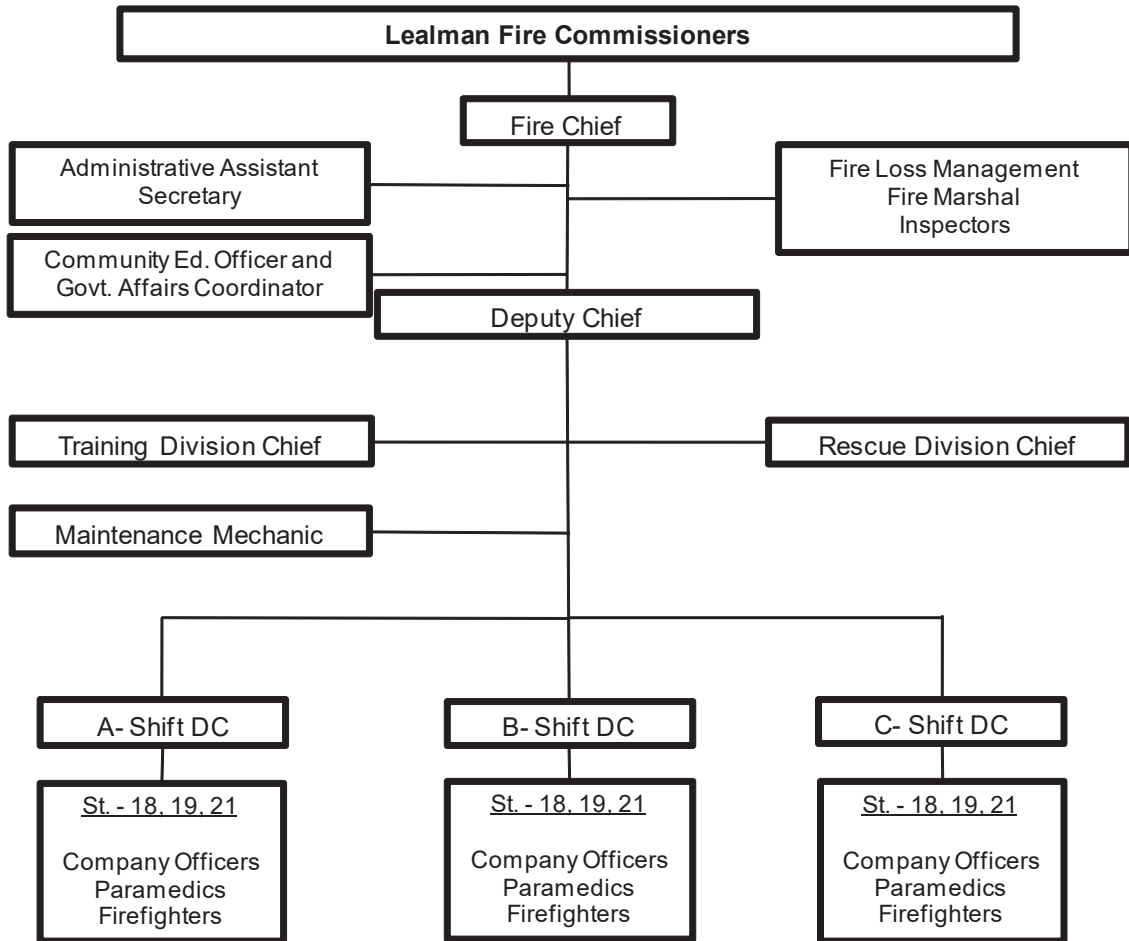
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**LEALMAN SPECIAL FIRE CONTROL DISTRICT
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**LEALMAN SPECIAL FIRE CONTROL DISTRICT
ORGANIZATIONAL INFRASTRUCTURE**



LEALMAN SPECIAL FIRE CONTROL DISTRICT
LISTING OF DISTRICT OFFICIALS

ELECTED BOARD OF FIRE COMMISSIONERS
AS OF SEPTEMBER 30, 2025

Chairperson	Kathleen Litton
Vice Chairperson	Jorge Mercado
Secretary/Treasurer	Rebecca Harriman
Commissioner	Jay Alexander
Commissioner	James Banning

APPOINTED OFFICIALS

Fire Chief	Richard E. Graham
Fire District's Attorney	Unice, Salzman & Jensen, PA



INDEPENDENT AUDITOR'S REPORT

To the Board of Fire Commissioners
Lealman Special Fire Control District
St. Petersburg, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lealman Special Fire Control District, St. Petersburg, Florida ("District") as of and for the fiscal 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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

The District's 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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, general fund budgetary comparison information, schedule of changes in the District's net OPEB liability, schedules of proportionate share of net pension liability, and schedules of pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 31, 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, 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.

Grau & Associates

March 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

As management of the Lealman 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. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The net position of the District at the close of the 2025 fiscal year was \$26,253,147, an increase of \$5,873,589 from the prior year.
- On the government-wide financial statements, total liabilities, which includes primarily pension liabilities, OPEB liability, and accrued compensated absences, at the end of fiscal year 2025 is \$15,603,140.
- As of the close of the 2025 fiscal year, the District's governmental funds reported combined ending fund balances of \$30,205,443, an increase in comparison with the prior year of \$5,248,596. The total fund balance is nonspendable for prepaid items, assigned to various activities and the remainder is unassigned fund balance which is available for spending at the District's discretion.

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.

The *statement of net position* presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the residual amount being 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.

The government-wide financial statements should distinguish functions of the District that are principally supported by the District's residents and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of these costs. The District is the *primary government* and has no component units. The governmental activities of the District include the public safety function.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

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 has one fund category: governmental funds consisting of the general fund and special revenue fund.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund, both of which are considered major funds.

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

A contract-based budget is approved by the governing board for the Tierra Verde fund.

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.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION SEPTEMBER 30,	
	2025	2024
Cash	\$ 28,846,316	\$ 23,943,748
Other current assets	319,575	1,122,089
Capital assets, net	10,275,540	10,187,454
Deposit	1,440,267	1,192,721
Total Assets	40,881,698	36,446,012
Deferred Outflows of Resources	3,715,693	3,577,986
Long-term liabilities	15,287,323	16,969,248
Other liabilities	315,817	673,805
Total Liabilities	15,603,140	17,643,053
Deferred Inflows of Resources	2,741,104	2,001,387
Net Position:		
Net investment in capital assets	10,085,128	9,997,042
Unrestricted (deficit)	16,168,019	10,382,516
Net Position	\$ 26,253,147	\$ 20,379,558

The District's net position reflects its investment in capital assets (e.g. land, buildings and improvements, and vehicles) net of accumulated depreciation. These assets are used to provide services to the public; consequently, these assets are not available for future spending.

The District's net position increased during the most recent fiscal year. The majority of the increase is attributed to interest income, other contributing factors toward an excess of revenue over expenses, and the District recording the revenue related to grants from the County and the Federal government while the majority of the reimbursable costs associated with these grants were capitalized and therefore were not recorded as expenses in the current year. These amounts will be recognized as decreases to net position to the extent that they are depreciable over their estimated useful life in future periods.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2025	2024
Revenues		
General Revenues		
Property taxes	\$ 11,070,496	\$ 10,020,469
Unrestricted investment earnings	1,094,052	1,157,859
Miscellaneous	555,897	335,853
Program Revenues		
Charges for service	34,568	19,868
Operating grants and contributions	6,995,354	7,189,374
Capital grants and contributions	727,199	329,637
Total Revenues	20,477,566	19,053,060
Expenses		
Public Safety – Fire & EMS	14,603,977	13,347,286
Total Expenses	14,603,977	13,347,286
Increase (Decrease) in Net Position	5,873,589	5,705,774
Net Position, beginning	20,379,558	14,673,784
Net Position, end of year	\$ 26,253,147	\$ 20,379,558

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025 was \$14,603,977. The costs of the District's activities were primarily funded by property taxes and operating grants. Property taxes increased during the fiscal year as a result of an increase in assessed property values. Capital grants increased mainly as a result of a grant award from the County for the new fire station in the prior year. In total, expenses increased from the prior fiscal year as a result of increases in personnel expenses, fleet repair expenses, and uncollectible amounts related to prior year receivables.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

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.

Governmental funds. 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, the *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.

At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,666,204 while total general fund balance was \$30,205,443. As a measure of the general fund's liquidity, it may be useful to compare the total general fund balance to total general fund expenditures. Total general fund balance at September 30, 2025 represents 243% of fiscal year 2025 total general fund expenditures.

The fund balance for the general fund increased \$5,248,596 during the current fiscal year. Key factors in this net increase are as follows:

- Ad valorem revenues higher due to increase in property values
- Federal and Local Grants
- Interest revenue
- Improved operational efficiencies
- Best practices to contain costs
- Increased personnel productivity

General Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. The Board of Commissioners must approve any budget amendments that increase the aggregate budgeted appropriations.

Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Capital Assets

At the end of 2025, the District's investment in capital assets for its governmental activities was \$10,275,540 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and equipment.

Change in Capital Assets – Governmental Activities

	Years Ended September 30		Change
	2025	2024	
Land	\$ 1,151,070	\$ 1,151,070	\$ -
Buildings and improvements	8,389,975	8,360,247	29,728
Equipment	2,346,660	2,148,355	198,305
Vehicles & Trucks	<u>5,867,712</u>	<u>5,330,176</u>	<u>537,536</u>
Total capital assets	\$ 17,755,417	\$ 16,989,848	\$ 765,569
Less accumulated depreciation	<u>(7,479,877)</u>	<u>(6,802,394)</u>	<u>(677,483)</u>
Capital assets, net	<u>\$ 10,275,540</u>	<u>\$ 10,187,454</u>	<u>\$ 88,086</u>

Additional information on the District's capital assets can be found in note 6 of this report.

Long-Term Liabilities

At September 30, 2025, the District had \$15,287,323 of outstanding debt. The following is a detailed schedule of the District's outstanding Long-term liabilities as of September 30, 2025 and 2024:

	Years Ended September 30		Change
	2025	2024	
Net Pension Liability - FRS & HIS	\$ 12,553,629	\$ 14,457,432	\$ (1,903,803)
Net OPEB Liability	1,032,546	904,223	128,323
Compensated Absences	<u>1,701,148</u>	<u>1,607,593</u>	<u>93,555</u>
Total Outstanding Long-Term Liabilities	<u>\$ 15,287,323</u>	<u>\$ 16,969,248</u>	<u>\$ (1,681,925)</u>

Net pension liability reflects the District's proportionate share of its FRS and HIS liability.

More detailed information about the District's long-term debt can be found in notes 7, 8, 12 & 13 of this report.

Economic Factors

The District's Board of Commissioners approved an operating millage rate of 4.999 mills for fiscal year 2025.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for the District's residents and creditors. Questions concerning this report or requests for additional financial information should be directed to: Chief Richard E. Graham, 4360 55th Avenue North, St. Petersburg, FL 33714.

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Government Fund Financial statements

Balance Sheet – Governmental Funds
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of
Net Position
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of the Governmental Funds to the
Statement of Activities

Notes to Financial Statements

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

ASSETS

Cash		\$ 28,846,316
Receivables		129,686
Prepaid Expenses		189,889
Capital Assets:		
Land	1,151,070	
Buildings and Improvements	8,389,975	
Equipment	2,346,660	
Vehicles and Trucks	5,867,712	
Accumulated Depreciation	<u>(7,479,877)</u>	
Total Capital Assets, Net		10,275,540
Deposit		<u>1,440,267</u>
TOTAL ASSETS		40,881,698

DEFERRED OUTFLOWS OF RESOURCES

Pensions		3,658,037
OPEB		<u>57,656</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES		3,715,693

LIABILITIES

Accounts Payable		65,216
Retainage Payable		190,412
Salaries and Benefits Payable		60,189
Compensated Absences		1,701,148
Net OPEB Liability		1,032,546
Net Pension Liability - FRS & HIS		<u>12,553,629</u>
TOTAL LIABILITIES		15,603,140

DEFERRED INFLOWS OF RESOURCES

Pensions		<u>2,741,104</u>
TOTAL DEFERRED INFLOWS OF RESOURCES		2,741,104

NET POSITION

Invested in Capital Assets, Net		
of Related Debt		10,085,128
Unrestricted		<u>16,168,019</u>
TOTAL NET POSITION		<u>\$ 26,253,147</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Primary government:					
Governmental activities:					
Public Safety	\$ 14,603,977	\$ 34,568	\$ 6,995,354	\$ 727,199	\$ (6,846,856)
Total governmental activities	<u>14,603,977</u>	<u>34,568</u>	<u>6,995,354</u>	<u>727,199</u>	<u>(6,846,856)</u>
General revenues:					
Property taxes					11,070,496
Unrestricted investment earnings					1,094,052
Miscellaneous					555,897
Total general revenues					<u>12,720,445</u>
Change in net position					5,873,589
Net position - beginning					<u>20,379,558</u>
Net position - ending					<u><u>\$ 26,253,147</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	ASSETS		Total Governmental Funds
	Major Funds		
	<u>General Fund</u>	<u>Tierra Verde</u>	
Cash	\$ 25,515,668	\$ 3,330,648	\$ 28,846,316
Receivables	129,686	-	129,686
Prepaid Expenses	163,196	26,693	189,889
Deposit	1,440,267	-	1,440,267
Due from other fund	<u>3,343,521</u>	<u>-</u>	<u>3,343,521</u>
 TOTAL ASSETS	 <u>\$ 30,592,338</u>	 <u>\$ 3,357,341</u>	 <u>\$ 33,949,679</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 61,887	\$ 3,329	\$ 65,216
Retainage Payable	190,412	-	190,412
Accrued Salaries and Benefits Payable	49,699	10,490	60,189
Due to other fund	<u>-</u>	<u>3,343,522</u>	<u>3,343,522</u>
 TOTAL LIABILITIES	 301,998	 3,357,341	 3,659,339
 Deferred Inflows of Resources - Unavailable Revenue	 84,897	 -	 84,897
Fund Balance			
Nonspendable	163,196	-	163,196
Assigned	28,376,043	-	28,376,043
Unassigned	<u>1,666,204</u>	<u>-</u>	<u>1,666,204</u>
 TOTAL FUND BALANCE	 <u>30,205,443</u>	 <u>-</u>	 <u>30,205,443</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	 <u>\$ 30,592,338</u>	 <u>\$ 3,357,341</u>	 <u>\$ 33,949,679</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

Fund balance - governmental funds \$ 30,205,443

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 as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	17,755,417	
Accumulated depreciation	<u>(7,479,877)</u>	10,275,540

Assets recorded in the governmental fund financial statements that are not available to pay for current-period expenditures are unavailable revenue in the governmental funds. 84,898

Deferred outflows of resources related to FRS and HIS are recorded in the statement of net position. 3,658,037

Deferred inflows of resources related to FRS and HIS are recorded in the statement of net position. (2,741,104)

Deferred outflows of resources related to OPEB are recorded in the statement of net position. 57,656

Liabilities not payable from current available resources are not reported as fund liabilities in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Compensated absences		(1,701,148)
Net OPEB liability		(1,032,546)
Net FRS and HIS pension liability		<u>(12,553,629)</u>

Net position of governmental activities		<u><u>\$ 26,253,147</u></u>
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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Major Funds		Total Governmental Funds
	General Fund	Tierra Verde	
REVENUES:			
Property taxes	\$ 11,070,496	\$ -	\$ 11,070,496
Intergovernmental	4,641,279	2,835,820	7,477,099
Charges & Fees	34,568	-	34,568
Other Income	508,647	-	508,647
Investment Income	<u>1,094,052</u>	<u>-</u>	<u>1,094,052</u>
 TOTAL REVENUES	 17,701,240	 2,835,820	 20,537,060
EXPENDITURES:			
Public Safety - Fire:			
Personal Services	5,841,606	1,417,652	7,259,258
Operating	1,937,168	729,069	2,666,237
Capital Outlay	<u>1,059,447</u>	<u>-</u>	<u>1,059,447</u>
Total Public Safety - Fire	8,838,221	2,146,721	10,984,942
Public Safety - EMS			
Personal Services	3,381,022	623,163	4,004,185
Operating	232,258	114,329	346,587
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Safety - EMS	<u>3,613,280</u>	<u>737,492</u>	<u>4,350,772</u>
 TOTAL EXPENDITURES	 <u>12,451,501</u>	 <u>2,884,213</u>	 <u>15,335,714</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	5,249,739	(48,393)	5,201,346
OTHER FINANCING SOURCES			
Proceeds from Asset Sales	<u>47,250</u>	<u>-</u>	<u>47,250</u>
NET CHANGE IN FUND BALANCES	5,296,989	(48,393)	5,248,596
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In (Out)	(48,393)	48,393	-
NET CHANGE IN FUND BALANCES	5,248,596	-	5,248,596
FUND BALANCE, OCTOBER 1	<u>24,956,847</u>	<u>-</u>	<u>24,956,847</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 30,205,443</u>	<u>\$ -</u>	<u>\$ 30,205,443</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

Net change in fund balances - total governmental funds \$ 5,248,596

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

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives.	1,006,541
Depreciation on capital assets is not recognized in the governmental fund statement but is reported as an expense in the statement of activities.	(918,455)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	43,076
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(149,820)
Certain uncollectible amounts relating to prior year receivables are considered expenses on the statement of activities, but do not affect the governmental fund financial statements.	(436,264)
Proceeds from disposal of capital assets	
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. The details of the differences are as follows:	
Change in Net OPEB liability and deferred outflows and inflows of resources related to OPEB	(126,782)
Change in net FRS and HIS pension liability, and deferred outflows and inflows of resources related to FRS and HIS pensions	1,300,252
Change in compensated absences	<u>(93,555)</u>
Change in net position of governmental activities	<u>\$ 5,873,589</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 1 – Nature of Organization and Reporting Entity

The District is a political subdivision of the State of Florida, located in Pinellas County in the southwest portion of the State. The District was originally incorporated in 1948 under the provisions of the Laws of Florida, as a non-profit corporation. On June 5, 2000, in accordance with the Florida House of Representatives Bill 1549, the Lealman Special Fire Control District was established as an independent special district. The District is approximately eleven 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. The EMS contracts are renewable annually. The District is governed by the Board of Commissioners ("Board"), which is composed of five commissioners. The commissioners are elected by majority vote of the Electors of the District voting at a general election. The Board of Commissioners of the District exercise all powers granted to the District pursuant to Chapters 189 and 191, Florida Statutes.

On October 1, 2009 the District entered into an agreement with the Pinellas County Board of County Commissioners to provide first responder services on behalf of the Tierra Verde Fire District, a municipal service taxing unit.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the Board of Commissioners is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

Note 2 – Summary of Significant Accounting Policies

The Lealman Special Fire Control District (District) maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to government 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 below:

Government-wide and Fund Financial Statements – The District has adopted the provisions of GASB Statement Number 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." The government-wide financial statements required under this statement (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit 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*.

Fire/Emergency Medical Services – Expenses and expenditures are directly allocated to either Public Safety – Fire Protection or Public Safety – EMS.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 2 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The government-wide financial statements are reported using the *economic resources measurement focus* and *the accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of related cash flows. Property assessments 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund

The special revenue fund consists of intergovernmental revenue received from Pinellas County under a contract to provide fire and EMS services to Tierra Verde, Florida. The facilities and equipment are provided by Pinellas County, Florida and the District provides the staffing and operating resources necessary to provide the fire protection and EMS staffing to the residents of the geographic area covered by the agreement.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities and Net Position or Equity

Fund Equity/Net Position - Fund balances for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Constraints include the non-spendable fund balance which includes amounts that cannot be spent because they either are not in spendable form or legally or contractually required to be maintained intact. Restricted fund balances include constraints placed on the use of resources either by externally imposed creditors, grantors, contributors, or laws. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority are reported as committed fund balances. Assigned fund balances are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The unassigned fund balance represents funds that have not been restricted, committed, or assigned to specific purposes within the general fund.

The District has a policy of spending committed fund balance, followed by assigned fund balance and then unassigned funds when expenditures are incurred for which amounts in any of the unrestricted fund balance classifications could be used.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 2 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued) - Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to property, plant and equipment. Restricted net position represents the assets restricted by the District's contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

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

Investment Policy - The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash and Cash Equivalents – For purposes of these statements, cash is expressed in terms of “cash and cash equivalents.” Cash equivalents include short-term, highly liquid investments such as bank and money market accounts.

Prepaid Items – Certain payments to vendors for insurance premiums reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures using the purchase method. Under this method, prepaid items are recorded as expenditures when purchased. Prepaid items reported in the general fund are constrained and are included in the non-spendable fund balance, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 2 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Property Taxes – Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The levy of ad valorem taxes on property values of the District is established by the Board of Commissioners on or after February 1 of each year and the Pinellas County Property Appraiser incorporates the District’s assessment into the total tax levy, which includes the Pinellas County District School Board tax requirements. The 2025 assessment by the District was 4.999 mills.

All taxes are due and payable on November 1 of each year in order to get the maximum discount available. All unpaid taxes become delinquent on April 1. Delinquent assessments bear interest at 3% per year.

On or prior to June 1 following the tax year, certificates are sold for all delinquent assessments. After sale, tax certificates bear interest at 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Because of the Pinellas County Tax Collector’s office efficient system for selling tax certificates and remitting the proceeds to the District, any delinquent or uncollected assessments at year end are immaterial. The District’s assessment calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, succeeding year
Lien Date:	April 1, succeeding year

Capital Assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, if any, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the District, is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 30
Equipment	5 - 15
Vehicles and Trucks	5 - 20

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 2 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Compensated Absences – It is the District’s policy to permit employees to accumulate earned but unused vacation, holiday and sick pay benefits.

Vacation Leave:

All full-time employees shall accrue vacation time from their first six months of employment with the District so as to enjoy the following vacation leave upon completion of each level of service.

<u>Service Years Completed</u>	<u>Vacation Leave</u>
Start	204 hrs
2 Years of Completed Service	228 hrs
5 Years of Completed Service	252 hrs
8 Years of Completed Service	276 hrs
10 Years of Completed Service	300 hrs
15 Years of Completed Service	324 hrs
20 Years or More of Completed Service	348 hrs

For all employees hired after October 1, 2014, full-time employees shall accrue vacation time from their first six months of employment with the District so as to enjoy the following vacation leave upon completion of each level of service.

<u>Service Years Completed</u>	<u>Vacation Leave</u>
Start	144 hrs
3 Years of Completed Service	180 hrs
5 Years of Completed Service	216 hrs
10 Years of Completed Service	240 hrs
15 Years of Completed Service	264 hrs
20 Years of Completed Service	288 hrs
25 Years or More of Completed Service	336 hrs

In addition to the above annual vacation hours an additional twenty-four hours are accrued when an employee reaches the twentieth, twenty-fifth, thirtieth, thirty-fifth, fortieth, forty-fifth, and fiftieth anniversary date.

For firefighters, the maximum number of vacation leave hours, which may be accrued shall not exceed twice the employee’s annual rate. For staff employees, the maximum number of vacation leave hours is 850. At termination employees are paid for any accumulated vacation leave that is available at that time.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 2 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Compensated Absences – (continued)

Sick Leave:

It is the District’s policy that all full-time employees earn fourteen (14) hours of sick leave for each full month of employment. The maximum cash liability for sick leave may be accumulated up to a maximum of five hundred hours per employee and vests in accordance with the following table:

<u>Years of Service</u>	<u>% Vestiture</u>
3	15% (up to 500 hours)
5	25% (up to 500 hours)
10	50% (up to 500 hours)
15	75% (up to 500 hours)
20	100% (up to 500 hours)
25	100% (up to 750 hours)

Sick leave incentive shall be given to those Employees who use little or no unplanned leave during a one (1) year period. Eligibility for the incentive award is to be based on the Employee’s anniversary date of employment and is awarded as follows:

<u>Unplanned leave used</u>	<u>Hours awarded</u>
0-24 hours used	48 hours
25-48 hours used	36 hours
49-72 hours used	24 hours

All vested vacation and sick leave is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations. Payments are generally paid out of the general fund.

Accrued Leave: Permanent, full-time employees earn vacation and sick leave beginning with an employee’s first pay period and accruing according to the number of regularly scheduled hours an employee works and the length of service.

Holiday Leave: Union employees working a normal schedule receive an additional twelve hours of holiday compensation. Earned holiday pay can be accrued and used later, but if not used by the last full pay period in September it is paid to the employee.

Long-Term Obligations – In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Unearned Revenue – Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 2 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. This includes the deferred amount on pension reported in the government-wide statement of net position. The deferred outflows of resources related to pensions are discussed in a subsequent note.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. This includes the deferred amount on pension reported only in the government-wide statement of net position. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over five to seven years. This also includes unavailable revenues reported only in the governmental funds balance sheet.

Other Disclosures

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

Implementation of Accounting Pronouncements

The District implemented the following Governmental Accounting Standards Board Statements during the current fiscal year.

GASB 101: Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB 102: Certain Risk Disclosures

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 2 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements Not Yet Adopted

A brief description of new accounting pronouncements that might have a significant impact on the District's financial statements is presented below.

GASB Statement No. 103: Financial Reporting Model Improvements

This statement, issued in April 2024 and effective for fiscal years beginning after June 15, 2025, aims to improve the financial reporting model by enhancing the clarity and usefulness of financial statements.

GASB Statement No. 104: Disclosure of Certain Capital Assets

This statement, issued in September 2025 and effective for fiscal years beginning after June 15, 2025, requires enhanced disclosures about certain capital assets, including detailed information on the nature and extent of capital assets held by a governmental entity.

GASB Statement No. 105: Subsequent Events

This statement, issued in December 2025 and effective for fiscal years beginning after June 15, 2026, updates reporting for subsequent events and requires disclosure of the date through which subsequent events were evaluated.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

Note 3 – Stewardship, Compliance and Accountability

Budgets – The District is required to establish a budgetary system and an approved Annual Budget. An Annual Budget is adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end. The District follows these procedures in establishing the budgetary data reflected in the financial statements.

On or before June 1 of each year, the department heads of each of the District's divisions submit requests for the appropriation to the Fire Chief so that a budget may be prepared. The budget is prepared by function and activity (divisions), and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the Board of Commissioners (Board) for review by the tentative budget hearing. The Board holds public hearings and may add to, subtract from, or change appropriations. Any changes in the budget are presented at the final budget hearing.

Finance-Related Legal and Contractual Provisions – The District is not in violation of any finance-related legal and contractual provisions.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 4 – Cash and Deposits

At year-end carrying amount of the District's deposits was \$28,846,316. 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 of 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 default.

Note 5 – Receivables

Receivables at September 30, 2025, consist of the following:

County EMS 1% reimbursement	\$	84,896
Other		44,790
 Total receivables	 \$	 <u>129,686</u>

Note 6 – Capital Assets

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

	Balance September 30, 2024	Increases	Decreases	Balance September 30, 2025
Governmental activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,151,070	\$ -	\$ -	\$ 1,151,070
Total Capital Assets, Not Being Depreciated	1,151,070	-	-	1,151,070
Capital Assets, Being Depreciated:				
Building and Improvements	8,360,247	29,728	-	8,389,975
Equipment	2,148,355	198,305	-	2,346,660
Vehicles & Trucks	5,330,176	778,508	(240,972)	5,867,712
Total Capital Assets, Being Depreciated	15,838,778	1,006,541	(240,972)	16,604,347
Less Accumulated Depreciation for:				
Building and Improvements	(2,419,721)	(297,640)	-	(2,717,361)
Equipment	(1,078,589)	(234,769)	-	(1,313,358)
Vehicles & Trucks	(3,304,084)	(386,046)	240,972	(3,449,158)
Total Accumulated Depreciation	(6,802,394)	(918,455)	240,972	(7,479,877)
Total Capital Assets, Being Depreciated, Net	9,036,384	88,086	-	9,124,470
Governmental Activities				
Capital Assets, Net	\$ 10,187,454	\$ 88,086	\$ -	\$ 10,275,540

Depreciation expense was charged to the Public Safety function.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 7 – Long-Term Debt

During the fiscal year ended September 30, 2025, the following changes occurred in long-term liabilities:

	Balance October 1, 2024	Additions	Reductions	Balance September 30, 2025
Net Pension Liability - FRS	\$ 14,457,432	\$ -	\$ (1,903,803)	\$ 12,553,629
Net OPEB Liability	904,223	128,323	-	1,032,546
Compensated Absences	1,607,593	93,555	-	1,701,148
Total Long-Term Liabilities	\$ 16,969,248	\$ 221,878	\$ (1,903,803)	\$ 15,287,323

Note 8 – Compensated Absences

Compensated absences consists of the following at September 30, 2025:

Accrued Vacation	Accrued Sick	Total Compensated Absences
\$ 890,099	\$ 811,049	\$ 1,701,148

Note 9 – Interfund Receivables, Payables, and Transfers

Interfund receivables and payables at September 30, 2025 were as follows:

Fund	Receivable	Payable
General	\$ 3,343,521	\$ -
Tierra Verde	-	3,343,522
Total	\$ 3,343,521	\$ 3,343,522

The balances between the general fund and special revenue fund relate to cash advanced by the general fund to the special revenue fund for operations.

Interfund transfers for the fiscal year ended September 30, 2025 were as follows:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 48,393
Tierra Verde	48,393	-
Total	\$ 48,393	\$ 48,393

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. Current year transfers were made to cover expenditures incurred related to the County contracts that were not reimbursed by the County.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 10 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases all of its insurance coverage from commercial insurance carriers.

The District also carries commercial insurance for all other risks of loss including health and employee accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District has not had any significant coverage reductions under these policies from the prior year.

Note 11 – Constraints on Fund Balance

The nature of the constraints on governmental funds at September 30, 2025 is as follows:

Fund Balances	2025 General Fund	2024 General Fund
Non-spendable:		
Prepaid Expenses	\$ 163,196	\$ 140,198
Assigned to:		
Vacation, Sick & Holiday Pay	2,500,000	2,500,000
Equipment	2,400,000	2,400,000
Building & Land	8,000,000	3,400,000
Vehicles	5,000,000	4,200,000
Communication	800,000	800,000
Future Operating Costs	2,700,000	2,700,000
MSA Equipment	1,400,000	-
Pension & OPEB Liabilities	5,576,043	-
Unassigned:	1,666,204	8,816,649
Total Fund Balance	\$ 30,205,443	\$ 24,956,847

Assigned fund balances include amounts constrained for the intent to be used for a specific purpose by the Fire Chief. The District has a policy of spending unassigned funds unless the Board of Fire Commissioners designates assigned funds.

Note 12 - Employee Retirement System

Firefighters and general employees participate in the Florida Retirement System (FRS) and the Florida Retiree Health Insurance Subsidy Program (HIS). The Florida Department of Management Services, Division of Retirement, (Division) is part of the primary government of the state of Florida and is responsible for administering the FRS and HIS. The System's Comprehensive Annual Financial Report and actuarial reports dated June 30, 2025 are available by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737
http://www.dms.myflorida.com/workforce_operations/retirement/publications

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 12 - Employee Retirement System (Continued)

Florida Retirement System

Plan Description

The District contributes to the FRS which is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

Funding Policy

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during fiscal year 2025 were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u> <u>October 1, 2024 to June 30, 2025</u>		<u>Percent of Gross Salary</u> <u>July 1, 2025 to September 30, 2025</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.63	3.00	14.03
FRS, Special Risk	3.00	32.79	3.00	35.19

(1) Employer rates include a postemployment HIS contribution rate of 2.00% from October 1, 2024 to September 30, 2025. Also, employer rates include .06% for administrative costs of the Investment plan.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 12 - Employee Retirement System (Continued)

Florida Retirement System (Continued)

Deferred Retirement Option Program

The FRS Deferred Retirement Option Program (DROP) is available to a member when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 4% effective July 1, 2023. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Employers must pay contributions at a rate of 21.13% through June 30, 2025 and 22.02% effective July 1, 2025 of salary for all DROP participants. FRS also provides disability and survivors' benefits.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan

At September 30, 2025, the District reported a net pension liability of \$10,432,114, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportionate share of the net pension liability was based on the District's contributions for the year ended June 30, 2025 relative to all contributions of all participating members. At June 30, 2025, the District's proportionate share was .033613887 percent, which was an increase of .002175064 percent from its proportionate share measure as of June 30, 2024.

For the fiscal year ended September 30, 2025, the District recognized FRS pension expense of (\$1,202,904). In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources at September 30, 2025:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,114,260	\$ -
Change of assumptions	1,211,439	-
Net differences between projected and actual investment earnings	-	(1,741,747)
Changes in proportion and differences between District contributions and proportionate share of contributions	592,887	(364,965)
District contributions subsequent to the measurement date	<u>501,336</u>	<u>-</u>
Total	<u>\$ 3,419,922</u>	<u>\$ (2,106,712)</u>

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 12 - Employee Retirement System (Continued)

Florida Retirement System (Continued)

The deferred outflows of resources related to pensions, totaling \$501,336, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years Ending September 30	Amount
2026	\$ 1,570,667
2027	(187,058)
2028	(313,416)
2029	(258,318)
2030	-
Thereafter	-
Total	\$ 811,875

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2025, were based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2023.

Valuation Date	July 1, 2025
Measurement Date	June 30, 2025
Asset Valuation Method	Fair Market Value
Inflation	2.40%
Salary Increases including inflation	3.50%
Discount Rate	6.70%
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.
Actuarial Cost Method	Individual entry age

The long-term expected rate of return assumption of 6.70 percent used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2025 by the FRS Actuarial Assumption Conference; and 2) an inferred real (in excess of inflation) return of 4.20 percent. Geometrically combining those building blocks using the formula $(1 + .024) \times (1 + .042) - 1$ generates an expected nominal return of 6.70 percent. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2024 FRS Actuarial Assumption Conference for funding policy purposes.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 12 - Employee Retirement System (Continued)

Florida Retirement System (Continued)

For reference, the table below contains a summary of return assumptions for various asset classes based on the long-term target asset allocation. The six specific asset classes displayed are per system request and are summarized results of a more detailed market outlook model with additional asset classes. Each asset class assumption is based on a consistent set of underlying real return assumptions from Milliman's model combined with the FRS Actuarial Assumption Conference's 2.4 percent inflation assumption. The Milliman assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	<u>2.0%</u>	6.5%	6.1%	8.7%
Total	<u>100%</u>			
Assumed inflation - Mean			2.40%	1.50%

(1) As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Discount Rate

The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of net pension liability	\$ 20,472,862	\$ 10,432,114	\$ 2,014,095

Payables to the Pension Plan

At September 30, 2025, the District reported a payable of \$-0- for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2025.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 12 - Employee Retirement System (Continued)

HIS Plan

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided

For the year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the period ended June 30, 2024, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. Effective July 1, 2024, the contribution rate was 2.00% of payroll. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan

At September 30, 2025, the District reported a HIS net pension liability of \$2,121,515 for its proportionate share of the Net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. At June 30, 2025, the District's proportionate share was .016551778 percent, which was an increase of .001249994 percent from its proportionate share measured as of June 30, 2024.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 12 - Employee Retirement System (Continued)

HIS Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan-continued

For the fiscal year ended September 30, 2025, the District recognized HIS expense of (\$97,348). In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,664	\$ (3,365)
Change of assumptions	18,778	(513,140)
Net differences between projected and actual investment earnings	-	(1,766)
Changes in proportion and differences between District contributions and proportionate share of contributions	172,838	(116,123)
District contributions subsequent to the measurement date	<u>33,834</u>	<u>-</u>
Total	<u>\$ 238,114</u>	<u>\$ (634,394)</u>

The deferred outflows of resources related to pensions, totaling \$33,834, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2026	(103,031)
2027	(121,060)
2028	(98,138)
2029	(73,785)
2030	(34,099)
Thereafter	<u>-</u>
Total	<u>\$ (430,113)</u>

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2025, were based on the results of an actuarial experience study of the FRS for the period July 1, 2018 – June 30, 2023.

Valuation Date	July 1, 2025
Measurement Date	June 30, 2025
Inflation	2.40 percent
Salary Increases including inflation	3.50 percent
Discount Rate	5.20 percent
Mortality	PUB-2010 with Projection Scale MP-2021.
Actuarial Cost Method	Individual entry age

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 12 - Employee Retirement System-continued

HIS Plan-continued

Discount Rate

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Discount rate used in the 2025 valuation was updated from 3.93% to 5.20%, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2025.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
District's proportionate share of net pension liability	\$ 2,392,350	\$ 2,121,515	\$ 1,894,371

Payables to the Pension Plan

At September 30, 2025, the District reported a payable of \$-0- for the outstanding amount of contributions to the HIS plan required for the year ended September 30, 2025.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 12 - Employee Retirement System-continued

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Local Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member’s accounts during the 2025 fiscal year were as follows:

Class	Percent of Gross Compensation	
	Employee	Employer
FRS, Regular	3.00%	8.30%
FRS, Special Risk	3.00%	16.00%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members.

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

The District’s Investment Plan pension expense totaled \$258,188 for the fiscal year ended September 30, 2025.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 13 – Other Post-Employment Benefits (“OPEB”)

Plan Description

Pursuant to Section 112.081, Florida Statutes, the District is required to permit eligible retirees and their eligible dependents to participate in the District’s health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. These retirees pay 75% and 50% of the premium based on 15-20 years of service and 20 years of service respectively. They are also 100% responsible for any spousal coverage and higher insurance option. Because the blended rate paid by retirees is greater than a plan including active employees only and less than that of a plan including retirees only, the amount the District expends for active employees includes an implicit subsidy for participating retirees.

The District had an actuary calculate net OPEB liability as of September 30, 2025. At this time the District has opted to pay as you go rather than fund a portion or the entire net OPEB liability. Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the District and plan members to that point.

At September 30, 2023, the actuarial valuation date, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	69
	74

The net OPEB liability at September 30, 2025 was determined using the following actuarial assumptions:

<u>Valuation Date</u>	September 30, 2023
<u>Measurement Date</u>	September 30, 2024
<u>Fiscal Year End</u>	September 30, 2025
<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	PubG-2010 Mortality Table projected to the valuation date using MP-2019.
<u>Discount Rate</u>	4.06%. Based on the September 30, 2024 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
<u>Retirement Rates</u>	100% at Normal Retirement Eligibility. Retirement Eligibility described in Section 8.
<u>Inflation</u>	2.50% per year.
<u>Salary Increase Rate</u>	2.50% per year.
<u>Marital Status</u>	100% assumed married, with male spouses 3 years older than female spouses.
<u>Health Care Participation</u>	20% participation assumed, with 50% electing spouse coverage.
<u>Health Care Inflation</u>	Initial rate of 7.00% in fiscal 2024, then 6.75% in fiscal 2025, grading down to the ultimate trend rate of 4.00% in fiscal 2075.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 13 – Other Post-Employment Benefits (“OPEB”) (Continued)

Termination Rates

Selected rates for various ages listed below:

Age	% Remaining Employed Until Assumed Retirement Age
20	29.60%
30	59.30%
40	84.10%
50	100.00%

Disability Rates

None Assumed.

GASB 75 Measurement Method

Alternative Measurement Method, as described in Governmental Accounting Standards Board No. 75 for plans with fewer than 100 covered members.

Funding Method

Entry Age Cost Method (Level % of Pay).

Changes in the net OPEB liability during the fiscal year ended September 30, 2025 were as follows:

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2024	\$ 904,223
Changes for a Year	
Service Cost	24,814
Interest	43,992
Differences Between Expected and Actual Experience	-
Changes of Assumptions	111,532
Benefit Payments	(52,015)
Net Changes	128,323
Reporting Period Ending September 30, 2025	\$ 1,032,546

Changes of assumptions reflect a change in the discount rate from 4.87% for the fiscal year ending September 30, 2024 to 4.06% for the fiscal year ending September 30, 2025.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 13 – Other Post-Employment Benefits (“OPEB”) (Continued)

At September 30, 2025 the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District Contributions Subsequent to Measurement Date	<u>\$ 57,656</u>	<u>\$ -</u>
Totals	<u>\$ 57,656</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Years Ending September 30,</u>	<u>Amount</u>
2026	<u>\$ 57,656</u>
Total	<u>\$ 57,656</u>

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 3.06%	Current Discount Rate 4.06%	1% Increase 5.06%
Total OPEB Liability (Asset)	<u>\$ 1,198,217</u>	<u>\$ 1,032,546</u>	<u>\$ 897,348</u>

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 Discount Rate 4.00% - 7.00%	1% Increase 5.00% - 8.00%
Total OPEB Liability (Asset)	<u>\$ 883,997</u>	<u>\$ 1,032,546</u>	<u>\$ 1,216,366</u>

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 14 – Contingent Liabilities/Contract Services

The District entered into a ten year lease of a Fire Tanker on April 13, 2005 with Pinellas County, Florida. The lease requires an annual payment of \$1 and includes two successive additional terms of five years each unless either party terminates the lease by written notice to the other party, ninety days prior to the end of the applicable lease.

Tierra Verde – EMS and Fire Contract with Pinellas County, Florida

On September 24, 2019, the District entered into two contracts with Pinellas County Emergency Medical Services Authority and Pinellas County Board of County Commissioners to provide emergency medical services and fire protection services, respectively, for the Tierra Verde Fire District. Expenditures are segregated from the primary government and are subject to review for compliance by the County. Lealman Special Fire Control District allocates a portion of management expenditures indirectly to the Tierra Verde Fire District Fire and EMS contracts. To the extent the Tierra Verde Fire District funding exceeds its allowable costs in any given year the excess is returned to the funder of the respective contract. The following table summarizes the Tierra Verde Fire District's allowable costs and funding for the year ending September 30, 2025:

	EMS	Fire
County Funding	\$ 708,905	\$ 2,126,915
Allowable Costs	737,492	2,146,721
Excess (Deficit)	\$ (28,587)	\$ (19,806)

Lealman Special Fire Control District – EMS Contract with Pinellas County, Florida

The District provides emergency medical services to the unincorporated areas as well as certain incorporated areas of Pinellas County, Florida known as the Lealman Special Fire Control District under a contract with Pinellas County Emergency Medical Services Authority. Expenditures are segregated between fire and EMS activities and are subject to review for compliance by the County. To the extent EMS funding exceeds its allowable costs in any given year the excess is returned to the Pinellas County Emergency Medical Services Authority. The following table summarizes the Lealman Special Fire Control Districts allowable EMS costs and funding for the year ending September 30, 2025:

	EMS
County Funding	\$ 3,598,580
Allowable Costs	3,613,280
Excess (Deficit)	\$ (14,700)

**REQUIRED SUPPLEMENTARY
INFORMATION**

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025**

	2025		
	Final Budget	Totals Actual	Variance favorable (Unfavorable)
Revenue			
Property taxes	\$ 10,656,033	\$ 11,070,496	\$ 414,463
County			
EMS	3,598,580	3,598,584	4
EMS 1%	-	38,310	38,310
Fire Contracts	12,000	22,186	10,186
Other Reimbursements	-	727,199	727,199
Federal			
Grant Income	-	352,198	352,198
Other Fire Contracts	-	255,000	255,000
Charges & Fees	-	34,568	34,568
Other Income	-	464,153	464,153
Proceeds from Asset Sales	-	47,250	47,250
Insurance Proceeds	-	44,494	44,494
Investment Income	-	1,094,052	1,094,052
Total revenue	<u>14,266,613</u>	<u>17,748,490</u>	<u>3,481,877</u>
Expenditures			
Public Safety - Fire:			
Salaries and Benefits	7,445,290	5,841,606	1,603,684
Operating	1,269,900	1,937,168	(667,268)
Capital Outlay	<u>534,800</u>	<u>1,059,447</u>	<u>(524,647)</u>
Total Public Safety - Fire	9,249,990	8,838,221	411,769
Public Safety - EMS			
Salaries and Benefits	3,447,375	3,381,022	66,353
Operating	151,205	232,258	(81,053)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Safety - EMS	<u>3,598,580</u>	<u>3,613,280</u>	<u>(14,700)</u>
Total expenditures	<u>12,848,570</u>	<u>12,451,501</u>	<u>397,069</u>
Excess (Deficit) of revenue over expenditures	1,418,043	5,296,989	3,878,946
Other Financing Sources (Uses)			
Interfund Transfers In (Out)	<u>-</u>	<u>(48,393)</u>	<u>(48,393)</u>
Net Change in Fund Balance	<u>\$ 1,418,043</u>	5,248,596	<u>\$ 3,830,553</u>
Fund Balance - Beginning		24,956,847	
Fund Balance - Ending		<u>\$ 30,205,443</u>	

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
AND RELATED RATIOS
SEPTEMBER 30, 2025**

Reporting Period Ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement Date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total OPEB Liability						
Service Costs	\$ 24,814	\$ 20,387	\$ 33,122	\$ 36,025	\$ 25,759	\$ 24,805
Interest	43,992	38,756	27,224	22,370	28,801	27,916
Differences Between Expected and Actual Experience	-	49,473	-	209,661	-	-
Changes of Assumptions	111,532	24,974	(314,558)	(157,600)	200,881	7,003
Benefit Payments	<u>(52,015)</u>	<u>(42,469)</u>	<u>(39,506)</u>	<u>(25,741)</u>	<u>(23,945)</u>	<u>(22,274)</u>
Net Change in Total OPEB Liability	128,323	91,121	(293,718)	84,715	231,496	37,450
Total OPEB Liability - Beginning	<u>904,223</u>	<u>813,102</u>	<u>1,106,820</u>	<u>1,022,105</u>	<u>790,609</u>	<u>753,159</u>
Total OPEB Liability - Ending	<u>\$ 1,032,546</u>	<u>\$ 904,223</u>	<u>\$ 813,102</u>	<u>\$ 1,106,820</u>	<u>\$ 1,022,105</u>	<u>\$ 790,609</u>
Plan Fiduciary Net Position						
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	<u>\$ 1,032,546</u>	<u>\$ 904,223</u>	<u>\$ 813,102</u>	<u>\$ 1,106,820</u>	<u>\$ 1,022,105</u>	<u>\$ 790,609</u>
Covered Employee Payroll	\$ 5,576,043	\$ 5,440,042	\$ 5,673,949	\$ 5,535,560	\$ 5,540,961	\$ 5,405,816
Total OPEB Liability as a percentage of Covered Employee Payroll	18.52%	16.62%	14.33%	19.99%	18.45%	14.63%

Changes of assumptions:

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

Fiscal Year Ending September 30, 2025:	4.06%
Fiscal Year Ending September 30, 2024:	4.87%
Fiscal Year Ending September 30, 2023:	4.77%
Fiscal Year Ending September 30, 2022:	2.43%
Fiscal Year Ending September 30, 2021:	2.14%
Fiscal Year Ending September 30, 2020:	3.58%

Benefit Payments:

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2025. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM (FRS)
LAST TEN MEASUREMENT YEARS***

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.033613887%	0.031438823%	0.031737793%	0.031379379%	0.032831593%	.037963687%	0.038717408%	0.038749815%	0.038277552%	0.036635506%
District's proportionate share of the net pension liability	\$ 10,432,114	\$ 12,162,015	\$ 12,646,506	\$ 11,675,651	\$ 2,480,054	\$ 16,454,021	\$ 13,333,736	\$ 11,671,645	\$ 11,326,129	\$ 9,250,494
District's covered-employee payroll	\$ 6,665,902	\$ 5,841,065	\$ 5,793,693	\$ 5,497,785	\$ 5,505,954	\$ 5,536,882	\$ 5,561,256	\$ 5,299,491	\$ 5,061,410	\$ 4,948,675
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	156.50%	208.22%	218.28%	212.37%	45.04%	297.17%	239.76%	220.24%	223.77%	186.93%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

* The amounts presented for each measurement year were determined as of 6/30.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM (FRS)
LAST TEN FISCAL YEARS***

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,000,143	\$ 1,760,442	\$ 1,477,373	\$ 1,311,556	\$ 1,240,099	\$ 1,237,737	\$ 1,198,698	\$ 1,098,838	\$ 1,009,553	\$ 961,617
Contributions in relation to the contractually required contribution	(2,000,143)	(1,760,442)	(1,477,373)	(1,311,556)	(1,240,099)	(1,237,737)	(1,198,698)	(1,098,838)	(1,009,553)	(961,617)
Contribution deficiency (excess)					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,679,088	\$ 5,989,313	\$ 5,634,022	\$ 5,461,998	\$ 5,494,855	\$ 5,494,855	\$ 5,345,944	\$ 5,165,758	\$ 4,887,017	\$ 4,784,080
Contributions as a percentage of covered-employee payroll	29.95%	29.39%	26.22%	24.01%	22.57%	22.53%	22.42%	21.27%	20.66%	20.10%

* The amounts presented for each fiscal year were determined as of 9/30.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
LAST TEN MEASUREMENT YEARS***

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.016551778%	0.015301784%	0.016125840%	0.016240079%	0.016438750%	0.016332621%	0.016741840%	0.016534947%	0.015605106%	0.014900116%
District's proportionate share of the net pension liability	\$ 2,121,515	\$ 2,295,417	\$ 2,560,998	\$ 1,720,084	\$ 2,016,460	\$ 1,994,186	\$ 1,873,244	\$ 1,750,077	\$ 1,668,570	\$ 1,736,547
District's covered-employee payroll	\$ 6,665,902	\$ 5,841,065	\$ 5,793,693	\$ 5,497,785	\$ 5,505,954	\$ 5,536,882	\$ 5,561,256	\$ 5,299,491	\$ 5,061,410	\$ 4,948,675
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	31.83%	39.30%	44.20%	31.29%	36.62%	36.02%	33.68%	33.02%	32.97%	35.09%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

* The amounts presented each measurement year were determined as of 6/30.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
LAST TEN FISCAL YEARS***

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 116,014	\$ 104,521	\$ 98,117	\$ 90,668	\$ 91,216	\$ 90,420	\$ 88,743	\$ 85,753	\$ 81,124	\$ 79,415
Contributions in relation to the contractually required contribution	(116,014)	(104,521)	(98,117)	(90,668)	(91,216)	(90,420)	(88,743)	(85,753)	(81,124)	(79,415)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,679,088	\$ 5,989,313	\$ 5,634,022	\$ 5,461,998	\$ 5,494,855	\$ 5,446,880	\$ 5,345,944	\$ 5,165,758	\$ 4,887,017	\$ 4,784,080
Contributions as a percentage of covered-employee payroll	1.74%	1.75%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

* The amounts presented for each fiscal year were determined as of 9/30.

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Budget

The District is required to establish a budgetary system and an approved Annual Budget. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. The Board of Commissioners must approve any budget amendments that increase the aggregate budgeted appropriations. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. An annual budget is adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end. An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes.

Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

OTHER SUPPLEMENTARY
INFORMATION

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TIERRA VERDE FIRE CONTRACT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	2025		
	Original & Final <u>Budget</u>	Totals <u>Actual</u>	Variance favorable <u>(Unfavorable)</u>
Revenue			
County			
Fire	\$ 2,135,291	\$ 2,126,915	\$ (8,376)
EMS	<u>708,912</u>	<u>708,905</u>	<u>(7)</u>
Total revenue	<u>2,844,203</u>	<u>2,835,820</u>	<u>(8,383)</u>
Expenditures			
Public Safety - Fire:			
Salaries and Benefits	1,970,886	1,417,652	553,234
Operating	139,805	729,069	(589,264)
Capital Outlay	<u>24,600</u>	<u>-</u>	<u>24,600</u>
Total Public Safety - Fire	2,135,291	2,146,721	(11,430)
Public Safety - EMS			
Salaries and Benefits	603,304	623,163	(19,859)
Operating	70,970	79,691	(8,721)
Reasonable & Customary Cost			
Exceptions	34,638	34,638	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Safety - EMS	<u>708,912</u>	<u>737,492</u>	<u>(28,580)</u>
Total expenditures	<u>2,844,203</u>	<u>2,884,213</u>	<u>(40,010)</u>
Excess (Deficit) of revenue over expenditures	-	(48,393)	(48,393)
Other Financing Sources (Uses)			
Interfund Transfers In (Out)	-	48,393	48,393
Net changes in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning		-	
Fund Balance - Ending		<u>\$ -</u>	

**LEALMAN SPECIAL FIRE CONTROL DISTRICT
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
UNAUDITED**

Element	Comments
Number of district employees compensated at 9/30/2025	69
Number of independent contractors compensated in September 2025	5
Employee compensation for FYE 9/30/2025 (paid/accrued)	\$ 7,101,076
Independent contractor compensation for FYE 9/30/2025	\$ 32,500
Construction projects to begin on or after October 1; (\$65K)	\$ -
Budget variance report	See page 39 of annual financial report
Ad Valorem taxes;	
Millage rate FYE 9/30/2025	4.999 mills
Ad valorem taxes collected FYE 9/30/2025	11,070,496
Outstanding Bonds:	Not applicable
Non ad valorem special assessments;	Not applicable

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
Lealman Special Fire Control District
St. Petersburg, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Lealman Special Fire Control District, St. Petersburg, Florida ("District") as of and for the fiscal 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 opinion thereon dated March 31, 2026.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Grau & Associates

March 31, 2026



Grau & Associates

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Fire Commissioners
Lealman Special Fire Control District
St. Petersburg, Florida

We have examined Lealman Special Fire Control District, St. Petersburg, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. 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. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

This report 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, management, and the Board of Fire Commissioners of Lealman Special Fire Control District, St. Petersburg, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

March 31, 2026



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Fire Commissioners
Lealman Special Fire Control District
St. Petersburg, Florida

Report on the Financial Statements

We have audited accompanying basic financial statements of Lealman Special Fire Control District, St. Petersburg, Florida ("District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 31, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Auditor'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 31, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General of the state of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Fire Commissioners of Lealman Special Fire Control District, St. Petersburg, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Lealman Special Fire Control District, St. Petersburg, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

March 31, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2025. It is management's responsibility to monitor 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.
7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 47.