

**ENGLEWOOD AREA
FIRE CONTROL DISTRICT**

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 2007

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
ENGLEWOOD AREA
FIRE CONTROL DISTRICT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2007

PREPARED BY THE
ACCOUNTING CLERK

ENGLEWOOD AREA FIRE CONTROL DISTRICT

BOARD OF FIRE COMMISSIONERS

Denise Hawkins, Chairman

Jeff Kern
Vice Chairman, Secretary/Treasurer

Ronald Davison
Fire Commissioner

Allen E. Bell, Jr.
Fire Commissioner

Robert Seneca
Fire Commissioner

Fire Chief
Michael J. Bonakoske

Accounting Clerk
Paulette Tomlinson

INTRODUCTORY SECTION

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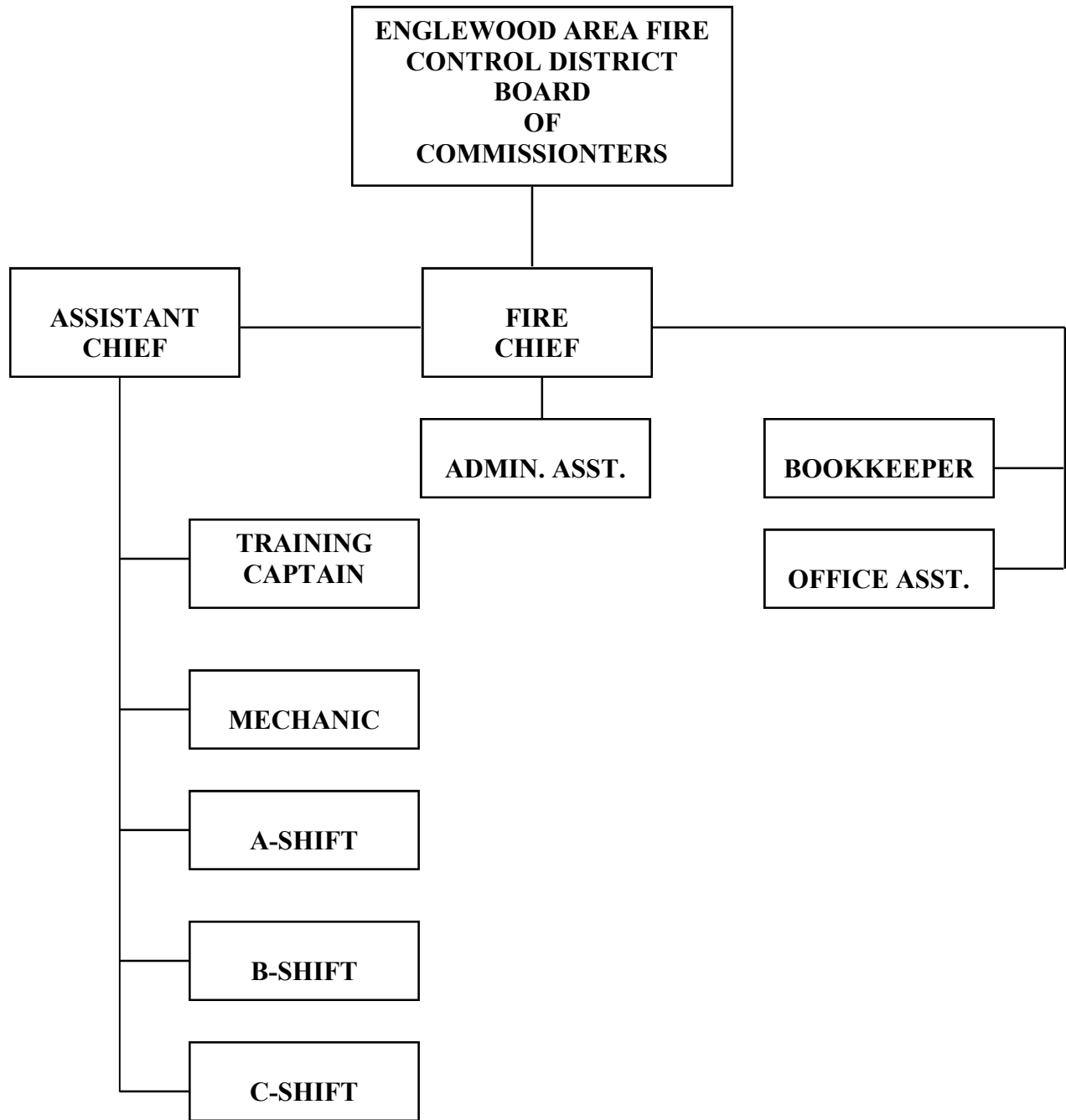
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ENGLEWOOD AREA FIRE CONTROL DISTRICT

September 30, 2007



ENGLEWOOD AREA FIRE CONTROL DISTRICT

LISTING OF DISTRICT OFFICIALS

ELECTED OFFICIALS

Commissioner	Denise Hawkins
Commissioner	Jeff Kern
Commissioner	Allen E. Bell, Jr.
Commissioner	Ronald Davison
Commissioner	Robert Seneca

APPOINTED OFFICIALS

Fire Chief	Michael J. Bonakoske
Attorney	Lori Wellbaum Wolff

DISTRICT MANAGERS

Assistant Chief Operations/Fire Marshal	Kirk Gaskell
Training District Chief	Captain Scott Lane

FINANCIAL SECTION

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Combining and Individual Fund Financial Statements

INDEPENDENT AUDITOR'S REPORT

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm
John N. Davidson, CPA*, CVA
Harry B. Jamieson, CPA*
Richard A. Cristini, CPA*, CPPT, CGFM

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

*Regulated by the
State of Florida

Board of Fire Commissioners
Englewood Area Fire Control District
Englewood, Florida

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of the Englewood Area Fire Control District , as of and for the year ended September 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the budgetary comparisons, and the aggregate remaining fund information of the Englewood Area Fire Control District, as of September 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Fire Commissioners
Englewood Area Fire Control District

In accordance with *Government Auditing Standards*, we have also issued a report dated May 29, 2008 on our consideration of the Englewood Area Fire Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The *accompanying management's discussion and analysis* on pages 3 through 11 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *accompanying introductory section, combining and individual nonmajor fund financial statements, and statistical tables* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *combining and individual nonmajor fund financial statements* have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The *introductory section and statistical tables* have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on them.

Raudon, Jamuin & Cristini, P.L.

May 29, 2008

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis September 30, 2007

As management of the Englewood Area 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, 2007.

FINANCIAL HIGHLIGHTS

- (A) The assets of the district exceeded its liabilities at the close of the 2007 fiscal year by \$ 2,882,766 (net assets). Of this amount, \$ 1,018,516 (unrestricted net assets) may be used to meet the district's ongoing obligations to property owners and creditors.
- (B) The district's net assets increased by \$ 220,194. This increase is attributable to the addition of (4) staff vehicles.
- (C) As of the close of the 2007 fiscal year, the district's governmental funds (general fund and capital projects fund) reported an ending fund balance of \$ 1,420,472 an increase in comparison with the prior year. Approximately \$ 1,371,785 is available for spending at the district's discretion.
- (D) The district issued new debt in the fiscal year 2007. Outstanding debt, which includes capital leases, and compensated absences, at the end of fiscal year 2007 is \$1,079,546.

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 statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the district's finances, using accounting methods similar to a private-sector business. These statements include all assets and liabilities on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2007

The statement of net assets presents information on all of the district's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. unused vacation leave).

The government-wide financial statements should distinguish functions of the Englewood Area Fire Control District (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 their costs through user fees and charges (business-type activities). All of the district's activities are governmental. The two units are the firefighters' and the employees pension plans.

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

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more information about the District's general fund and capital projects fund – not the District as a whole.

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 financial-related legal requirements. The district's funds consist of the general fund and the fiduciary fund categories.

Governmental funds. Governmental funds are funds used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the governmental-wide statements, governmental fund financial statements focus on near-term inflows and outflows 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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2007

Because the focus of governmental funds is narrower than that of 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 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 one governmental fund, its general fund. This fund is presented in the governmental fund balance sheets and in the governmental fund statements of revenues, expenditures, and in the changes in fund balances.

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

The basic governmental fund financial statements can be found on pages 14 through 18 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the district's own programs. Accounting used for fiduciary funds is much like that used for the government-wide financial statements. The basic fiduciary fund financial statements can be found on page 19 of this report.

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 financial statements. The notes to the financial statements can be found on pages 21 through 50 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the district's progress in funding its obligation to provide pension benefits to its firefighters. Required supplementary information can be found on page 43 of this report.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the district's case, assets exceeded liabilities by \$ 2,882,766 at the fiscal year ended on September 30, 2007.

The district's capital assets represent investments in land, buildings, and improvements and equipment.. Approximately 62% of the total net assets are capital assets. The district uses these capital assets to provide services to its citizens and property owners, consequently, these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the district has no debt outstanding and the capital assets themselves cannot be used to liquidate general operating liabilities.

The unrestricted category of net assets, with a balance of \$ 1,018,516 at year end, may be used to meet the district's ongoing obligations to citizens and creditors and is shown in the following schedule:

Table 1

Government Activities	<u>2007</u>	<u>2006</u>	<u>2005</u>
Cash	\$ 1,381,285	\$ 1,233,110	\$ 1,064,592
Other current assets	148,071	45,183	45,228
Capital assets	<u>2,559,591</u>	<u>2,632,092</u>	<u>1,505,409</u>
Total Assets	4,088,947	3,910,385	2,615,229
Long term liabilities	306,044	285,388	141,433
Other liabilities	<u>900,137</u>	<u>962,425</u>	<u>204,090</u>
Total Liabilities	1,206,181	1,247,813	345,523
Net assets:			
Capital assets net of related debt	1,735,943	1,665,611	1,422,099
Restricted	128,307	257,695	383,819
Unrestricted	<u>1,018,516</u>	<u>739,266</u>	<u>463,788</u>
Total Net Assets	<u>\$ 2,882,572</u>	<u>\$ 2,662,572</u>	<u>\$ 2,269,706</u>

At the end of the fiscal year, the district is able to report positive balances in both of its categories of net assets. The district's net assets increased by \$ 220,194 during the current fiscal year primarily from increased spending.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2007

Governmental activities. As the district has no business-type activities, governmental activities were responsible for increasing the district's net assets. The increase is due to the increase in asset values.

Increases in expenses closely paralleled inflation and growth in demand for services. The single major exception was the district's personnel costs which increased 27 % due to salary and benefit increases and additional personnel, which were a result of the protective bargaining unit negotiations.

Table 2

Change in Net Assets			
<u>Government Activities</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues			
Impact fees	\$ 42,420	\$ 312,236	\$ 219,490
Grants	96,984		
Total Program Revenues	<u>139,404</u>	<u>312,236</u>	<u>219,490</u>
General revenues			
Property assessments	5,097,914	4,370,586	3,547,883
Investment earnings	59,110	41,824	20,453
Other	357,453	78,105	146,730
Total General Revenues	<u>5,514,477</u>	<u>4,490,515</u>	<u>3,715,156</u>
Total Program and General Revenues	5,653,881	4,802,751	3,934,646
Expenses			
Public Safety	<u>5,433,687</u>	<u>4,490,855</u>	<u>3,943,179</u>
Total Expenses	5,433,687	4,490,855	3,943,179
Increase (decrease) in net assets	220,194	392,866	-8,533
Net assets beginning of year	<u>2,662,572</u>	<u>2,269,706</u>	<u>2,278,239</u>
Net assets, end of year	<u><u>\$ 2,882,766</u></u>	<u><u>\$ 2,662,572</u></u>	<u><u>\$ 2,269,706</u></u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2007

Financial Analysis of the District's Funds

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the district's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,243,478, while total fund balance was \$1,292,165. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 23.8% of total fund expenditures.

The fund balance for the general fund increased by \$362,557 during the current fiscal year. Key factors in this decrease are as follows:

The increase in fund balance is primarily attributable to the increase in revenue over the previous year.

General Fund Budgetary Highlights

An annual budget is legally adopted for the general fund. Expenditures were under budget by \$102,564 however revenues also exceeded budget by \$292,356. Property assessments, representing 90 % of the district's revenue, increased by \$727,328 during the current year.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2007

Table 3

**Fiscal Year 2007, 2006
Budget - General Fund**

	<u>2007</u>			<u>2006</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:						
Property assessments	\$ 5,211,205	\$ 5,097,914	\$ (113,291)	\$ 4,359,784	\$ 4,370,586	\$ 10,802
Other	101,000	506,647	405,647	100,000	114,666	14,666
Total Revenues	5,312,205	5,604,561	292,356	4,459,784	4,485,252	25,468
Expenditures:						
Public Safety	5,344,574	5,242,010	102,564	4,472,499	4,192,760	279,739
Net Change in Fund Balances	\$ (32,369)	\$ 362,551	\$ 394,920	\$ (12,715)	\$ 292,492	\$ 305,207

Capital assets

At the end of 2007, the district's investment in capital assets for its governmental activities was \$2,559,591 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements and equipment.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2007

Table 4

**Change in Capital Assets
Government Activities**

	<u>2007</u>			<u>2006</u>		
	<u>Beginning Balance</u>	<u>Net Additions/ (Deletions)</u>	<u>Ending Balance</u>	<u>Beginning Balance</u>	<u>Net Additions/ (Deletions)</u>	<u>Ending Balance</u>
Land not being depreciated	\$ 223,900	\$ 1,005	\$ 224,905	\$ 138,900	\$ 85,000	\$ 223,900
Total capital assets not being depreciated	223,900	10,505	234	138,900	85,000	223,900
Buildings&improvements	1,983,914		1,983,914	1,983,914		1,983,914
Equipment	2,923,144	98,231	2,824,913	1,837,627	1,085,517	2,923,144
Total Capital Assets	4,907,058	(98,231)	4,808,827	3,821,541	1,085,517	4,907,058
Less accumulated depreciation	2,498,866	(15,225)	2,483,641	2,455,032	43,834	2,498,866
Total Capital Assets	\$ 2,632,092	\$ (72,501)	\$ 2,559,591	\$ 1,505,409	\$ 1,126,683	\$ 2,632,092

Additional information on the district's capital assets can be found in note 7 on page 35 of this report.

LONG-TERM DEBT

At the end of 2007, the district had total long-term debt outstanding made up of accrued sick leave payable, and capital leases of \$ 1,079,546.

Table 5

Outstanding Debt

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Capital leases	\$ 823,648	\$ 966,481	\$ 81,757
Compensated absences	255,898	169,777	171,134
Total	\$ 1,079,546	\$ 1,136,258	\$252,891

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2007

The District's total external debt decreased by \$142,833 during the current fiscal year. The key factor was the payments on the current debt on vehicles and land.

State statutes limit the amount of debt the District may issue up to 50 percent of one year's budgeted revenues. The current debt limitation for the District is \$2,656,102 which is significantly more than the District's external outstanding debt.

More detailed information about the district's long term debt can be found in note 8 on page 37 of this report.

ECONOMIC FACTORS

The district's board of commissioners approved a \$5,344,574 budget for the fiscal year. This is a 16.9 % increase and included 6 new positions.

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 Michael J. Bonakoske
Fire Chief's Office
516 Paul Morris Dr.
Englewood, Florida 34223

For information about the district's boundaries, services, history, and personnel and equipment, visit the district's website at www.englewood-fire.com.

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Assets
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet - Governmental Funds
Reconciliation of the Balance Sheet to the Statement of
Net Assets - Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of the Governmental Funds to the Statement of
Activities -
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual:
General Fund

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Assets - Fiduciary Funds
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds

Notes to Financial Statements

ENGLEWOOD AREA FIRE CONTROL DISTRICT

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2007

<u>ASSETS</u>	<u>Primary Government</u>
Cash	\$ 1,381,285
Receivables, net of allowance for uncollectibles	99,384
Prepaid expenses	48,687
Capital Assets:	
Land	224,905
Construction in progress	9,500
Buildings and improvements	1,983,914
Equipment	2,824,913
Accumulated depreciation	<u>(2,483,641)</u>
Total capital assets, net	<u>2,559,591</u>
TOTAL ASSETS	4,088,947
<u>LIABILITIES</u>	
Accounts payable	89,425
Accrued salaries and benefits payable	21,492
Deferred revenue	15,718
Noncurrent liabilities:	
Due within one year	179,409
Due within more than one year	<u>900,137</u>
TOTAL LIABILITIES	1,206,181
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	1,735,943
Restricted for capital projects	128,307
Unrestricted	<u>1,018,516</u>
TOTAL NET ASSETS	<u>\$ 2,882,766</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	<u>Primary Government</u>
PROGRAM EXPENSES:	
Public safety - fire	
Personnel services	\$ 4,525,036
Materials and supplies	607,866
Depreciation	264,718
Interest on long-term debt	<u>36,067</u>
TOTAL PROGRAM EXPENSES	5,433,687
PROGRAM REVENUES:	
Grant revenue	96,984
Impact fees	<u>42,420</u>
Total program revenues	<u>139,404</u>
Net program expenses	5,294,283
GENERAL REVENUES:	
Assessments	5,097,914
Space rental	75,488
Firefighters' educational incentive	9,160
Investment earnings	59,110
Miscellaneous	<u>272,805</u>
TOTAL GENERAL REVENUES	<u>5,514,477</u>
INCREASE IN NET ASSETS	220,194
NET ASSETS, BEGINNING OF YEAR	<u>2,662,572</u>
NET ASSETS, END OF YEAR	<u>\$ 2,882,766</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2007

ASSETS

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Cash	\$ 1,252,978	\$ 128,307	\$ 1,381,285
Receivables (net of allowance for uncollectibles accounts):			
Intergovernmental:			
State	2,400	-	2,400
Federal	96,984	-	96,984
Prepaid items	<u>48,687</u>	<u>-</u>	<u>48,687</u>
TOTAL ASSETS	<u>\$ 1,401,049</u>	<u>\$ 128,307</u>	<u>\$ 1,529,356</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:			
Accounts payable	\$ 71,674	\$ -	\$ 71,674
Accrued salaries and benefits payable	21,492	-	21,492
Deferred revenue	<u>15,718</u>	<u>-</u>	<u>15,718</u>
TOTAL LIABILITIES	108,884	-	108,884
FUND BALANCES:			
Reserved for:			
Prepaid items	48,687	-	48,687
Unreserved, reported in:			
General fund	1,243,478	-	1,243,478
Capital projects fund	<u>-</u>	<u>128,307</u>	<u>128,307</u>
TOTAL FUND BALANCES	<u>1,292,165</u>	<u>128,307</u>	<u>1,420,472</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,401,049</u>	<u>\$ 128,307</u>	<u>\$ 1,529,356</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2007

Fund balance - total governmental funds		\$	1,420,472
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.			
Governmental capital assets	\$	5,043,232	
Less accumulated depreciation		<u>(2,483,641)</u>	
			2,559,591
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.			
Accrued interest	\$	17,751	
Capital leases		747,663	
Commercial bank note		75,985	
Compensated absences		<u>255,898</u>	
			<u>(1,097,297)</u>
Net assets of governmental activities.		\$	<u>2,882,766</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES:			
Assessments	\$ 5,097,914	\$ -	\$ 5,097,914
Intergovernmental	9,160	-	9,160
Impact fees	-	42,420	42,420
Space rent	75,488	-	75,488
Grant revenue	96,984	-	96,984
Investment income	56,025	3,085	59,110
Miscellaneous	268,990	3,815	272,805
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	5,604,561	49,320	5,653,881
EXPENDITURES:			
Current:			
Public safety:			
Personnel services	4,438,915	-	4,438,915
Operating expenses	551,283	-	551,283
Capital outlay	179,938	69,274	249,212
Debt service:			
Principal	59,566	82,855	142,421
Interest and fiscal charges	12,308	26,579	38,887
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	5,242,010	178,708	5,420,718
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	362,551	(129,388)	233,163
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	<hr/> -	<hr/> -	<hr/> -
Total other financing sources (uses)	<hr/> -	<hr/> -	<hr/> -
NET CHANGE IN FUND BALANCES	362,551	(129,388)	233,163
FUND BALANCE, OCTOBER 1	<hr/> 929,614	<hr/> 257,695	<hr/> 1,187,309
FUND BALANCE, SEPTEMBER 30	\$ <u><u>1,292,165</u></u>	\$ <u><u>128,307</u></u>	\$ <u><u>1,420,472</u></u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

Net change in fund balance - total governmental funds \$ 233,163

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 depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 192,629	
Less current year depreciation	<u>(264,718)</u>	(72,089)

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 fund:

Change in accrued interest expense	\$ 2,820	
Debt payments	142,421	
Change in compensated absences	<u>(86,121)</u>	<u>59,120</u>

Change in net assets of governmental activities \$ 220,194

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	<u>BUDGETED AMOUNTS</u>		
	<u>ORIGINAL AND FINAL</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Assessments	\$ 5,211,205	\$ 5,097,914	\$ (113,291)
Intergovernmental	-	9,160	9,160
Grant revenue	-	96,984	96,984
Rent	-	75,488	75,488
Investment income	101,000	56,025	(44,975)
Miscellaneous	-	268,990	268,990
	<hr/>	<hr/>	
TOTAL REVENUES	5,312,205	5,604,561	292,356
EXPENDITURES:			
Current:			
Public safety:			
Personnel services	4,640,574	4,438,915	201,659
Operating expenses	603,000	551,283	51,717
Capital outlay	76,000	179,938	(103,938)
Debt service:			
Principal	18,100	59,566	(41,466)
Interest and fiscal charges	6,900	12,308	(5,408)
	<hr/>	<hr/>	
TOTAL EXPENDITURES	5,344,574	5,242,010	102,564
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(32,369)	362,551	394,920
OTHER FINANCING SOURCES (USES):			
Transfer from fund balance	32,369	-	32,369
Sale of capital assets	-	-	-
	<hr/>	<hr/>	
Total other financing sources (uses)	32,369	-	(32,369)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	362,551	362,551
FUND BALANCE, OCTOBER 1	929,614	929,614	-
FUND BALANCE, SEPTEMBER 30	\$ -	\$ 1,292,165	\$ 1,292,165

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUND

SEPTEMBER 30, 2007

<u>ASSETS</u>	<u>Public Safety Pension Fund</u>
Receivables:	
Plan members	\$ 3,964
Employer	125,291
Intergovernmental revenue:	
State	215,756
Interest and dividends	<u>18,826</u>
Total receivables	363,837
Investments at fair value:	
Pooled fixed income fund	3,433,655
Common stock	4,780,963
Temporary investments	<u>380,284</u>
Total investments	<u>8,594,902</u>
Total assets	8,958,739
<u>LIABILITIES</u>	
Accounts payable	<u>15,447</u>
Plan net assets held in trust for pension benefits	\$ <u><u>8,943,292</u></u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	<u>Public Safety Pension Fund</u>
Additions:	
Contributions:	
Employer	\$ 472,118
Plan members	<u>199,086</u>
Total contributions	671,204
Intergovernmental	469,087
Investment income:	
Net appreciation in fair value of investments	636,774
Investment income	<u>123,310</u>
Total investment income	760,084
Less investment expenses	<u>59,153</u>
Net investment income	<u>700,931</u>
Total Additions	1,841,222
Deductions:	
Distributions	300,554
Administrative expenses	<u>24,615</u>
Total deductions	<u>325,169</u>
Net increase	1,516,053
Plan net assets held in trust for pension benefits, October 1	<u>7,427,239</u>
Plan net assets held in trust for pension benefits, September 30	<u>\$ 8,943,292</u>

See Notes to Financial Statements.

NOTES TO
FINANCIAL STATEMENTS

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies

The Englewood Area 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:

Reporting Entity - The District is a political subdivision of the State of Florida, located in Charlotte and Sarasota Counties in the southwest portion of the State. The District was incorporated in 1982 under the provisions of the Laws of Florida, Chapter 82-381 under a Board of Commissioners (Board) structure. In 2001, the Charter was codified, reenacted and amended to, among other items, provide for the redefinition of the boundaries of the District. The District is approximately eighty-three square miles in area. The District was organized to prevent and control damage, destruction or injury to people or property by fire, disaster, or other emergencies.

In evaluating how to define the Englewood Area Fire Control District, (the primary government) for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14.

This governmental accounting standard requires that this financial statement present the District (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The following component units have been presented in the District's reporting entity as blended component units because of the significance of their operational or financial relationships with the District.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

Firefighters' Pension Trust Fund - The District's firefighters participate in the Englewood Area Fire Control District Pension Plan. The plan functions for the benefit of these employees and is governed by a five-member pension board. Two firefighters, two district residents and a fifth member elected by the other four members constitute the pension board. The District and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The District is authorized to establish benefit levels and the Pension Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

Complete financial statements of the above component unit can be obtained from the Englewood Area Fire Control District, Fire Chief's Office, 599 South Indiana Avenue, Englewood, Florida 34223.

Employees' Pension Trust Fund - The District's firefighters who are not covered under the Firefighters' Pension Plan participate in the Employees' Pension Plan. The Plan is non contributory, and is governed by three District employees appointed by the District's Board of Commissioners and is administered by Securian Retirement Services, A Business Unit of The Minnesota Life Insurance Company. The Plan provides that the District will contribute fifteen percent of gross earned income on behalf of each participant. This plan was closed during the fiscal year ended September 30, 2007.

Complete financial statements of the above individual component units can be obtained from:

Englewood Area Fire Control District
Fire Chief's Office
599 South Indiana Avenue
Englewood, Florida 34223

Government-wide and fund financial statements - As discussed more fully in Note 17 the District has adopted the provisions of GASB Statement No. 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 assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are supported by assessments and intergovernmental revenues, continue to be reported separately from fiduciary funds.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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. Assessments and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds (general and capital projects funds), and fiduciary funds. Fiduciary funds and component units that are fiduciary in nature (i.e. the pension trust funds) are excluded from the government-wide financial statements. The major individual governmental funds are reported as separate columns in the fund financial statements.

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's fiduciary funds are presented in the fund financial statements by type (pension). Since by definition these assets are being held for the benefit of a third-party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Measurement focus, basis of accounting, and financial statement presentation- The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing 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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

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.

The only revenue that is susceptible to accrual is interest revenue. Plan and inspection fees are not susceptible to accrual because generally they are not measurable until received in cash. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects funds* accounts for impact fee revenues collected under Section 191.009(4) Florida Statutes which are designated for acquisition and construction of capital improvements and capital equipment.

Pension funds account for the activities of the public safety and employees' pension plans, which accumulates resources for pension benefit payments to qualified public safety and general employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all property assessments.

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.

Assets, Liabilities, and Net Assets or Equity:

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

The District's investment policy is to maintain funds in investments which yield the highest possible efficiency and return within the limitations established by Florida Statutes, Chapter 166.261. Provisions of those statutes authorize the District to invest in:

- a) Florida State Board of Administration Local Government Pooled Investment Fund.
- b) Bonds, notes or other obligations of the United States or for which the credit of the United States is pledged for the payment thereof.
- c) Interest-bearing time deposits, savings accounts or collective investment funds in banks or savings and loan associations organized under the laws of the United States.
- d) Obligations of the federal farm credit banks and the Federal Home Loan Mortgage Corporation.
- e) Obligations of the Federal National Mortgage Association and the Government National Mortgage Association.

Investments in fixed income securities are stated at fair value. 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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

Investments held by the District's pension trust funds are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Receivables and payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e, the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All accounts and intergovernmental receivables, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

Prepaid Items - Certain payments to vendors and 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 therefore equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

Deferred Revenue - Governmental funds report deferred revenues in connection with receivables for revenues not considered available to meet current obligations. Deferred revenue reported in the governmental funds balance sheet as of September 30, 2007, represents an advance tower rent payment from a communication services company which is not available to meet current obligations.

Property Assessment - 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 the County Tax Collector.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

The special assessment levy (assessment) of the District is established by the Board of Commissioners on or after February 1 of each year and the Sarasota and Charlotte County Property Appraisers incorporate the District's assessment into the total tax levy. The District may change the rate of assessment from that assessed in the prior year as provided by Chapter 191, Florida Statutes. The 2007 rate of assessment by the District ranged from \$46.00 to \$115.00 per unit.

An assessment roll showing the assessment rate is prepared and completed by the Board of Commissioners on or before September 30 of each year.

The Board of Commissioners, upon the adoption of the resolution fixing the rate of assessment, shall prepare an assessment and collection roll setting forth a description of each lot or parcel of land subject to taxation in the district together with the amount of assessment against the lot or parcel of land and attach thereto a certified copy of the resolution fixing the rate of assessment, and it shall, before September 15 each year, deliver the roll to the County Tax Collectors of Sarasota and Charlotte Counties, for collection of the assessments. All assessments shall be made against the land subject to assessment, and the roll shall set forth the names of the owners of such land.

All assessments are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid assessments become delinquent on April 1 following the year in which they are assessed.

Delinquent assessments bear interest at 18% 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 at 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 Sarasota and Charlotte County Tax Collectors' Offices 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

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal 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 - 55
Equipment	5 - 15

Compensated absences - It is the District's policy to permit employees to accumulate earned but unused sick pay, personal and compensatory time benefits.

Vacation Leave:

All full-time and part-time employees do not accrue vacation time. Vacation leave is not paid out upon termination of employment.

Personal Time:

Personal time is earned at the rate of eight (8) hours per year by all full-time (forty-hour per week) employees - unused personal time may be accumulated and is payable at the rate of pay in effect at termination.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

Compensatory (Comp) Time:

Compensatory time at the rate equal to that of overtime may be requested in lieu of overtime. Unused Comp time up to ninety-six (96) hours will be paid at the rate of pay in effect at termination.

Sick Leave:

It is the District's policy that all full-time (forty hour per week) employees earn eight (8) hours of sick leave for each full month of employment beginning with an employee's first pay period. All full-time (fifty-six hour per week) employees earn twelve (12) hours of sick leave for each full month of employment after six months of employment. Sick leave may be accumulated up to a maximum of one hundred and sixty hours for all forty hour per week employees and four hundred and eighty hours for all fifty-six hour per week employees. Unused sick leave is payable to the employee's beneficiary at an amount equal to his accrued sick leave, up to a maximum of four hundred and eighty hours in the event of death in the line of duty or suffers death on account of injuries sustained in the line of duty.

Sick leave is paid out upon termination in accordance with the following schedule:

<u>Years of Service</u>	<u>Vesting %</u>
0 year through 2 years	0%
3 years through 5 years	30%
5 years through retirement	100%

Vested or accumulated sick leave, personal or comp time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated sick leave, personal or comp time that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

1. Summary of Significant Accounting Policies (Continued)

All sick pay, personal and comp time is accrued when incurred 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/or retirements.

Long-Term Obligations - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement.

Fund equity - In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets - Net assets of the government-wide fund is categorized as invested in capital assets net of related debt or unrestricted. The first category represents net assets related to capital assets.

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

Capital assets, net of accumulated depreciation equipment	\$ 2,559,591
Capital leases and commercial note	(823,648)
Accrued interest on capital leases and commercial note	(17,751)
Compensated absences	<u>(255,898)</u>
Net adjustment to increase <i>fund balance - total Governmental funds</i> to arrive at <i>net assets - Governmental activities</i>	<u>\$ 1,462,294</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses.” The details of this \$(72,089) difference are as follows:

Capital outlay	\$ 192,629
Depreciation expense	<u>(264,718)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net assets of governmental activities	<u>\$ (72,089)</u>

Another element of that reconciliation states that “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 this \$59,120 difference are as follows:

Compensated absences	\$ (86,121)
Change in accrued interest expense	2,820
Principal debt payments	<u>142,421</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 59,120</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

3. Stewardship, Compliance and Accountability

Budgetary information - On or before June 1 of each year, the department heads of each of the District's divisions submit requests for appropriation to the Fire Chief so that a budget may be prepared. The budget is prepared by fund, 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 July 1. The Board holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Fire Chief and the Division head or the revenue estimates must be changed by an affirmative vote of a majority of the Board.

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

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

Establishment/Elimination of Funds - During the fiscal year ended September 30, 2007, the District did not establish or eliminate any funds.

Excess of expenditures over appropriations - The Capital Projects fund had an operating deficit of \$129,388 for the fiscal year ended September 30, 2007. The District had an available undesignated fund balance which was applied to this deficit.

4. Deposits

At year-end the carrying amount of the District's deposits was \$1,381,285 and the bank balance was \$1,608,750. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

5. Investments

The District's investments are held by the counterparty's (Bank's) trust department or agent in the District's name.

Investments as of September 30, 2007 are presented as follows:

	<u>Bond Rating</u>	<u>Fair Value</u>	<u>Weighted Average Duration (Years)</u>
Open-end bond fund	AAA	\$ 3,433,655	N/A
Temporary investment fund	AAA	380,284	Daily
Common stock		<u>4,780,963</u>	
Total fixed income investments		<u>\$ 8,594,902</u>	

All fixed and equity investments are assets of the District's Pension Trust Funds. The fair value of these investments was determined by the stock share or mutual fund share prices as of September 30, 2007.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies, the pension trust fund manages its exposure to fair value losses arising from increasing interest rates. The fund limits the effective duration of its investment portfolio through the adoption of nationally accepted risk measure benchmarks.

Credit Risk. Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with state law, it is the Pension fund's policy to limit its debt investments to the A rating or higher issued by nationally recognized statistical rating organizations.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

6. Receivables

Receivables at September 30, 2007, consist of the following:

	<u>General Fund</u>
Receivables:	
Intergovernmental:	
Federal	\$ 96,984
State	<u>2,400</u>
Gross receivables	99,384
Less: Allowance for uncollectibles	<u>-</u>
Net total receivables	<u>\$ 99,384</u>

The receivables in the General Fund are due from state and local agencies.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

7. Capital Assets

Capital asset activity for the year ended September 30, 2007 was as follows:

	Balance October 1, 2006	Increases	Decreases	Balance September 30, 2007
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 223,900	\$ 1,005	\$ -	\$ 224,905
Construction in progress	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>9,500</u>
Total capital assets, not being depreciated	223,900	10,505	-	234,405
Capital assets, being depreciated:				
Buildings and improvements	1,983,914	-	-	1,983,914
Equipment	<u>2,923,144</u>	<u>181,712</u>	<u>279,943</u>	<u>2,824,913</u>
Total capital assets, being depreciated	4,907,058	181,712	279,943	4,808,827
Less accumulated depreciation for:				
Buildings and improvements	1,226,875	40,514	-	1,267,389
Equipment	<u>1,271,991</u>	<u>224,204</u>	<u>279,943</u>	<u>1,216,252</u>
Total accumulated depreciation	<u>2,498,866</u>	<u>264,718</u>	<u>279,943</u>	<u>2,483,641</u>
Total capital assets, being depreciated, net	<u>2,408,192</u>	<u>(83,006)</u>	<u>-</u>	<u>2,325,186</u>
Governmental activities capital assets, net	<u>\$ 2,632,092</u>	<u>\$ (72,501)</u>	<u>\$ -</u>	<u>\$ 2,559,591</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Public safety - Fire Protection	\$ <u>264,718</u>
Total depreciation expenses - governmental activities	\$ <u>264,718</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

7. Capital Assets (Continued)

During the fiscal year ended September 30, 2007 the District started the construction of its new training facility. A summary of these costs as of September 30, 2007 is presented below:

	<u>Capitalized Construction Costs</u>
New training facility	\$ <u>9,500</u>

8. General Long-Term Debt

The District entered into various capital lease and commercial note obligations for certain equipment summarized as follows:

- a) Capital lease collateralized by a fire pumper truck, dated January 3, 2000, with a maturity date of May 15, 2009, with interest at 5.69%. Principal and interest payments are due yearly in the amount of \$23,460 beginning May 15, 2000.
- b) Capital lease collateralized by four vehicles, dated March 15, 2006, with a maturity date of March 15, 2010, with interest at 4.48%. Principal and interest payments are due yearly in the amount of \$29,062 beginning April 24, 2006.
- c) Capital lease collateralized by three C440 Rescue Pumpers, dated April 1, 2005, with a maturity date of February 15, 2013, with interest at 3.76%. Principal and interest payments are due yearly in the amount of \$118,183 beginning February 15, 2006.
- d) Commercial note collateralized by the District's bank deposits for the purchase of a lot at 407 Boundary, dated May 8, 2006, with a maturity date of May 8, 2016, with interest at 5.18%. Principal and interest payments are due monthly in the amount of \$912 beginning June 8, 2006.

The District allows employees to accumulate sick time, personal and comp time. The total liability for accrued sick leave, personal and comp time as of September 30, 2007 is \$255,898.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

8. General Long-Term Debt (Continued)

Changes in long-term debt are summarized as follows:

<u>Description</u>	<u>Balance October 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2007</u>
Commercial Note	\$ 82,804	\$ -	\$ 6,819	\$ 75,985
Capital leases	883,677	-	136,014	747,663
Sick leave	162,882	119,908	38,126	244,664
Personal time	3,077	3,465	404	6,138
Compensatory time	3,818	3,590	2,312	5,096
Totals	\$ <u>1,136,258</u>	\$ <u>126,963</u>	\$ <u>183,675</u>	\$ <u>1,079,546</u>

The following table presents a summary of capital lease and commercial note maturities and interest requirements:

<u>Year ending September 30,</u>	<u>Capital Leases</u>	<u>Commercial Note</u>	<u>Total</u>
2008	\$ 170,705	10,948	181,653
2009	170,705	10,948	181,653
2010	147,245	10,948	158,193
2011	118,183	10,948	129,131
2012	118,183	10,948	129,131
Next five years	<u>118,183</u>	<u>39,627</u>	<u>157,810</u>
Total payments due	843,204	94,367	937,571
Less interest	<u>95,541</u>	<u>18,382</u>	<u>113,923</u>
Net principal outstanding	\$ <u>747,663</u>	\$ <u>75,985</u>	\$ <u>823,648</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

9. Risk Management

The District did not receive sufficient federal grant funds during the year ended September 30, 2005 and is not, therefore, subject to the program compliance audit by the grantee under the Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations."

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 coverages from commercial insurance carriers.

The District also carries commercial insurance for all other risks of loss including 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.

10. Reserved Fund Balances

Governmental Funds - Reserved fund balances indicate those portions of fund balances that are legally segregated for a specific use or not available for appropriation or expenditure. The nature of these reserves is as follows at September 30, 2007.

General Fund - Reserved for:	
Prepaid items	\$ <u>48,687</u>
 Total Governmental Funds Reserved Fund Balance	 \$ <u><u>48,687</u></u>

Pension Trust Funds - Fund balances in the Pension Trust Funds are reserved to indicate fund equity restricted for future benefits to members of the District's pension plans as follows:

Firefighters' Pension Trust Fund	\$ <u>8,943,292</u>
 Total Pension Trust Funds - Reserved Fund Balances	 \$ <u><u>8,943,292</u></u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

11. Designated Fund Balances

General Fund - Designations of the general fund's fund balance are established by the Board of Commissioners for special purposes as follows:

GRIT	\$	50,000
Accrued leave		48,654
Vehicles		240,853
Insurance		112,118
Extraction team		1,855
Contingencies		<u>210,441</u>
Total fund designations	\$	<u><u>663,921</u></u>

12. Employee Retirement Systems

The District maintains a single employer, defined benefit pension plan (Firefighters' Pension Trust Fund) which covers all of its firefighters as well as a defined contribution 403(a) plan which covers the District's general employees. The District does not provide postemployment benefits for firefighters or general employees other than pension benefits.

Firefighters' Pension Fund
(Chapter 175 Plan)

The District maintains a single employer defined benefit pension plan (Englewood Area Fire Control District Firefighters' Pension Plan) (Plan).

Plan Description:

The following brief description of the District's Firefighters' Retirement Plan is provided for general information purposes only. Participants should refer to the Plan Ordinance for more complete information.

The Plan is a single employer defined benefit pension plan covering all full-time firefighters of the District. Participation in the Plan is required as a condition of employment. Originally established by District Resolution in 1995 and amended in 1999, 2000, and 2002 the Plan provides for pension, death and disability benefits. The Plan is subject to provisions of Chapter 175 of the State of Florida Statutes.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

12. Employees Retirement Systems (Continued)

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

Firefighters Pension Trust Fund (Continued)

Plan Description (Continued)

Current membership in the Plan is comprised of full-time sworn Firefighters of the District is summarized as follows:

<u>Group</u>	<u>September 30, 2007</u>
Retirees and beneficiaries currently receiving benefits	<u>9</u>
Terminated plan members entitled to but not yet receiving benefits	<u>1</u>
Active plan members:	
Fully vested	16
Nonvested	<u>41</u>
Total	<u>57</u>

The Plan also provides death and disability benefits. The death benefit is the greater of the firefighter's accumulated contributions or his accrued benefit. Disability payments will be equal to 3.25% of the firefighter's average final annual compensation times his years of credited service and not less than forty-two percent of his average final monthly salary.

Firefighters contribution rates are established at 7.0 percent of salary. Accumulated firefighter contributions are refunded if a firefighter leaves covered employment before completing ten years of credited service. Interest is not paid on contributions of terminated firefighters. Excise tax payments are also received from the State of Florida under Florida Statutes, Chapter 175. The District's contributions are made in amounts sufficient to fund the Plan at an actuarially determined rate specified by Chapter 175. The Plan's administrative costs are financed through investment earnings. The Plan has no undue investment concentrations.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

Annual Pension Cost and the Net Pension Obligation for the year ended September 30, 2007 is summarized as follows:

Annual required contributions	\$	-
Interest on net pension obligation		-
Adjustment to annual required contribution		-
Annual pension cost		-
Contributions made		472,118
Increase in net pension obligation		-
Net pension obligation, beginning of year		-
Net pension obligation, end of year	\$	<u>472,118</u>

The annual required contribution for the current year was determined as part of the September 30, 2006 actuarial valuation using the frozen entry age normal actuarial cost method. The actuarial assumptions included (a) 8.0% reinvestment rate of return (net of administrative expenses) and (b) projected annual salary increases range from 6.0% (based on years of service). Both (a) and (b) included an inflation component of 3.0%. The assumptions do not include post-retirement benefit increases of 1.7%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at September 30, 2006 is 30 years.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

The Plan's three year trend information is summarized as follows:

<u>Three Year Trend Information</u>			
<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/05	\$ 387,136	100.0%	-
9/30/06	360,699	100.0	-
9/30/07	472,118	100.0	-

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

The Plan's tables of required supplementary information is presented below:

Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date September 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
1998	\$ 1,768,858	\$ 2,453,432	\$ 684,574	72.10%	\$ 1,003,857	68.19 %
1999	2,246,654	3,090,248	843,594	72.70%	1,129,804	74.67
2000	3,019,516	3,711,104	691,588	81.36%	1,239,425	55.80
2001	3,554,260	4,172,135	617,875	85.19	1,334,895	46.29
2002	3,968,168	4,527,927	559,759	87.64	1,490,454	37.56
2003	4,440,899	4,914,909	474,010	90.36	1,684,769	28.14
2004	5,070,992	9,069,799	3,998,807	55.91	1,846,892	216.52
2005	6,210,825	10,517,818	4,306,994	59.05	2,136,591	201.58
2006	7,296,964	12,191,179	4,894,216	59.85	2,382,113	205.46

Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Percentage Contributed
1998	\$ 153,223	100.0 %
1999	174,157	100.0
2000	204,484	100.0
2001	221,425	100.0
2002	242,578	100.0
2003	281,738	100.0
2004	308,634	100.0
2005	387,136	100.0
2006	360,699	100.0
2007	472,118	100.0

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

Notes to the Required Schedules

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest (September 30, 2006) actuarial valuation follows:

Valuation date	September 30, 2006
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent Closed
Remaining amortization period	30 years open
Asset valuation method	4 year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Post retirement benefit increases	1.7%
Projected salary increases	6.0%
Inflation rate	3.0%

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

Employees' Pension Fund

The District provides retirement benefits for all of its full-time employees not covered under the Firefighters' Pension Plan through a non-contributory self-directed defined contribution 403(a) plan administered by the Securian Retirement Services under a prototype Defined Contribution Plan and Trust Agreement issued by the Minnesota Life Insurance Company. At September 30, 2007 there were four plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. General employees are eligible to participate after one year of employment with no age requirement. The Plan requires that the District contributes fifteen percent of all participants' earnings. The District's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service summarized as follows:

<u>Years of Service Completed</u>	<u>Vested Percentage</u>
1	20%
2	40
3	60
4	80
5	100

Any portion of the unvested District contributions for, and unvested interest forfeited by, employees who leave employment before five years of service are used to reduce the District's current-period contribution requirement. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

The District did not make a 2007 contribution to the employees' pension fund since this plan was closed during the fiscal year ended September 30, 2007.

The remaining assets of the Plan were distributed to the participants during the fiscal year ended September 30, 2007.

13. Florida Retirement System

All of the District general employees participate in the Florida Retirement System (FRS), a non-contributory cost-sharing, multiple-employer public employee retirement system.

The District contributes to the FRS which is administered by the Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes which may be amended by the Florida Legislature, assigns the authority to establish and amend benefit provision to the Department of Management Services through the Division of Retirement. The FRS issues a publicly available financial report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to:

State of Florida
Division of Retirement
3639-C North Monroe Street
Tallahassee, FL 32399-1560

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

13. Florida Retirement System (Continued)

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentage of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates, established by state law, are determined using the entry-age actuarial funding method. Future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

Retirement benefits and the District's contribution rates are summarized as follows:

Membership Category	Retirement Benefit	Vesting	District Contributions Rate Actuarially Determined
			Employer Contribution Rates At 9/30/07
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	9.85% of covered payroll
Executive	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age	After 6 years of creditable service	16.53% of covered payroll
Special Risk	3.0% times years of service times average compensation (5 highest years) if age 55 or 25 years of service at any age.	After 6 years of creditable service.	20.92% of covered payroll

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 6.5%. 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 10.91% of salary for all DROP participants. FRS also provides disability and survivors' benefits.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

13. Florida Retirement System (Continued)

The District's contributions include 1.11% for a post-retirement health insurance subsidy. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute.

The contribution requirements of employers are established and may be amended by the Division of Retirement. The District's contributions and its required contributions for the two years ended September 30, 2007 are summarized as follows:

<u>Year Ended September 30</u>	<u>District Contribution</u>	<u>Percentage Contributed</u>
2006	\$ 13,568	100.00
2007	267,875 ^(A)	100.00

^(A) \$255,282 of this amount was for the past service cost of the general employee members.

14. Postemployment Benefits Other Than Pension Benefits

Postemployment health care benefits are made available to the District's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA, the District is required to offer an election to deceased or terminated participants, their spouses or dependents to continue coverage in the health plan provided by the District. The cost of coverage which the District may charge the participant may not exceed 102% of the applicable premium.

15. Health Benefit Plan

District established a self insured health benefit plan for the payment of certain medical expenses of eligible employees and designated dependents. For the year ended September 30, 2007 the plan provides certain individual deductible up to \$2,000. The plan has purchased stop-loss insurance for claims in excess of the coverage provided. The reinsurance coverage has the aggregate reimbursement maximum of \$1,000,000. Settled claims have not exceeded the reinsurance coverage in any of the past three fiscal years.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

15. Health Benefit Plan (Continued)

The Current claims liability of \$16,000 reported as of September 30, 2007, based on information identified prior to the issuance of the financial statements, indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is based on the unpaid claims using past experience adjusted for current trends and any other factors that would modify past experience. Changes in the fund's claims liability amount during the year ended September 30, 2007 are as follows:

<u>Liability Balance September 30, 2006</u>	<u>Current Claims and Changes in Estimates</u>	<u>Liability Claims Payments</u>	<u>Liability Balance September 30, 2007</u>
\$ <u>12,700</u>	\$ <u>310,700</u>	\$ <u>307,400</u>	\$ <u>16,000</u>

16. Rent Income

On December 15, 1994, the District entered into a 20 year lease with a communication company, whereby the company installed a transmission tower at one of the District's stations. The District received a one time payment of \$40,000 in consideration of the lease. This payment is being amortized as rent income at the rate of \$2,000 per year. The unamortized portion is reported as deferred income.

The District has also entered into two 5-year leases with two communication companies whereby the companies established building space at one of the District's stations. The District receives monthly rent of \$650 from each company in consideration of the leases. These agreements contain three five-year renewal options.

During the year ended September 30, 2003, the District entered into a three-year lease with Sarasota County to house its EMS units for a yearly rent of \$24,000 beginning on April 1, 2004. An additional lease with Sarasota County for EMS units at Station 3 was effective for a yearly rent of \$15,000. These two leases contain a two year renewal option.

Rent income on the above lease agreements for the fiscal year ended September 30, 2007 is as follows:

Sarasota County rent Station 1	\$ 24,000
Sarasota County rent Station 3	15,000
Communication services company space rent	34,488
Amortization of deferred rent	<u>2,000</u>
Total rent income	<u>\$ 75,488</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

17. Public Entity Risk Pool

The District participated in a risk-sharing pool for workers' compensation insurance through September 30, 1999. The District and other governmental and non-profit organizations pooled risks and shared in the cost of losses. In March 2000, the pool in which the District had previously participated declared bankruptcy. Because the pool was a self-insurance fund made possible by special enabling legislation, it does not fall under the usual safety net for such defaults. Because of the way the enabling legislation was written, the participants are now responsible for making payments to injured workers. Based on information provided by the District's legal counsel, management has elected to designate \$50,000 of its Fund Balance to cover payments it may be required to make. The District does not know at this time whether this will cover all claims but believes the amount to be reasonable. Expenses for the year ended September 30, 2007 were \$2,969.

18. Interlocal Agreement

During August, 2005 the District entered an interlocal agreement with Charlotte County to construct a fire station for western Charlotte County. The agreement provides that the County will provide the land and construct the station and the District will pay for the station's maintenance and operating costs. The construction of this station is still in progress during the fiscal year ended September 30, 2007.

19. Commitments and Contingencies

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

The District is involved in certain ongoing construction projects. Management's estimate of the cost of these projects through the next two fiscal years ending September 30, 2009 is approximately \$750,000. The funding for these projects will come from the general funds and the capital projects fund.

The District did not receive federal grant funds during the fiscal year ended September 30, 2007, and is not, therefore, subject to the program compliance audit by the grantee under the Office of Management and Budget circular a-133, Audits of States, Local Governments and Non-profit Organizations".

COMBINING AND
INDIVIDUAL FUND
FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the general operating fund of the District. It is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

GENERAL FUND

BALANCE SHEET

SEPTEMBER 30, 2007

(with comparative totals as of September 30, 2006)

ASSETS

	<u>2007</u>	<u>2006</u>
Cash	\$ 1,252,978	\$ 975,415
Accounts receivable (net of allowance for uncollectible accounts):		
Accounts	-	-
Intergovernmental:		
State	2,400	2,070
Federal	96,984	-
Prepaid items	<u>48,687</u>	<u>43,113</u>
 TOTAL ASSETS	 <u>\$ 1,401,049</u>	 <u>\$ 1,020,598</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	\$ 71,674	\$ 56,209
Accrued salaries and benefits payable	21,492	17,057
Deferred tower rent	<u>15,718</u>	<u>17,718</u>
 TOTAL LIABILITIES	 108,884	 90,984
 FUND BALANCE:		
Reserved for:		
Prepaid items	<u>48,687</u>	<u>43,113</u>
 Total Reserved	 48,687	 43,113
 Unreserved:		
Designated for GRIT	50,000	50,000
Designated for accrued leave	48,654	48,654
Designated for vehicles	240,853	240,853
Designated for insurance	112,118	-
Designated for extraction team	1,855	-
Designated for contingencies	<u>210,441</u>	<u>210,441</u>
 Total designated funds	 663,921	 549,948
 Undesignated	<u>579,557</u>	<u>336,553</u>
 TOTAL FUND BALANCE	 <u>1,292,165</u>	 <u>929,614</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,401,049</u>	 <u>\$ 1,020,598</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

(with comparative totals for the fiscal year ended September 30, 2006)

	2007		VARIANCE FAVORABLE (UNFAVORABLE)	2006
	BUDGET	ACTUAL		ACTUAL
REVENUES:				
Assessments:				
Fire	\$ 5,211,205	\$ 5,097,914	\$ (113,291)	\$ 4,370,586
Rent income	-	75,488	75,488	61,879
Grant revenue	-	96,984	96,984	-
Investment income	101,000	56,025	(44,975)	36,611
Miscellaneous	-	268,990	268,990	10,026
Educational incentive	-	9,160	9,160	6,150
TOTAL REVENUES	5,312,205	5,604,561	292,356	4,485,252
EXPENDITURES:				
Current:				
Public Safety-Fire:				
Regular salaries	3,178,684	2,923,719	254,965	2,416,880
Career incentive	95,000	9,160	85,840	3,276
Other compensation	-	79,594	(79,594)	90,096
Longevity	37,000	35,900	1,100	39,900
Overtime, hire back	75,000	40,073	34,927	71,678
Medicare tax	46,100	41,590	4,510	33,603
Retirement	525,590	739,994	(214,404)	403,307
Group health insurance	340,200	307,409	32,791	247,419
Unemployment tax	3,000	-	3,000	6,492
Workers' compensation	320,000	243,474	76,526	218,442
Life and disability insurance	20,000	18,002	1,998	35,090
Legal fees	50,000	35,283	14,717	52,244
Commissioner compensation	30,000	29,000	1,000	28,000
Audit and accounting	17,000	9,325	7,675	10,593
Collection fees	59,000	34,830	24,170	36,352
Pension administrative fees	1,000	6,045	(5,045)	-
Medical services	35,000	2,615	32,385	26,345
Rent	-	7,500	(7,500)	-
Advertising & Public Relations	4,000	4,084	(84)	2,530
Fuel oil	1,000	276	724	774
Telephone	18,000	13,968	4,032	12,839
Electricity	25,000	25,444	(444)	22,664
Water, sewer & trash	12,500	7,100	5,400	6,539
Insurance	65,000	59,521	5,479	51,949
Repair and maintenance	65,500	78,570	(13,070)	49,560
Printing	2,000	867	1,133	1,432
Office supplies	16,500	17,143	(643)	13,975
Small tools and supplies	48,000	50,597	(2,597)	56,098
Petroleum products	55,000	44,876	10,124	41,625
Uniforms and protective gear	30,000	54,148	(24,148)	17,630
Education and training	36,000	39,288	(3,288)	31,415
Dues and publications	4,000	1,751	2,249	4,286
Capital outlay	76,000	179,938	(103,938)	111,518
Miscellaneous	13,000	21,305	(8,305)	13,215
Medical supplies	5,000	3,261	1,739	2,867
Pager fees	3,500	1,606	1,894	2,062
Contributions	5,000	1,149	3,851	1,151
Laundering	2,000	1,731	269	676
Debt service:				
Principal	18,100	59,566	(41,466)	21,340
Interest and fiscal charges	6,900	12,308	(5,408)	6,898
TOTAL EXPENDITURES	5,344,574	5,242,010	102,564	4,192,760

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007
(with comparative totals for the fiscal year ended September 30, 2006)
(CONTINUED)

	<u>2007</u>		<u>VARIANCE</u>	<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>ACTUAL</u>
			<u>(UNFAVORABLE)</u>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(32,369)	362,551	394,920	292,492
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	-	2,200
Transfer from fund balance	32,369	-	(32,369)	-
TOTAL OTHER FINANCING SOURCES AND (USES)	32,369	-	(32,369)	2,200
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	362,551	362,551	294,692
FUND BALANCE, OCTOBER 1	929,614	929,614	-	634,922
FUND BALANCE, SEPTEMBER 30	929,614	\$ 1,292,165	\$ 362,551	\$ 929,614

See Notes to Financial Statements.

FIDUCIARY FUNDS

Firefighters' Pension Trust Fund - A defined benefit pension trust fund is used to account for the accumulation of resources to be used for retirement annuity payments at approximate amounts and times in the future for the District's Firefighters.

Employees' Pension Fund - The District's Employees' Pension Trust Fund is used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future, and predicated on the amount contributed for the District's employees. This Fund was closed during the fiscal year ended September 30, 2007.

Combining Statement of Plan Net Assets -
Pension Trust Funds

Combining Statement of Changes in Plan
Net Assets - Pension Trust Funds

ENGLEWOOD AREA FIRE CONTROL DISTRICT

PENSION TRUST FUNDS

COMBINING STATEMENT OF PLAN NET ASSETS

SEPTEMBER 30, 2007

(with comparative totals as of September 30, 2006)

<u>ASSETS</u>	Firefighters' Pension Fund	Employees' Pension Fund	<u>Totals 2007</u>	<u>Totals 2006</u>
Receivables:				
Plan members	\$ 3,964	\$ -	\$ 3,964	\$ 3,244
Employer	125,291	-	125,291	76,500
State excise tax supplement	215,756	-	215,756	107,761
Interest and dividends	<u>18,826</u>	<u>-</u>	<u>18,826</u>	<u>2,982</u>
Total receivables	363,837	-	363,837	190,487
Investments at fair value:				
Pooled fixed income fund	3,433,655	-	3,433,655	2,670,139
Pooled equity funds	-	-	-	4,398,315
Mutual funds	-	-	-	638,202
Common stock	4,780,963	-	4,780,963	-
Temporary investments	<u>380,284</u>	<u>-</u>	<u>380,284</u>	<u>231,369</u>
Total investments	<u>8,594,902</u>	<u>-</u>	<u>8,594,902</u>	<u>7,938,025</u>
Total assets	8,958,739	-	8,958,739	8,128,512
<u>LIABILITIES</u>				
Accounts payable	<u>15,447</u>	<u>-</u>	<u>15,447</u>	<u>14,508</u>
Plan net assets held in trust for pension benefits (a schedule of funding progress for the Firefighters' Pension Trust Fund on page	<u>\$ 8,943,292</u>	<u>\$ -</u>	<u>\$ 8,943,292</u>	<u>\$ 8,114,004</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007
(with comparative totals for the fiscal year ended September 30, 2006)

	Firefighters' Pension Fund	Employees' Pension Fund	<u>Totals</u> 2007	<u>Totals</u> 2006
ADDITIONS:				
Contributions:				
Employer	\$ 472,118	\$ -	\$ 472,118	\$ 374,267
Plan members	199,086	-	199,086	164,695
Buy-back	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions	671,204	-	671,204	538,962
Intergovernmental revenue:				
State excise tax	253,331	-	253,331	179,580
State excise tax supplement	215,756	-	215,756	107,761
	<hr/>	<hr/>	<hr/>	<hr/>
Total Intergovernmental revenue	469,087	-	469,087	287,341
Investment income:				
Net appreciation in fair value of investments	636,774	74,872	711,646	595,351
Investment income	123,310	-	123,310	10,776
Other	-	-	-	2,592
	<hr/>	<hr/>	<hr/>	<hr/>
Total investment income	760,084	74,872	834,956	608,719
Less investment expense	59,153	145	59,298	54,213
	<hr/>	<hr/>	<hr/>	<hr/>
Net investment income	700,931	74,727	775,658	554,506
Total additions	1,841,222	74,727	1,915,949	1,380,809
DEDUCTIONS:				
Pension Benefits	300,554	761,492	1,062,046	506,865
Administration	24,615	-	24,615	20,023
	<hr/>	<hr/>	<hr/>	<hr/>
Total deductions	325,169	761,492	1,086,661	526,888
Net increase (decrease)	1,516,053	(686,765)	829,288	853,921
Plan net assets held in trust for for pension benefits, October 1	7,427,239	686,765	8,114,004	7,260,083
Plan net assets held in trust for for pension benefits, September 30	\$ <u>8,943,292</u>	\$ <u>-</u>	\$ <u>8,943,292</u>	\$ <u>8,114,004</u>

See Notes to Financial Statements.

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CAPITAL ASSETS USED IN THE OPERATION OF THE GOVERNMENTAL FUND

SCHEDULE BY SOURCE

SEPTEMBER 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CAPITAL ASSETS:		
Land	\$ 224,905	\$ 223,900
Buildings and improvements	1,983,914	1,983,914
Equipment	2,824,913	2,923,144
Construction in progress	<u>9,500</u>	<u>-</u>
Total capital assets	<u>\$ 5,043,232</u>	<u>\$ 5,130,958</u>
Investment in capital assets from:		
General Fund	\$ 4,480,044	\$ 4,600,775
Capital Projects Fund	<u>563,188</u>	<u>530,183</u>
Total investments in capital assets	<u>\$ 5,043,232</u>	<u>\$ 5,130,958</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CAPITAL ASSETS USED IN THE OPERATION
OF THE GOVERNMENTAL FUND
SCHEDULE BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2007 and 2006

	2007				
	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
Public safety:					
Fire Protection	\$ #####	\$ 224,905	\$ 1,983,914	\$ 2,824,913	\$ 9,500
Total capital assets	\$ #####	\$ 224,905	\$ 1,983,914	\$ 2,824,913	\$ 9,500
	2006				
	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
Public safety:					
Fire Protection	\$ #####	\$ 223,900	\$ 1,983,914	\$ 2,923,144	\$ -
Total capital assets	\$ #####	\$ 223,900	\$ 1,983,914	\$ 2,923,144	\$ -

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES IN CAPITAL ASSETS-
BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	<u>Capital Assets October 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Capital Assets September 30, 2007</u>
Public safety:				
Fire Protection	\$ <u>5,130,958</u>	\$ <u>192,217</u>	\$ <u>279,943</u>	\$ <u>5,043,232</u>
Total public safety	\$ <u><u>5,130,958</u></u>	\$ <u><u>192,217</u></u>	\$ <u><u>279,943</u></u>	\$ <u><u>5,043,232</u></u>

See Notes to Financial Statements.

STATISTICAL SECTION

This part of the Englewood Area Fire Control District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Content	Page
Financial Trends	59
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	64
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	69
<i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue debt in the future.</i>	
Operating Information	72
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

FINANCIAL TRENDS

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NET ASSETS BY COMPONENT

LAST FOUR FISCAL YEARS

(accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 1,735,943	\$ 1,665,611	\$ 1,422,099	\$ 1,476,550
Restricted	128,307	257,695	383,819	258,861
Unrestricted	<u>1,018,516</u>	<u>739,266</u>	<u>463,788</u>	<u>542,828</u>
Total governmental activities net assets	<u>\$ 2,882,766</u>	<u>\$ 2,662,572</u>	<u>\$ 2,269,706</u>	<u>\$ 2,278,239</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
PROGRAM EXPENSES				
Governmental Activities:				
Public safety - fire:				
Personnel - services	\$ 4,525,036	\$ 3,562,907	\$ 3,364,107	\$ 3,119,435
Materials and supplies	607,866	643,159	430,651	489,319
Depreciation	264,718	149,882	143,195	138,758
Interest and long-term debt	<u>36,067</u>	<u>53,937</u>	<u>5,226</u>	<u>7,795</u>
Total governmental activities expenses	<u>\$ 5,433,687</u>	<u>\$ 4,409,885</u>	<u>\$ 3,943,179</u>	<u>\$ 3,755,307</u>
PROGRAM REVENUES				
Governmental activities:				
Impact fees	\$ 42,420	\$ 312,236	\$ 219,490	\$ 181,087
Federal grant	96,984	-	-	28,848
Reimbursement - Sarasota County	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Total primary government activities program revenues	<u>\$ 139,404</u>	<u>\$ 312,236</u>	<u>\$ 219,490</u>	<u>\$ 269,935</u>
NET (EXPENSE) REVENUE				
Governmental activities	<u>\$ (5,294,283)</u>	<u>\$ (4,097,649)</u>	<u>\$ (3,723,689)</u>	<u>\$ (3,485,372)</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CHANGES IN NET ASSETS (CONTINUED)

LAST FOUR FISCAL YEARS

(accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:				
General Revenues:				
Assessments	\$ 5,097,914	\$ 4,370,586	\$ 3,547,883	\$ 3,408,961
Space rental	75,488	61,879	76,724	49,100
Firefighters' educational incentive	9,160	6,150	4,682	3,478
Investment earnings	59,110	41,824	20,543	7,723
Miscellaneous	<u>272,805</u>	<u>10,076</u>	<u>65,324</u>	<u>130,817</u>
Total governmental activities	<u>\$ 5,514,477</u>	<u>\$ 4,490,515</u>	<u>\$ 3,715,156</u>	<u>\$ 3,600,079</u>
CHANGE IN NET ASSETS				
Governmental activities	<u>\$ 220,194</u>	<u>\$ 392,866</u>	<u>\$ (8,533)</u>	<u>\$ 114,707</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

FUND BALANCES
GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:				
Reserved	\$ 48,687	\$ 43,113	\$ 43,050	\$ 31,000
Designated	663,921	549,948	313,284	303,300
Unreserved, undesignated	<u>579,557</u>	<u>336,553</u>	<u>278,588</u>	<u>374,784</u>
Total general fund	<u>\$ 1,292,165</u>	<u>\$ 929,614</u>	<u>\$ 634,922</u>	<u>\$ 709,084</u>
All Other Governmental Funds:				
Unreserved, reported in:				
Capital projects fund	\$ <u>128,307</u>	\$ <u>257,695</u>	\$ <u>383,819</u>	\$ <u>258,861</u>
Total all other governmental funds	<u>\$ 128,307</u>	<u>\$ 257,695</u>	<u>\$ 383,819</u>	<u>\$ 258,861</u>
Total governmental funds	<u>\$ 1,420,472</u>	<u>\$ 1,187,309</u>	<u>\$ 1,018,741</u>	<u>\$ 967,945</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS

(modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
REVENUES				
Assessments	\$ 5,097,914	\$ 4,370,586	\$ 3,547,883	\$ 3,408,961
Impact fees	42,420	312,236	219,490	181,087
Intergovernmental	9,160	6,150	4,682	92,326
Space rent	75,488	61,879	76,724	49,100
Grant revenue	96,984	-	-	-
Interest earnings	59,110	41,824	20,543	7,723
Miscellaneous	<u>272,805</u>	<u>10,076</u>	<u>65,324</u>	<u>130,817</u>
Total revenues	5,653,881	4,802,751	3,934,646	3,870,014
EXPENDITURES				
Public safety - fire:				
Personnel services	4,438,915	3,562,907	3,359,229	3,101,605
Operating expenses	551,283	490,097	387,239	394,484
Capital outlay	249,212	407,258	107,172	290,514
Debt service:				
Principal	142,421	140,807	24,469	58,284
Interest and fiscal charges	<u>38,887</u>	<u>35,314</u>	<u>5,741</u>	<u>8,309</u>
Total expenditures	<u>5,420,718</u>	<u>4,636,383</u>	<u>3,883,850</u>	<u>3,853,196</u>
Excess of revenues over expenditures	233,163	166,368	50,796	16,818
OTHER FINANCING SOURCES (USES)				
Sale of equipment	-	2,200	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>2,200</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 233,163</u>	<u>\$ 168,568</u>	<u>\$ 50,796</u>	<u>\$ 16,818</u>
Debt service as a percentage of noncapital expenditures	<u>3.63%</u>	<u>4.34%</u>	<u>0.78%</u>	<u>1.76%</u>

REVENUE CAPACITY

ENGLEWOOD AREA FIRE CONTROL DISTRICT

TAXABLE ASSESSED PROPERTY BY TYPE
LAST FIVE FISCAL YEARS
 (in thousands)

Fiscal Year	County	Vacant and Single Family Residential	Mobile Homes	Condominiums and Cooperatives	Multi-Family	Retirement Homes	Commercial	Industrial	Institutional and Agricultural	All Other	Total
2003	Sarasota	\$ 14,972,845	\$ 315,012	\$ 7,429,674	\$ 754,578	\$ 117,237	\$ 3,497,549	\$ 607,965	\$ 368,199	\$ 104,222	\$ 28,167,281
	Charlotte	<u>5,629,050</u>	<u>145,338</u>	<u>1,322,135</u>	<u>166,986</u>	<u>71,917</u>	<u>1,111,340</u>	<u>135,940</u>	<u>195,040</u>	<u>36,691</u>	<u>8,814,437</u>
	Total	<u>\$ 20,601,895</u>	<u>\$ 460,350</u>	<u>\$ 8,751,809</u>	<u>\$ 921,564</u>	<u>\$ 189,154</u>	<u>\$ 4,608,889</u>	<u>\$ 743,905</u>	<u>\$ 563,239</u>	<u>\$ 140,913</u>	<u>\$ 36,981,718</u>
2004	Sarasota	\$ 17,281,788	\$ 364,335	\$ 8,729,698	\$ 843,472	\$ 129,760	\$ 3,842,381	\$ 677,716	\$ 375,133	\$ 113,103	\$ 32,357,386
	Charlotte	<u>6,723,942</u>	<u>166,878</u>	<u>1,486,988</u>	<u>199,599</u>	<u>73,517</u>	<u>1,260,937</u>	<u>168,494</u>	<u>208,027</u>	<u>45,454</u>	<u>10,333,836</u>
	Total	<u>\$ 24,005,730</u>	<u>\$ 531,213</u>	<u>\$ 10,216,686</u>	<u>\$ 1,043,071</u>	<u>\$ 203,277</u>	<u>\$ 5,103,318</u>	<u>\$ 846,210</u>	<u>\$ 583,160</u>	<u>\$ 158,557</u>	<u>\$ 42,691,222</u>
2005	Sarasota	\$ 19,830,270	\$ 415,879	\$ 9,991,221	\$ 922,270	\$ 157,847	\$ 4,330,493	\$ 758,097	\$ 429,308	\$ 177,160	\$ 37,012,545
	Charlotte	<u>8,243,704</u>	<u>196,047</u>	<u>1,709,373</u>	<u>224,579</u>	<u>81,080</u>	<u>1,384,595</u>	<u>185,748</u>	<u>214,918</u>	<u>56,128</u>	<u>12,296,172</u>
	Total	<u>\$ 28,073,974</u>	<u>\$ 611,926</u>	<u>\$ 11,700,594</u>	<u>\$ 1,146,849</u>	<u>\$ 238,927</u>	<u>\$ 5,715,088</u>	<u>\$ 943,845</u>	<u>\$ 644,226</u>	<u>\$ 233,288</u>	<u>\$ 49,308,717</u>
2006	Sarasota	\$ 23,962,784	\$ 502,499	\$ 12,099,504	\$ 1,026,643	\$ 235,400	\$ 5,170,080	\$ 928,343	\$ 490,990	\$ 296,663	\$ 44,712,906
	Charlotte	<u>10,834,163</u>	<u>237,795</u>	<u>1,905,145</u>	<u>263,347</u>	<u>72,218</u>	<u>1,522,715</u>	<u>220,482</u>	<u>216,241</u>	<u>98,207</u>	<u>15,370,313</u>
	Total	<u>\$ 34,796,947</u>	<u>\$ 740,294</u>	<u>\$ 14,004,649</u>	<u>\$ 1,289,990</u>	<u>\$ 307,618</u>	<u>\$ 6,692,795</u>	<u>\$ 1,148,825</u>	<u>\$ 707,231</u>	<u>\$ 394,870</u>	<u>\$ 60,083,219</u>
2007	Sarasota	\$ 31,050,320	\$ 662,088	\$ 15,428,578	\$ 1,236,249	\$ 254,354	\$ 6,177,306	\$ 1,204,590	\$ 624,304	\$ 326,406	\$ 56,964,195
	Charlotte	<u>16,599,462</u>	<u>354,814</u>	<u>2,678,875</u>	<u>397,267</u>	<u>143,918</u>	<u>2,270,199</u>	<u>372,140</u>	<u>335,973</u>	<u>216,361</u>	<u>23,369,009</u>
	Total	<u>\$ 47,649,782</u>	<u>\$ 1,016,902</u>	<u>\$ 18,107,453</u>	<u>\$ 1,633,516</u>	<u>\$ 398,272</u>	<u>\$ 8,447,505</u>	<u>\$ 1,576,730</u>	<u>\$ 960,277</u>	<u>\$ 542,767</u>	<u>\$ 80,333,204</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS (per \$1,000)
LAST FIVE FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Sarasota County:					
Operating	4.332	4.312	4.178	3.946	3.619
Debt Service	0.221	0.189	0.164	0.148	0.075
Other	<u>0.996</u>	<u>1.852</u>	<u>1.952</u>	<u>2.082</u>	<u>2.282</u>
Total County millage	5.549	6.353	6.294	6.176	5.976
Sarasota County School Board:					
Operating	<u>9.287</u>	<u>8.793</u>	<u>8.366</u>	<u>7.861</u>	<u>7.210</u>
Total County and School Board millage	<u><u>14.836</u></u>	<u><u>15.146</u></u>	<u><u>14.660</u></u>	<u><u>14.037</u></u>	<u><u>13.186</u></u>

Source: County Tax Collector

ENGLEWOOD AREA FIRE CONTROL DISTRICT

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS (per \$1,000)
LAST FIVE FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Charlotte County:					
Operating	4.354	4.354	4.254	4.254	3.754
Debt Service	-	-	-	-	-
Other	<u>0.557</u>	<u>0.557</u>	<u>0.557</u>	<u>1.157</u>	<u>1.127</u>
Total County millage	4.911	4.911	4.811	5.411	4.881
Charlotte County School Board:					
Operating	5.669	5.514	5.625	4.686	3.426
Debt Service	0.354	0.310	0.260	0.200	0.140
Other	<u>2.605</u>	<u>2.594</u>	<u>2.584</u>	<u>2.623</u>	<u>2.588</u>
Total School Board millage	<u>8.628</u>	<u>8.418</u>	<u>8.469</u>	<u>7.509</u>	<u>6.154</u>
Total County and School Board millage	<u><u>13.539</u></u>	<u><u>13.329</u></u>	<u><u>13.280</u></u>	<u><u>12.920</u></u>	<u><u>11.035</u></u>

Source: County Tax Collector

ENGLEWOOD AREA FIRE CONTROL DISTRICT

TAXABLE VALUATIONS, ASSESSMENTS
LEVIED AND COLLECTED
LAST FOUR FISCAL YEARS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Taxable valuation	\$ <u>80,333,204,000</u>	\$ <u>60,083,219,000</u>	\$ <u>49,308,717,000</u>	\$ <u>42,691,222,000</u>
Total assessments levied	\$ 5,097,914	\$ 4,370,586	\$ 3,547,883	\$ 3,408,961
Add: Collection fee refunds	32,736	-	-	-
Less: Collection Fees	<u>(67,566)</u>	<u>(36,352)</u>	<u>(29,979)</u>	<u>(26,343)</u>
Net assessments collected	\$ <u>5,063,084</u>	\$ <u>4,334,234</u>	\$ <u>3,517,904</u>	\$ <u>3,382,618</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

ASSESSMENT FEE SCHEDULE
LAST FOUR FISCAL YEARS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Business and commercial buildings	\$ 0.21/sq. ft.	\$ 0.15/sq. ft.	\$ 0.128/sq. ft. w/128.85 min.	\$ 0.122/sq. ft. w/122.78 min.
Single family living units	115.34	110.00	82.79	78.89
Duplex residences	230.68	220.00	165.58	157.78
Each apartment in multi family buildings	115.34	110.00	82.79	78.89
Hotel/motel property (*per room/unit)	60.00	50.00*	0.128/sq. ft. w/128.85 min.	0.122/sq. ft. w/122.78 min.
Unimproved, subdivided lots	46.13	42.00	32.30	30.78
Public (government owned) property	0.16/sq ft.	0.11/sq ft.	-	-
Unsubdivided acreage	-	-	0.441/sq. ft. w/131.08 max.	0.421/sq. ft. w/124.90 max.
Residential trailer space in rental trailer parks	42.00	42.00	45.01	42.89
Residential multistory buildings Fee for single family unit on the third floor and above in addition to the single family unit rate)	42.00	42.00	45.01	42.89

IMPACT FEE SCHEDULE
LAST THREE FISCAL YEARS

Residential	\$ 252.44	\$ 208.93	\$ 199.25	\$ 189.86
Commercial	0.71/sq ft.	0.096	0.092	0.088
Industrial/Warehouse	2.63/sq. ft.	-	-	-
Industrial/Nursing Home	2.01/sq. ft.	-	-	-

DEBT CAPACITY

ENGLEWOOD AREA FIRE CONTROL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST FOUR FISCAL YEARS

Fiscal Year	Governmental Activities		Total	Per Capita (District)
	Commercial Note	Capital Leases		
2004	\$ -	\$ 106,226	\$ 106,226	2.42
2005	-	81,757	81,757	1.86
2006	82,804	883,677	966,481	21.87
2007	75,985	747,663	823,648	18.64

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

COMPUTATION OF OVERLAPPING DEBT
GENERAL OBLIGATION BONDS AND OTHER DEBT⁽²⁾
SEPTEMBER 30, 2007

	Net General Obligation Loans- Bonded Debt Outstanding	Net General Self- Supporting Revenue Debt	Total	Percentage Applicable to District	Amount Applicable to District
District Debt:					
Capital Lease Notes	\$ -	\$ 747,663	\$ 747,663	100.0 %	\$ 747,663
Commercial note	-	75,985	75,985	100.0	75,985
Total District Debt	-	823,648	823,648		823,648
Overlapping debt:					
Sarasota County ⁽¹⁾	\$ -	\$ 208,940,000	\$ 208,940,000	0.075	1,567,050
Charlotte County	-	-	-	-	-
Charlotte County School Board	3,055,000	-	3,055,000	0.075	230,360
Total Overlapping debt	3,055,000	208,940,000	211,995,000		1,797,410
Total Direct and Overlapping Debt	\$ 3,055,000	\$ 209,763,648	\$ 212,818,648		\$ 2,621,058

RATIO:

Direct and overlapping debt per capita:
Charlotte and
Sarasota counties and District

\$ 392.73

⁽¹⁾ The District's share is calculated based on the ratio of the 2007 Sarasota and Charlotte Counties population to the respective District's population.

	<u>Population</u>
Charlotte County	154,438
Sarasota County	387,461
District - Charlotte	13,964
District - Sarasota	35,036

⁽²⁾ The District has no direct general obligation bonded debt.

OPERATING INFORMATION

ENGLEWOOD AREA FIRE CONTROL DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST FOUR FISCAL YEARS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Legal Debt Margin Calculation:				
Total budgeted revenues of the District for the fiscal year ended September 30	\$ 5,312,205	\$ 4,459,784	\$ 3,596,050	\$ 3,440,800
Limitation on debt service	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>
Maximum annual debt service allowable	\$ <u>2,656,102</u>	\$ <u>2,229,892</u>	\$ <u>1,798,025</u>	\$ <u>1,720,400</u>
Total current year's principal and interest payment on the District's outstanding debt:				
Commercial Note	\$ 10,948	\$ 3,649	\$ -	\$ -
Real estate mortgage note	-	-	-	15,971
Capital lease notes	<u>170,705</u>	<u>172,472</u>	<u>30,210</u>	<u>50,543</u>
Total principal and interest payments, fiscal year ended September 30	\$ <u>181,653</u>	\$ <u>176,121</u>	\$ <u>30,210</u>	\$ <u>66,514</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

FULL-TIME EQUIVALENT
DISTRICT EMPLOYEES BY FUNCTION
LAST FIVE FISCAL YEARS

<u>FUNCTION</u>	Full-Time Equivalent Employees as of September 30,				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety:					
Fire					
- Firefighters	57	54	45	42	42
- EMS Professionals	57	54	45	42	42
- Administrative Staff	6	6	6	6	6

ENGLEWOOD AREA FIRE CONTROL DISTRICT

FULL-TIME EQUIVALENT
DISTRICT EMPLOYEES BY FUNCTION
LAST FIVE FISCAL YEARS

<u>FUNCTION</u>	Full-Time Equivalent Employees as of September 30,				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety:					
Fire					
- Firefighters	57	54	45	42	42
- EMS Professionals	57	54	45	42	42
- Administrative Staff	6	6	6	6	6

OPERATING INDICATORS BY FUNCTION
LAST FIVE FISCAL YEARS

<u>FUNCTION</u>	Fiscal Year Ended September 30,				
	2007	2006	2005	2004	2003
Public Safety:					
Fire					
Number of Fire calls	230	186	162	200	208
Number of EMS calls	1,953	2,014	1,882	1,758	1,664
District population	49,000	44,198	43,941	41,713	39,944

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CAPITAL ASSETS STATISTICS
LAST FIVE FISCAL YEARS

	<u>Fiscal Year Ended September 30,</u>				
<u>FUNCTION</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety:					
Fire:					
Fire Stations	4	4	4	4	4
Fire Engines	6	5	5	4	4

ENGLEWOOD AREA FIRE CONTROL DISTRICT

SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2007

<u>Policy Number</u>	<u>Type of Coverage</u>	<u>Effective Date</u>	<u>Company</u>	<u>Limit of Liability</u>	<u>Original Premium</u>
TR-2054910	Property	2007	American Alternative Insurance	\$ Various	\$ 59,341
	General Liability	2007	-	-	-
	Employee Dishonesty	2007	-	-	-
	Electronic Data Processing	2007	-	-	-
VFISCU-50053014	Umbrellas	2007	American Alternative Insurance	-	-
VFISCM-1009719	Auto	2007	-	-	-
WCFL-100840060709	Worker's Compensation	2007	FCCI	1,000,000	243,474
RSB21294	Public Official Bond	2007	-	5000	180
VFP-8110-9425A	Accidental Death-Volunteers	2007	-	-	-
CFP-9410-0376A	Accidental Death - Paid	-	-	-	-
TOTAL PREMIUMS					\$ <u><u>302,995</u></u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

REPORT ON
COMPLIANCE AND INTERNAL ACCOUNTING
CONTROLS IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS

AND

MANAGEMENT LETTER

AND

MANAGEMENT MEMORANDUM
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2007

REPORT ON
COMPLIANCE AND INTERNAL CONTROL

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm
John N. Davidson, CPA*, CVA
Harry B. Jamieson, CPA*
Richard A. Cristini, CPA*, CPPT, CGFM

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

*Regulated by the
State of Florida

**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Englewood Area Fire Control District
Englewood, Florida

We have audited the general purpose financial statements of the Englewood Area Fire Control District (District), as of and for the year ended September 30, 2007, and have issued our report thereon dated May 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated May 29, 2008.

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

Raudon, Jaramine & Cristini, P.L.

May 29, 2008

MANAGEMENT LETTER

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

1956 Bayshore Boulevard
Indian Rocks Beach, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

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The Board of Commissioners
Englewood Area Fire Control District
Englewood, Florida

We have audited the financial statements of the Englewood Area Fire Control District, as of and for the fiscal year ended September 30, 2007 and have issued our report thereon dated May 29, 2008.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting. Disclosures in that report, which are dated May 29, 2008 should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General. Those rules (Section 10.554(1)(i)(1)) require that we address in the management letter, if not already addressed in the auditor's report on compliance and internal controls, whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no significant findings or recommendations made on compliance and internal control issues during the preceding annual financial audit.

As required by the Rules of the Auditor General (Section 10.554(1)(i)(2)), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(i)(3)), the scope of our audit included a review of possible recommendations to improve the local governmental entity's financial management, accounting procedures and internal controls. In connection with our audit we found no material weakness or reportable conditions involving the entity's financial management, accounting procedures and internal controls.

Board of Commissioners
Englewood Area Fire Control District

The Rules of the Auditor General (Section 10.554(1)(i)(4)) require disclosure in the management letter of the following matters if not already addressed in the auditor's report on compliance and internal controls: (a) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (b) improper or illegal expenditures; (c) deficiencies in internal control that are not significant deficiencies including but not limited to (1) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (2) failures to properly record financial transactions; and (3) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of the auditor. None of these matters were disclosed during our audit of the District's financial statements for the year ended September 30, 2007.

The Rules of the Auditor General (Section 10.554(1)(i)(5)) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Rule 10.553 be disclosed in the management letter, unless disclosed in the notes to the financial statements. This disclosure has been included in the District's comprehensive annual financial report for the year ended September 30, 2007.

The Rules of the Auditor General (Section 10.554(1)(i)(6)(a)) requires that the auditor state whether or not the governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes and identify the specific condition or conditions met. During the course of our audit of the District's financial statements for the year ended September 30, 2007 we found that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(i)(6)(b)), we determined that the annual financial report for the District for the fiscal year ended September 30, 2007, filed with the Department of Banking Finance pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2007.

The Rules of the Auditor General (Section 10.554(1)(i)(6)(c)), requires that the auditor apply financial condition assessment procedures pursuant to Rule 10.556(7). We applied these financial condition assessment procedures and found no deteriorating financial conditions during our audit of the District's financial statements for the year ended September 30, 2007.

This management letter is intended solely for the information of the Englewood Area Fire Control District and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than those specified parties.

Randson, Jamaine & Cristine, P.L.

May 29, 2008

**MEMORANDUM ON REVIEW
OF INTERNAL CONTROL STRUCTURE**

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm
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Member
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*Regulated by the
State of Florida

May 29, 2008

The Board of Commissioners
Englewood Area Fire Control District
Englewood, Florida

We have audited the general purpose financial statements and the individual fund and account group financial statements and schedules of Englewood Area Fire Control District (District) as of and for the year ended September 30, 2007, and have issued our report thereon dated May 29, 2008.

In planning and performing our audit of the financial statements of Englewood Area Fire Control District we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we observed several matters that are opportunities for strengthening operating efficiency.

We present our observations and recommendations under the following captions for your consideration:

CURRENT YEAR

Fixed Assets
Impact Fee Fund

PRIOR YEAR

Impact Fee Expenditures

CURRENT YEAR

Fixed Assets

During the year ended September 30, 2007 the District maintained its fixed asset data sorted by location rather than by asset type or natural account category. Since the current governmental reporting standards require that fixed assets be reported by asset type we recommend that the District's year-end fixed asset data be sorted by asset type or natural account category in addition to the location sort.

Impact Fee Fund

The District has historically incorporated its Impact Fee Fund in its General Fund. Due to the expanded reporting requirements we recommend that the Impact Fee Fund be removed from the General Fund accounts and be reported in its own separate fund.

PRIOR YEAR

Impact Fee Expenditures

During our 2006 audit of the expenditures from the District's Impact Fees we discovered that the audit trail over the recordation of these expenditures had deteriorated.

Historically the District has recorded its Impact Fee expenditures in expenditure accounts set up to record Impact Fee expenditures only in the General Fund ledger. This approach enabled the District to avoid establishing a separate Impact Fee Fund.

The discipline of recording Impact Fee expenditures only in specifically identified Impact Fee expenditure accounts was lost. Thus, the practice of maintaining a clear audit trail between Impact Fee expenditures and General (operating) Fund expenditures stopped. The reconciliation process to tie back to the Treasurer's Impact Fee Cash report for the fiscal year ended September 30, 2006 required several pages of supporting workpapers and many additional hours of staff and audit time.

We recommended that the District return to its previous practice of recording Impact Fee expenditures only in single purpose Impact Fee expenditure accounts. In the event that the General Fund is sharing in the cost of a particular capital item a separate general fund expenditure account must be established. Dual purpose expenditure accounts must be proscribed.

This recommendation has been implemented.

* * * * *

This memorandum is intended solely for the use of the District's Board of Commissioners, and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesy and assistance provided to us by the District's personnel during our audit. We will review the status of the above comments during our next audit engagement. We have already discussed many of these comments and suggestions with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

DAVIDSON, JAMIESON & CRISTINI, P.L.

MANAGEMENT'S RESPONSE

Reserved for Management's Response.