

**ENGLEWOOD AREA
FIRE CONTROL DISTRICT**

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 2008

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, 2008

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

ENGLEWOOD AREA FIRE CONTROL DISTRICT
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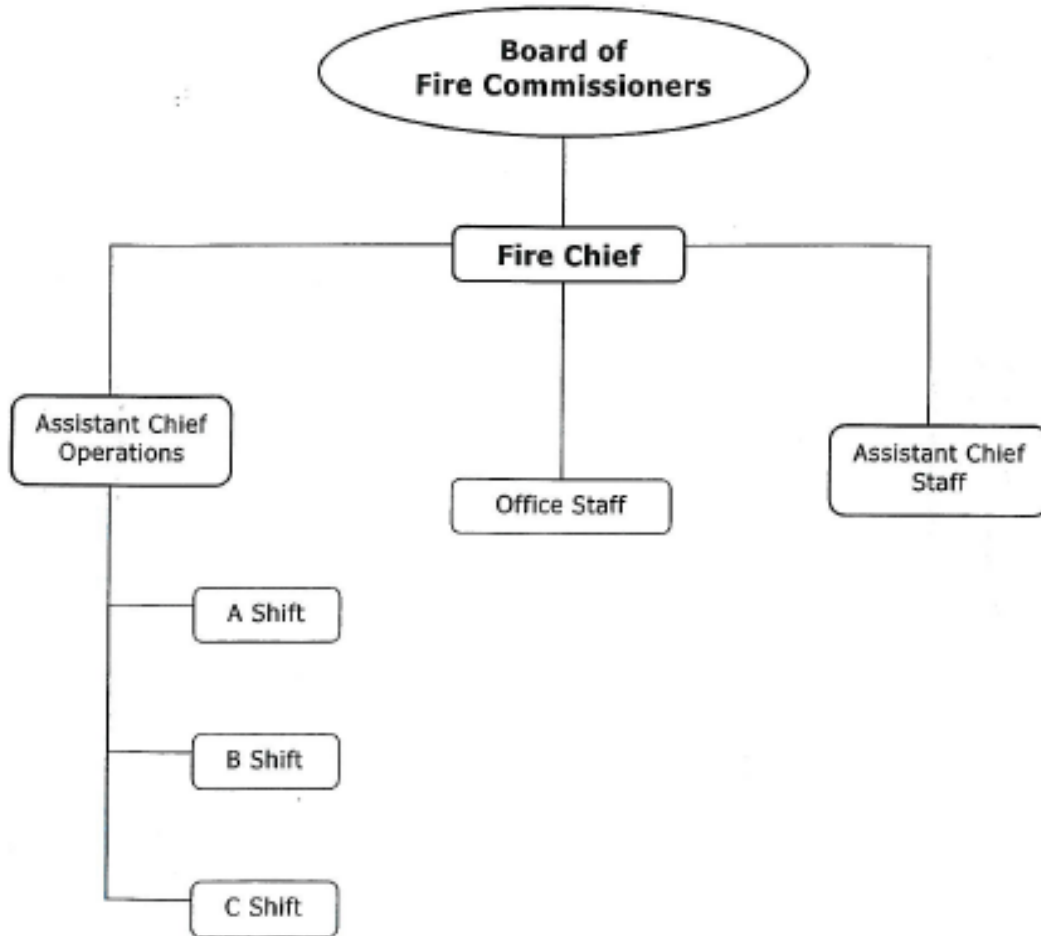
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ENGLEWOOD AREA FIRE CONTROL DISTRICT

516 Paul Morris Drive, Englewood, FL 34223-3960
(941)474-3311 Fax: (941)473-2600



Organizational Chart



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.

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Certified Public Accountants
Florida Institute of
Certified Public Accountants

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, 2008, 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, 2008, 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 June 30, 2009 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.

Davidson, Jamison & Coitner, P.C.

June 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis September 30, 2008

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, 2008.

FINANCIAL HIGHLIGHTS

- (A) The assets of the district exceeded its liabilities at the close of the 2009 fiscal year by \$ 2,390,090 (net assets). Of this amount, \$ 300,332 (unrestricted net assets) may be used to meet the district's ongoing obligations to property owners and creditors.
- (B) The district's net assets decreased by \$ 492,676. This decrease is attributable to the addition of the administration and training buildings and associated debt.
- (C) As of the close of the 2008 fiscal year, the district's governmental funds (general fund and capital projects fund) reported an ending fund balance of \$ 644,939 a decrease in comparison with the prior year. Approximately \$ 598,918 is available for spending at the district's discretion.
- (D) The district issued new debt in the fiscal year 2008. Outstanding debt, which includes capital leases, and compensated absences, at the end of fiscal year 2008 is \$2,237,182.

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, 2008

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, 2008

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 17 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 52 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 45 of this report.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2008

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 \$ 2,390,090 at the fiscal year ended on September 30, 2008.

The district's capital assets represent investments in land, buildings, and improvements and equipment.. Approximately 97% 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 \$ 300,332 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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Cash	\$ 765,336	\$ 1,381,285	\$ 1,233,110	\$ 1,064,592
Other current assets	73,861	148,071	45,183	45,228
Capital assets	<u>3,987,162</u>	<u>2,559,591</u>	<u>2,632,092</u>	<u>1,505,409</u>
Total Assets	4,826,359	4,088,947	3,910,385	2,615,229
Long term liabilities	466,556	306,044	285,388	141,433
Other liabilities	<u>1,969,713</u>	<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	2,047,337	1,735,943	1,665,611	1,422,099
Restricted	42,421	128,307	257,695	383,819
Unrestricted	<u>300,332</u>	<u>1,018,516</u>	<u>739,266</u>	<u>463,788</u>
Total Net Assets	\$ <u>2,390,090</u>	\$ <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 fixed assets increased by \$ 1,427,571 during the current fiscal year primarily from the addition of the Administration and Training Facility.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2008

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 10.6 % due to salary and benefit increases and additional personnel, which were a result of the protective bargaining unit negotiations.

Table 2

	<u>Change in Net Assets</u>			
<u>Government Activities</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues				
Impact fees	\$ 53,127	\$ 42,420	\$ 312,236	\$ 219,490
Grants		96,984		
Total Program Revenues	<u>53,127</u>	<u>139,404</u>	<u>312,236</u>	<u>219,490</u>
General revenues				
Property assessments	5,521,898	5,097,914	4,370,586	3,547,883
Investment earnings	58,633	59,110	41,824	20,453
Other	257,140	357,453	78,105	146,730
Total General Revenues	<u>5,837,671</u>	<u>5,514,477</u>	<u>4,490,515</u>	<u>3,715,156</u>
Total Program and General Revenues	5,890,798	5,653,881	4,802,751	3,934,646
Expenses				
Public Safety	<u>6,383,474</u>	<u>5,433,687</u>	<u>4,490,855</u>	<u>3,943,179</u>
Total Expenses	<u>6,383,474</u>	<u>5,433,687</u>	<u>4,490,855</u>	<u>3,943,179</u>
Increase (decrease) in net assets	(492,676)	220,194	392,866	(8,533)
Net assets beginning of year	<u>2,882,766</u>	<u>2,662,572</u>	<u>2,269,706</u>	<u>2,278,239</u>
Net assets, end of year	<u>\$ 2,390,090</u>	<u>\$ 2,882,766</u>	<u>\$ 2,662,572</u>	<u>\$ 2,269,706</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2008

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 \$556,497, while total fund balance was \$602,518. 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 9.4% of total fund expenditures.

The fund balance for the general fund decreased by \$689,647 during the current fiscal year. Key factors in this decrease are as follows:

The decrease in fund balance is primarily attributable to the addition of the Administration and the Training facility. The District added one reserve apparatus during the fiscal year.

General Fund Budgetary Highlights

An annual budget is legally adopted for the general fund. Expenditures were under budget by \$554,230 however revenues also exceeded budget by \$93,609. Property assessments, representing 94.5 % of the district's revenue, increased by \$423,984 during the current year.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2008

Table 3

	2008			2007			2006		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:									
Property assessments	\$ 5,550,061	\$ 5,521,898	\$ (28,163)	\$ 5,211,205	\$ 5,097,914	\$ (113,291)	\$ 4,359,784	\$ 4,370,586	\$ 10,802
Other	194,000	315,772	121,772	101,000	506,647	405,647	100,000	114,666	14,666
Total Revenues	5,744,061	5,837,670	93,609	5,312,205	5,604,561	292,356	4,459,784	4,485,252	25,468
Expenditures:									
Public Safety	7,081,547	6,527,317	554,230	5,344,574	5,242,010	102,564	4,472,499	4,192,760	279,739
Net Change in Fund Balances	\$ <u>(1,337,486)</u>	\$ <u>(689,647)</u>	\$ <u>647,839</u>	\$ <u>(32,369)</u>	\$ <u>362,551</u>	\$ <u>394,920</u>	\$ <u>(12,715)</u>	\$ <u>292,492</u>	\$ <u>305,207</u>

Capital assets

At the end of 2008, the district's investment in capital assets for its governmental activities was \$3,987,162 (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, 2008

Table 4

**Change in Capital Assets
Government Activities**

	2008			2007			2006		
	Beginning Balance	Net Additions/ (Deletions)	Ending Balance	Beginning Balance	Net Additions/ (Deletions)	Ending Balance	Beginning Balance	Net Additions/ (Deletions)	Ending Balance
Land									
not being depreciated	\$ 224,905	\$ 172,100	\$ 397,005	\$ 223,900	\$ (1,005)	\$ 224,905	\$ 138,900	\$ 85,000	\$ 223,900
Construction in progress	9,500.00	519,439	528,939	-	(9,500)	9,500	-	-	-
Total capital assets not being depreciated	234,405.00	691,539	925,944	223,900	(10,505)	234,405	138,900	85,000	223,900
Buildings & improvements	1,983,914.00	526,118	2,510,032	1,983,914	-	1,983,914	1,983,914	-	1,983,914
Equipment	2,824,913.00	527,440	3,352,353	2,923,144	(98,231)	2,824,913	1,837,627	1,085,517	2,923,144
Total Capital Assets	4,808,827.00	1,053,558	5,862,385	4,907,058	(98,231)	4,808,827	3,821,541	1,085,517	4,907,058
Less accumulated depreciation	2,483,641.00	317,526	2,801,167	2,498,866	(15,225)	2,483,641	2,455,032	43,834	2,498,866
Total Capital Assets	\$ 2,559,591	\$ 1,427,571	\$ 3,987,162	\$ 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 36 of this report.

LONG-TERM DEBT

At the end of 2008, the district had total long-term debt outstanding made up of accrued sick leave payable, and capital leases of \$ 2,237,182.

Table 5

Outstanding Debt	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Capital leases	\$ 1,934,996	\$ 823,648	\$ 966,481	\$ 81,757
Compensated absences	<u>302,186</u>	<u>255,898</u>	<u>169,777</u>	<u>171,134</u>
Total	<u><u>\$ 2,237,182</u></u>	<u><u>\$ 1,079,546</u></u>	<u><u>\$ 1,136,258</u></u>	<u><u>\$252,891</u></u>

The District's total debt increased by \$1,157,636 during the current fiscal year. The key factor was the addition of the addition of the administration and training facilities.

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 \$2,872,030 which is more than the District's 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 \$5,735,215 budget for the fiscal year. This is a 8.5 % increase and included 3 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.inglewood-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, 2008

<u>ASSETS</u>	<u>Primary Government</u>
Cash	\$ 765,336
Receivables, net of allowance for uncollectibles	27,840
Prepaid expenses	46,021
Capital Assets:	
Land	397,005
Construction in progress	528,939
Buildings and improvements	2,510,032
Equipment	3,352,353
Accumulated depreciation	<u>(2,801,167)</u>
Total capital assets, net	<u>3,987,162</u>
TOTAL ASSETS	4,826,359
<u>LIABILITIES</u>	
Accounts payable	119,763
Accrued salaries and benefits payable	60,777
Accrued interest expense	4,829
Deferred revenue	13,718
Noncurrent liabilities:	
Due within one year	267,469
Due within more than one year	<u>1,969,713</u>
TOTAL LIABILITIES	2,436,269
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	2,047,337
Restricted for capital projects	42,421
Unrestricted	<u>300,332</u>
TOTAL NET ASSETS	<u>\$ 2,390,090</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Primary Government</u>
PROGRAM EXPENSES:	
Public safety - fire	
Personnel services	\$ 5,062,102
Materials and supplies	941,878
Depreciation	317,526
Interest on long-term debt	<u>61,968</u>
TOTAL PROGRAM EXPENSES	6,383,474
PROGRAM REVENUES:	
Grant revenue	-
Impact fees	<u>53,127</u>
Total program revenues	<u>53,127</u>
Net program expenses	6,330,347
GENERAL REVENUES:	
Assessments	5,521,898
Excess county fees	72,072
Space rental	77,278
Firefighters' educational incentive	9,600
Investment earnings	58,633
Miscellaneous	<u>98,190</u>
TOTAL GENERAL REVENUES	<u>5,837,671</u>
INCREASE (DECREASE) IN NET ASSETS	(492,676)
NET ASSETS, BEGINNING OF YEAR	<u>2,882,766</u>
NET ASSETS, END OF YEAR	<u>\$ 2,390,090</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2008

ASSETS

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Cash	\$ 722,915	\$ 42,421	\$ 765,336
Receivables (net of allowance for uncollectibles accounts):			
Intergovernmental:			
State	2,400	-	2,400
Federal	25,440	-	25,440
Prepaid items	<u>46,021</u>	<u>-</u>	<u>46,021</u>
TOTAL ASSETS	<u>\$ 796,776</u>	<u>\$ 42,421</u>	<u>\$ 839,197</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:			
Accounts payable	\$ 119,763	\$ -	\$ 119,763
Accrued salaries and benefits payable	60,777	-	60,777
Deferred revenue	<u>13,718</u>	<u>-</u>	<u>13,718</u>
TOTAL LIABILITIES	194,258	-	194,258
FUND BALANCES:			
Reserved for:			
Prepaid items	46,021	-	46,021
Unreserved, reported in:			
General fund	556,497	-	556,497
Capital projects fund	<u>-</u>	<u>42,421</u>	<u>42,421</u>
TOTAL FUND BALANCES	<u>602,518</u>	<u>42,421</u>	<u>644,939</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 796,776</u>	<u>\$ 42,421</u>	<u>\$ 839,197</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, 2008

Fund balance - total governmental funds		\$	644,939
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	\$	6,788,329	
Less accumulated depreciation		<u>(2,801,167)</u>	
			3,987,162
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.			
Accrued interest	\$	4,829	
Term bank notes		1,345,984	
Construction draw note		519,439	
Commercial bank note		69,573	
Compensated absences		<u>302,186</u>	
			<u>(2,242,011)</u>
Net assets of governmental activities.		\$	<u>2,390,090</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, 2008

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES:			
Assessments	\$ 5,521,898	\$ -	\$ 5,521,898
Excess County fees	72,071	-	72,071
Intergovernmental	9,600	-	9,600
Impact fees	-	53,127	53,127
Space rent	77,278	-	77,278
Grant revenue	-	-	-
Investment income	58,633	-	58,633
Miscellaneous	98,190	-	98,190
	<u>5,837,670</u>	<u>53,127</u>	<u>5,890,797</u>
TOTAL REVENUES			
EXPENDITURES:			
Current:			
Public safety:			
Personnel services	5,062,102	-	5,062,102
Operating expenses	765,526	-	765,526
Capital outlay	1,205,776	29,579	1,235,355
Debt service:			
Principal	226,926	84,053	310,979
Interest and fiscal charges	49,508	25,381	74,889
	<u>7,309,838</u>	<u>139,013</u>	<u>7,448,851</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,472,168)	(85,886)	(1,558,054)
OTHER FINANCING SOURCES (USES):			
Issue of debt	782,521	-	782,521
Sale of capital assets	-	-	-
	<u>782,521</u>	<u>-</u>	<u>782,521</u>
Total other financing sources (uses)			
NET CHANGE IN FUND BALANCES	(689,647)	(85,886)	(775,533)
FUND BALANCE, OCTOBER 1	<u>1,292,165</u>	<u>128,307</u>	<u>1,420,472</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 602,518</u>	<u>\$ 42,421</u>	<u>\$ 644,939</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, 2008

Net change in fund balance - total governmental funds \$ (775,533)

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	\$ 534,119	
Less current year depreciation	<u>317,526</u>	216,593

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	\$ 12,922	
Debt payments	99,630	
Change in compensated absences	<u>(46,288)</u>	<u>66,264</u>

Change in net assets of governmental activities \$ (492,676)

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, 2008

	<u>BUDGETED</u> <u>AMOUNTS</u> <u>ORIGINAL</u>		<u>ACTUAL</u> <u>AMOUNTS</u>		<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
	<u>AND</u> <u>FINAL</u>				
REVENUES:					
Assessments	\$ 5,550,061	\$	5,521,898	\$	(28,163)
Intergovernmental	-		9,600		9,600
Grant revenue	75,000		-		(75,000)
Excess County fees	-		72,071		72,071
Rent	45,000		77,278		32,278
Investment income	50,000		58,633		8,633
Miscellaneous	<u>24,000</u>		<u>98,190</u>		<u>74,190</u>
 TOTAL REVENUES	 5,744,061		 5,837,670		 93,609
EXPENDITURES:					
Current:					
Public safety:					
Personnel services	5,023,715		5,062,102		(38,387)
Operating expenses	1,498,046		765,526		732,520
Capital outlay	295,286		423,255		(127,969)
Debt service:					
Principal	58,000		226,926		(168,926)
Interest and fiscal charges	<u>206,500</u>		<u>49,508</u>		<u>156,992</u>
 TOTAL EXPENDITURES	 <u>7,081,547</u>		 <u>6,527,317</u>		 <u>554,230</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (1,337,486)		 (689,647)		 647,839
OTHER FINANCING SOURCES (USES):					
Transfer from fund balance	177,486		-		(177,486)
Sale of capital assets	<u>-</u>		<u>-</u>		<u>-</u>
 Total other financing sources (uses)	 <u>177,486</u>		 <u>-</u>		 <u>(177,486)</u>
 EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 (1,160,000)		 (689,647)		 470,353
 FUND BALANCE, OCTOBER 1	 <u>1,292,165</u>		 <u>1,292,165</u>		 <u>-</u>
 FUND BALANCE, SEPTEMBER 30	 <u>\$ 132,165</u>	\$	 <u>602,518</u>	\$	 <u>470,353</u>

See Notes to Financial Statements.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUND

SEPTEMBER 30, 2008

<u>ASSETS</u>	<u>Public Safety Pension Fund</u>
Receivables:	
Plan members	\$ -
Employer	140,652
Intergovernmental revenue:	
State	208,809
Interest and dividends	19,585
Broker-dealer	<u>80,435</u>
Total receivables	449,481
Investments at fair value:	
Pooled fixed income fund	3,872,456
Common stock	3,975,881
Temporary investments	<u>451,939</u>
Total investments	<u>8,300,276</u>
Total assets	8,749,757
<u>LIABILITIES</u>	
Accounts payable	16,155
Accounts payable, broker-dealer	<u>106,800</u>
Total liabilities	<u>122,955</u>
Plan net assets held in trust for pension benefits (a schedule of funding progress for this Plan is presented on page 45)	 <u>\$ 8,626,802</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, 2008

	<u>Public Safety Pension Fund</u>
Additions:	
Contributions:	
Employer	\$ 552,670
Plan members	<u>233,281</u>
Total contributions	785,951
Intergovernmental	474,836
Investment income:	
Net appreciation (depreciation) in fair value of investments	(1,439,246)
Investment income	<u>254,675</u>
Total investment income (loss)	(1,184,571)
Less investment expenses	<u>53,738</u>
Net investment income (loss)	<u>(1,238,309)</u>
Total Additions (Reductions)	22,478
Deductions:	
Distributions	314,831
Administrative expenses	<u>24,137</u>
Total deductions	<u>338,968</u>
Net increase (decrease)	(316,490)
Plan net assets held in trust for pension benefits, October 1	<u>8,943,292</u>
Plan net assets held in trust for pension benefits, September 30	<u>\$ 8,626,802</u>

See Notes to Financial Statements.

NOTES TO
FINANCIAL STATEMENTS

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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, 2008

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, 2008

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, 2008

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, 2008

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, 2008

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, 2008

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 2008 rate of assessment by the District ranged from \$48.00 to \$122.00 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, 2008

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, 2008

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, 2008

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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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	\$ 3,987,162
Commercial bank note	(69,573)
Term bank note	(1,345,984)
Construction draw note	(519,439)
Accrued interest on capital leases and commercial note	(4,829)
Compensated absences	<u>(302,186)</u>
Net adjustment to increase <i>fund balance - total Governmental funds</i> to arrive at <i>net assets - Governmental activities</i>	<u>\$ 1,745,151</u>

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 \$216,593 difference are as follows:

Capital outlay	\$ 534,119
Depreciation expense	<u>(317,526)</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>\$ 216,593</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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

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 \$66,264 difference are as follows:

Compensated absences	\$ (46,288)
Change in accrued interest expense	12,922
Principal debt payments	<u>99,630</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>\$ 66,264</u>

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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

3. Stewardship, Compliance and Accountability (Continued)

Establishment/Elimination of Funds - During the fiscal year ended September 30, 2008, the District did not establish or eliminate any funds.

Excess of expenditures over appropriations - The Capital Projects fund had an operating deficit of \$85,886 for the fiscal year ended September 30, 2008. 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 \$765,336 and the bank balance was \$921,391. 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, 2008

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, 2008 are presented as follows:

	<u>Bond Rating</u>	<u>Fair Value</u>	<u>Weighted Average Duration (Years)</u>
Open-end bond fund	AAA	\$ 3,872,456	N/A
Temporary investment fund	AAA	<u>451,939</u>	Daily
Total fixed income investments		<u>\$ 4,324,395</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, 2008.

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, 2008

5. Investments (Continued)

Custodial Credit Risk. Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third party custodian in the name of the Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. The investments in mutual funds and investment partnerships are considered *unclassified* pursuant to the custodial credit risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form.

6. Receivables

Receivables at September 30, 2008, consist of the following:

	<u>General Fund</u>
Receivables:	
Intergovernmental:	
Federal	\$ 25,440
State	<u>2,400</u>
Gross receivables	27,840
Less: Allowance for uncollectibles	<u>-</u>
Net receivables	<u>\$ 27,840</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, 2008

7. Capital Assets

Capital asset activity for the year ended September 30, 2008 was as follows:

	Balance October 1, 2007	Increases	Decreases	Balance September 30, 2008
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 224,905	\$ 172,100	\$ -	\$ 397,005
Construction in progress	<u>9,500</u>	<u>519,439</u>	-	<u>528,939</u>
Total capital assets, not being depreciated	234,405	691,539	-	925,944
Capital assets, being depreciated:				
Buildings and improvements	1,983,914	526,118	-	2,510,032
Equipment	<u>2,824,913</u>	<u>527,440</u>	-	<u>3,352,353</u>
Total capital assets, being depreciated	4,808,827	1,053,558	-	5,862,385
Less accumulated depreciation for:				
Buildings and improvements	1,267,389	44,521	-	1,311,910
Equipment	<u>1,216,252</u>	<u>273,005</u>	-	<u>1,489,257</u>
Total accumulated depreciation	<u>2,483,641</u>	<u>317,526</u>	-	<u>2,801,167</u>
Total capital assets, being depreciated, net	<u>2,325,186</u>	<u>736,032</u>	-	<u>3,061,218</u>
Governmental activities capital assets, net	<u>\$ 2,559,591</u>	<u>\$ 1,427,571</u>	<u>\$ -</u>	<u>\$ 3,987,162</u>

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

Governmental activities:

Public safety - Fire Protection	\$ <u>317,526</u>
Total depreciation expenses - governmental activities	\$ <u><u>317,526</u></u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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, 2008 is presented below:

	<u>Capitalized Construction Costs</u>
New training facility	\$ <u>528,939</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. This lease was paid off during the fiscal year ended September 30, 2008.
- 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. This lease was paid off during the fiscal year ended September 30, 2008.
- 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. This lease was paid off during the fiscal year ended September 30, 2008.
- 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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

8. General Long-Term Debt (Continued)

- e) Term note collateralized by District vehicles dated March 3, 2008 with a maturity of March 3, 2013 with interest at 3.067%. Principal and interest payable are due monthly in the amount of \$13,752 beginning April 3, 2008.
- f) Term note collateralized by the land and building at 516 Paul Morris Drive dated December 12, 2007, with a maturity of December 12, 2027, with interest at 4.874%. Principal and interest payable are due monthly in the amount of \$4,565 beginning January 12, 2008.
- g) Construction draw note collateralized by the training facility dated March 3, 2008, with interest only through September 3, 2009, with interest at 3.25%. Principal and interest payments begin on October 3, 2009, total funds drawn as of September 30, 2008 was \$805,000.

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, 2008 is \$302,186.

Changes in long-term debt are summarized as follows:

Description	Balance October 1, 2007	Additions	Deletions	Balance September 30, 2008	Current Portion
Commercial note	\$ 75,985	\$ -	\$ 6,412	\$ 69,573	% 7,562
Capital leases	747,663	-	747,663	-	-
Term notes	-	1,434,000	88,016	1,345,984	169,274
Construction draw note	-	519,439	-	519,439	-
Sick leave	244,664	82,108	40,032	286,740	86,000
Personal time	6,138	2,714	424	8,428	2,528
Compensatory time	5,096	4,350	2,428	7,018	2,105
Totals	\$ 1,079,546	\$ 2,042,611	\$ 884,975	\$ 2,237,182	\$ 267,469

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

8. General Long-Term Debt (Continued)

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

Year ending September 30,	Term Notes	Commercial Note	Construction Draw Note	Total
2009	\$ 219,797	\$ 10,948	\$ -	230,745
2010	219,797	10,948	54,791	285,536
2011	219,797	10,948	54,791	285,536
2012	219,797	10,948	54,791	285,536
2013	137,424	10,948	54,791	203,163
Next five years	273,875	29,448	273,955	577,278
Next five years	273,875	-	273,955	547,830
Next five years	<u>158,317</u>	<u>-</u>	<u>24,751</u>	<u>183,068</u>
Total payments due	1,722,679	84,188	791,825	2,598,692
Less interest	<u>376,695</u>	<u>14,615</u>	<u>272,386</u>	<u>663,696</u>
Net principal outstanding	<u>\$ 1,345,984</u>	<u>\$ 69,573</u>	<u>\$ 519,439</u>	<u>\$ 1,934,996</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

9. Risk Management

The District did not receive sufficient federal grant funds during the year ended September 30, 2008 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, 2008.

General Fund - Reserved for:

Prepaid items	\$ <u>46,021</u>
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Total Governmental Funds Reserved Fund Balance	\$ <u><u>46,021</u></u>
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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>8,626,802</u>
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Total Pension Trust Funds - Reserved Fund Balances	\$ <u><u>8,626,802</u></u>
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ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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	2,158
Insurance	199,596
Extrication team	3,241
Contingencies	<u>210,441</u>
 Total fund designations	 \$ <u><u>514,090</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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

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, 2002 and 2005 the Plan provides for pension, death and disability benefits. The Plan is subject to provisions of Chapter 175 of the State of Florida Statutes.

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.

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

Group	September 30, 2008
Retirees and beneficiaries currently receiving benefits	10
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members:	
Fully vested	20
Nonvested	41
Total	61

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

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.

Annual Pension Cost and the Net Pension Obligation for the year ended September 30, 2008 is summarized as follows:

Annual required contributions	\$ 552,670
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	552,670
Contributions made	552,670
Increase in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	\$ -

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

12. Employees Retirement Systems (Continued)

Firefighters' Pension Trust Fund (Continued)

Funding Policy (Continued):

The annual required contribution for the current year was determined as part of the September 30, 2007 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, 2007 is 30 years.

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>
9/30/06	\$	360,699	100.0%	-
9/30/07		472,118	100.0	-
9/30/08		552,670	100.0	-

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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

<u>Actuarial Valuation Date</u> September 30	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL) - Frozen Entry Age</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as a Percentage of Covered Payroll</u> (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
2007	8,632,775	13,966,458	533,683	61.81	2,906,524	183.51

Schedule of Employer Contributions

<u>Year Ended</u> September 30	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
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
2008	552,670	100.0

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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, 2007) actuarial valuation follows:

Valuation date	September 30, 2007
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, 2008

13. Florida Retirement System

All of the District's 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

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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

13. Florida Retirement System (Continued)

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

<u>Membership Category</u>	<u>Retirement Benefit</u>	<u>Vesting</u>	<u>District Contributions Rate Actuarially Determined</u>
			<u>Employer Contribution Rates At 9/30/08</u>
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, 2008

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, 2008 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
2008	12,351	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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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, 2008 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.

The Current claims liability of \$21,000 reported as of September 30, 2008, 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, 2008 are as follows:

<u>Liability Balance</u> <u>September 30, 2007</u>	<u>Current Claims and</u> <u>Changes in Estimates</u>	<u>Liability</u> <u>Claims Payments</u>	<u>Liability Balance</u> <u>September 30, 2008</u>
<u>\$ 16,000</u>	<u>\$ 320,086</u>	<u>\$ 315,086</u>	<u>\$ 21,000</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.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

16. Rent Income (Continued)

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, 2008 is as follows:

Sarasota County rent Station 1	\$ 24,000
Sarasota County rent Station 3	15,000
Communication services company space rent	36,278
Amortization of deferred rent	<u>2,000</u>
Total rent income	<u><u>\$ 77,278</u></u>

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, 2008 were \$9,481.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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 was completed and the station was opened in April 2008.

This agreement terminates in 2033 when, absent a new interlocal agreement, possession of the property including all fixtures and equipment will revert to Charlotte County.

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 fund and the capital projects fund.

The District did not receive federal grant funds during the fiscal year ended September 30, 2008, 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, 2008

(with comparative totals as of September 30, 2007)

ASSETS

	<u>2008</u>	<u>2007</u>
Cash	\$ 722,915	\$ 1,252,978
Accounts receivable (net of allowance for uncollectible accounts):		
Accounts	-	-
Intergovernmental:		
State	2,400	2,400
Federal	25,440	96,984
Prepaid items	<u>46,021</u>	<u>48,687</u>
 TOTAL ASSETS	 <u>\$ 796,776</u>	 <u>\$ 1,401,049</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	\$ 119,763	\$ 71,674
Accrued salaries and benefits payable	60,777	21,492
Deferred tower rent	<u>13,718</u>	<u>15,718</u>
 TOTAL LIABILITIES	 194,258	 108,884
 FUND BALANCE:		
Reserved for:		
Prepaid items	<u>46,021</u>	<u>48,687</u>
Total Reserved	46,021	48,687
Unreserved:		
Designated for GRIT	50,000	50,000
Designated for accrued leave	48,654	48,654
Designated for vehicles	2,158	240,853
Designated for insurance	199,596	112,118
Designated for extrication team	3,241	1,855
Designated for contingencies	210,441	210,441
Designated for special programs	<u>1,870</u>	<u>-</u>
Total designated funds	514,090	663,921
Undesignated	<u>42,407</u>	<u>579,557</u>
 TOTAL FUND BALANCE	 <u>602,518</u>	 <u>1,292,165</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 796,776</u>	 <u>\$ 1,401,049</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, 2008
(with comparative totals for the fiscal year ended September 30, 2007)

	2008		VARIANCE	2007
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES:				
Assessments:				
Fire	\$ 5,550,061	\$ 5,521,898	\$ (28,163)	\$ 5,097,914
Excess County fees	-	72,071	72,071	66,876
Rent income	45,000	77,278	32,278	75,488
Grant revenue	75,000	-	(75,000)	96,984
Investment income	50,000	58,633	8,633	56,025
Miscellaneous	24,000	98,190	74,190	268,990
Educational incentive	-	9,600	9,600	9,160
TOTAL REVENUES	5,744,061	5,837,670	93,609	5,671,437
EXPENDITURES:				
Current:				
Public Safety-Fire:				
Regular salaries	3,516,385	3,453,021	63,364	2,923,719
Career incentive	-	9,600	(9,600)	9,160
Other compensation	95,000	97,778	(2,778)	79,594
Longevity	37,000	33,350	3,650	35,900
Overtime, hire back	75,000	56,179	18,821	40,073
Medicare tax	46,100	50,140	(4,040)	41,590
Social Security	-	7,635	(7,635)	5,254
Retirement	576,030	565,021	11,009	739,994
Group health insurance	340,200	393,836	(53,636)	307,409
Unemployment tax	3,000	-	3,000	-
Workers' compensation	320,000	383,710	(63,710)	243,474
Life and disability insurance	15,000	11,832	3,168	18,002
Legal fees	50,000	40,658	9,342	35,283
Commissioner compensation	30,000	30,000	-	29,000
Audit and accounting	17,000	7,000	10,000	9,325
Collection fees	59,000	86,035	(27,035)	101,706
Pension administrative fees	-	-	-	6,045
Medical services	35,000	26,215	8,785	2,615
Rent	-	15,000	(15,000)	7,500
Advertising & Public Relations	6,500	9,347	(2,847)	4,084
Fuel oil	1,000	3,107	(2,107)	276
Telephone	20,000	22,412	(2,412)	13,968
Electricity	35,000	30,764	4,236	25,444
Water, sewer & trash	16,000	23,264	(7,264)	7,100
Insurance	78,000	64,028	13,972	59,521
Repair and maintenance	90,500	105,848	(15,348)	78,570
Printing	2,000	60	1,940	867
Office supplies	16,000	40,580	(24,580)	17,143
Small tools and supplies	54,000	71,668	(17,668)	50,597
Petroleum products	60,000	54,371	5,629	44,876
Uniforms and protective gear	50,000	63,310	(13,310)	54,148
Education and training	43,000	35,263	7,737	39,288
Dues and publications	4,000	6,352	(2,352)	1,751
Capital outlay	295,286	1,205,776	(910,490)	179,938
Miscellaneous	17,000	19,418	(2,418)	16,051
Medical supplies	5,000	3,078	1,922	3,261
Pager fees	3,500	1,571	1,929	1,606
Contributions	17,000	1,314	15,686	1,149
Laundering	2,000	1,111	889	1,731
Insurance reserve	107,735	-	107,735	5,254
Vehicle reserve	350,000	-	350,000	-
Accrued time reserve	48,654	-	48,654	-
Contingency	280,157	3,752	276,405	-
Debt service:				
Principal	58,000	226,926	(168,926)	59,566
Interest and fiscal charges	206,500	49,508	156,992	12,308
TOTAL EXPENDITURES	7,081,547	7,309,838	(228,291)	5,308,886

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, 2008
(with comparative totals for the fiscal year ended September 30, 2007)
(CONTINUED)

	2008		VARIANCE	2007
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(1,337,486)	(1,472,168)	(134,682)	362,551
OTHER FINANCING SOURCES (USES):				
Issue of debt	-	782,521	782,521	-
Sale of capital assets	-	-	-	-
Transfer from fund balance	<u>177,486</u>	<u>-</u>	<u>(177,486)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>177,486</u>	<u>782,521</u>	<u>605,035</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(1,160,000)	(689,647)	470,353	362,551
FUND BALANCE, OCTOBER 1	<u>1,292,165</u>	<u>1,292,165</u>	<u>-</u>	<u>929,614</u>
FUND BALANCE, SEPTEMBER 30	<u>132,165</u>	<u>\$ 602,518</u>	<u>\$ 470,353</u>	<u>\$ 1,292,165</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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CAPITAL ASSETS:		
Land	\$ 397,005	\$ 224,905
Buildings and improvements	2,510,032	1,983,914
Equipment	3,352,353	2,824,913
Construction in progress	<u>528,939</u>	<u>9,500</u>
Total capital assets	<u>\$ 6,788,329</u>	<u>\$ 5,043,232</u>
Investment in capital assets from:		
General Fund	\$ 6,200,224	\$ 4,480,044
Capital Projects Fund	<u>588,105</u>	<u>563,188</u>
Total investments in capital assets	<u>\$ 6,788,329</u>	<u>\$ 5,043,232</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, 2008 and 2007

	2008				
	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
Public safety:					
Fire Protection	\$ 6,788,329	\$ 397,005	\$ 2,510,032	\$ 3,352,353	\$ 528,939
Total capital assets	\$ <u>6,788,329</u>	\$ <u>397,005</u>	\$ <u>2,510,032</u>	\$ <u>3,352,353</u>	\$ <u>528,939</u>
	2007				
	Total	Land	Buildings and Improvements	Equipment	Construction in Progress
Public safety:					
Fire Protection	\$ 5,043,232	\$ 224,905	\$ 1,983,914	\$ 2,824,913	\$ 9,500
Total capital assets	\$ <u>5,043,232</u>	\$ <u>224,905</u>	\$ <u>1,983,914</u>	\$ <u>2,824,913</u>	\$ <u>9,500</u>

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, 2008

	Capital Assets October 1, 2007	Additions	Deductions	Capital Assets September 30, 2008
Public safety:				
Fire Protection	\$ 5,043,232	\$ 1,745,097	\$ -	\$ 6,788,329
Total public safety	\$ 5,043,232	\$ 1,745,097	\$ -	\$ 6,788,329

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 FIVE FISCAL YEARS

(accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities:					
Invested in capital assets, net of related debt	\$ 2,047,337	\$ 1,735,943	\$ 1,665,611	\$ 1,422,099	1,476,550
Restricted	42,421	128,307	257,695	383,819	258,861
Unrestricted	<u>300,332</u>	<u>1,018,516</u>	<u>739,266</u>	<u>463,788</u>	<u>542,828</u>
Total governmental activities net assets	<u>\$ 2,390,090</u>	<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 FIVE FISCAL YEARS
 (accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
PROGRAM EXPENSES					
Governmental Activities:					
Public safety - fire:					
Personnel - services	\$ 5,062,102	\$ 4,525,036	\$ 3,562,907	\$ 3,364,107	\$ 3,119,435
Materials and supplies	941,878	607,866	643,159	430,651	489,319
Depreciation	317,526	264,718	149,882	143,195	138,758
Interest and long-term debt	<u>61,968</u>	<u>36,067</u>	<u>53,937</u>	<u>5,226</u>	<u>7,795</u>
Total governmental activities expenses	\$ <u>6,383,474</u>	\$ <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	\$ 53,127	\$ 42,420	\$ 312,236	\$ 219,490	\$ 181,087
Federal grant	-	96,984	-	-	28,848
Reimbursement - Sarasota County	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Total primary government activities program revenues	\$ <u>53,127</u>	\$ <u>139,404</u>	\$ <u>312,236</u>	\$ <u>219,490</u>	\$ <u>269,935</u>
NET (EXPENSE) REVENUE					
Governmental activities	\$ <u>(6,330,347)</u>	\$ <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 FIVE FISCAL YEARS

(accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:					
General Revenues:					
Assessments	\$ 5,521,898	\$ 5,097,914	\$ 4,370,586	\$ 3,547,883	\$ 3,408,961
Space rental	77,278	75,488	61,879	76,724	49,100
Firefighters' educational incentive	9,600	9,160	6,150	4,682	3,478
Investment earnings	58,633	59,110	41,824	20,543	7,723
Miscellaneous	<u>98,190</u>	<u>272,805</u>	<u>10,076</u>	<u>65,324</u>	<u>130,817</u>
Total governmental activities	\$ <u>5,765,599</u>	\$ <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>(492,676)</u>	\$ <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 FIVE FISCAL YEARS
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004
General Fund:					
Reserved	\$ 46,021	\$ 48,687	\$ 43,113	\$ 43,050	\$ 31,000
Designated	515,960	663,921	549,948	313,284	303,300
Unreserved, undesignated	40,537	579,557	336,553	278,588	374,784
Total general fund	\$ 602,518	\$ 1,292,165	\$ 929,614	\$ 634,922	\$ 709,084
All Other Governmental Funds:					
Unreserved, reported in:					
Capital projects fund	\$ 42,421	\$ 128,307	\$ 257,695	\$ 383,819	\$ 258,861
Total all other governmental funds	\$ 42,421	\$ 128,307	\$ 257,695	\$ 383,819	\$ 258,861
Total governmental funds	\$ 644,939	\$ 1,420,472	\$ 1,187,309	\$ 1,018,741	\$ 967,945

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST FIVE FISCAL YEARS

(modified accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
REVENUES					
Assessments	\$ 5,521,898	\$ 5,097,914	\$ 4,370,586	\$ 3,547,883	\$ 3,408,961
Excess County fees	72,071	66,876	-	-	-
Impact fees	53,127	42,420	312,236	219,490	181,087
Intergovernmental	9,600	9,160	6,150	4,682	92,326
Space rent	77,278	75,488	61,879	76,724	49,100
Grant revenue	-	96,984	-	-	-
Interest earnings	58,633	59,110	41,824	20,543	7,723
Miscellaneous	<u>98,190</u>	<u>205,929</u>	<u>10,076</u>	<u>65,324</u>	<u>130,817</u>
Total revenues	5,890,797	5,653,881	4,802,751	3,934,646	3,870,014
EXPENDITURES					
Public safety - fire:					
Personnel services	5,062,102	4,438,915	3,562,907	3,359,229	3,101,605
Operating expenses	765,526	551,283	490,097	387,239	394,484
Capital outlay	1,235,355	249,212	407,258	107,172	290,514
Debt service:					
Principal	310,979	142,421	140,807	24,469	58,284
Interest and fiscal charges	<u>74,889</u>	<u>38,887</u>	<u>35,314</u>	<u>5,741</u>	<u>8,309</u>
Total expenditures	<u>7,448,851</u>	<u>5,420,718</u>	<u>4,636,383</u>	<u>3,883,850</u>	<u>3,853,196</u>
Excess of revenues over (under) expenditures	(1,558,054)	233,163	166,368	50,796	16,818
OTHER FINANCING SOURCES (USES)					
Sale of equipment	-	-	2,200	-	-
Issue of debt	782,521	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>782,521</u>	<u>-</u>	<u>2,200</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ <u>(775,533)</u>	\$ <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>6.62%</u>	<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 SIX 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>
2008	Sarasota	\$ 33,021,146	\$ 664,114	\$ 16,046,182	\$ 1,267,371	\$ 291,328	\$ 6,804,145	\$ 1,369,721	\$ 744,438	\$ 230,458	\$ 60,438,903
	Charlotte	<u>15,289,112</u>	<u>314,445</u>	<u>3,065,990</u>	<u>349,337</u>	<u>123,189</u>	<u>2,409,162</u>	<u>350,146</u>	<u>324,275</u>	<u>139,874</u>	<u>22,365,530</u>
	Total	<u>\$ 48,310,258</u>	<u>\$ 978,559</u>	<u>\$ 19,112,172</u>	<u>\$ 1,616,708</u>	<u>\$ 414,517</u>	<u>\$ 9,213,307</u>	<u>\$ 1,719,867</u>	<u>\$ 1,068,713</u>	<u>\$ 370,332</u>	<u>\$ 82,804,433</u>

ENGLEWOOD AREA FIRE CONTROL DISTRICT

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Sarasota County:						
Operating	4.332	4.312	4.178	3.946	3.619	3.277
Debt Service	0.221	0.189	0.164	0.148	0.075	0.062
Other	<u>0.996</u>	<u>1.852</u>	<u>1.952</u>	<u>2.082</u>	<u>2.282</u>	<u>2.175</u>
Total County millage	5.549	6.353	6.294	6.176	5.976	5.514
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>	<u>7.123</u>
Total County and School Board millage	<u>14.836</u>	<u>15.146</u>	<u>14.660</u>	<u>14.037</u>	<u>13.186</u>	<u>12.637</u>

Source: County Tax Collector

ENGLEWOOD AREA FIRE CONTROL DISTRICT

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Charlotte County:						
Operating	4.354	4.354	4.254	4.254	3.754	3.483
Debt Service	-	-	-	-	-	-
Other	<u>0.557</u>	<u>0.557</u>	<u>0.557</u>	<u>1.157</u>	<u>1.127</u>	<u>1.298</u>
Total County millage	4.911	4.911	4.811	5.411	4.881	4.781
Charlotte County School Board:						
Operating	5.669	5.514	5.625	4.686	3.426	3.611
Debt Service	0.354	0.310	0.260	0.200	0.140	0.390
Other	<u>2.605</u>	<u>2.594</u>	<u>2.584</u>	<u>2.623</u>	<u>2.588</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>	<u>6.238</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>	<u><u>11.019</u></u>

Source: County Tax Collector

ENGLEWOOD AREA FIRE CONTROL DISTRICT

TAXABLE VALUATIONS, ASSESSMENTS
LEVIED AND COLLECTED
LAST FIVE FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Taxable valuation	\$ <u>82,804,433</u>	\$ <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	\$ 5,521,898	\$ 5,097,914	\$ 4,370,586	\$ 3,547,883	\$ 3,408,961
Add: Collection fee refunds	72,071	66,876	-	-	-
Less: Collection Fees	<u>(86,035)</u>	<u>(101,706)</u>	<u>(36,352)</u>	<u>(29,979)</u>	<u>(26,343)</u>
Net assessments collected	\$ <u>5,507,934</u>	\$ <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 FIVE FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Business and commercial buildings	\$ 0.22/sq. ft.	\$ 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	122.00	115.34	110.00	82.79	78.89
Duplex residences	244.00	230.68	220.00	165.58	157.78
Each apartment in multi family buildings	122.00	115.34	110.00	82.79	78.89
Hotel/motel property (*per room/unit)	63.46	60.00	50.00*	0.128/sq. ft. w/128.85 min.	0.122/sq. ft. w/122.78 min.
Unimproved, subdivided lots	48.79	46.13	42.00	32.30	30.78
Public (government owned) property	0.22/sq. ft.	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 FIVE FISCAL YEARS

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

DEBT CAPACITY

ENGLEWOOD AREA FIRE CONTROL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST FIVE FISCAL YEARS

Fiscal Year	Governmental Activities					Per Capita (District)
	Commercial Note	Capital Leases	Term Notes	Construction Draw Note	Total	
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
2008	69,573	-	1,345,984	519,439	1,934,996	38.70

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, 2008

	Net General Obligation Loans- Bonded Debt Outstanding	Net General Self- Supporting Revenue Debt	Total	Percentage Applicable to District	Amount Applicable to District
District Debt:					
Term Notes	\$ -	\$ 1,345,984	\$ 1,345,984	100.0 %	\$ 1,345,984
Construction Draw Note	-	519,439	519,439	100.0	519,439
Commercial note	-	69,573	69,573	100.0	69,573
	<u>-</u>	<u>1,934,996</u>	<u>1,934,996</u>		<u>1,934,996</u>
Total District Debt					
	-	1,934,996	1,934,996		1,934,996
Overlapping debt:					
Sarasota County ⁽¹⁾	\$ -	\$ 350,968,000	\$ 350,968,000	4.2	14,740,656
Charlotte County	48,021,260	-	48,021,260	24.3	11,669,000
Charlotte County School Board	-	-	-	-	-
	<u>48,021,260</u>	<u>350,968,000</u>	<u>398,989,260</u>		<u>26,409,656</u>
Total Overlapping debt					
	48,021,260	350,968,000	398,989,260		26,409,656
Total Direct and Overlapping Debt					
	\$ <u>48,021,260</u>	\$ <u>352,902,996</u>	\$ <u>400,924,256</u>		\$ <u>28,344,652</u>

RATIO:

Direct and overlapping debt per capita:

Charlotte and
Sarasota counties and District

\$ 566.89

⁽¹⁾ The District's share is calculated based on the ratio of the 2008 Sarasota and Charlotte Counties population to the respective District's population.

	<u>Population</u>
Charlotte County	136,773
Sarasota County	393,608
District - Charlotte	33,300
District - Sarasota	16,700

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

ENGLEWOOD AREA FIRE CONTROL DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST FIVE FISCAL YEARS

	<u>2008</u>	<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	\$ 5,744,061	\$ 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>	<u>50%</u>
Maximum annual debt service allowable	\$ <u>2,872,030</u>	\$ <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	\$ 69,573	\$ 10,948	\$ 3,649	\$ -	\$ -
Real estate mortgage note	-	-	-	-	15,971
Term Notes	1,345,984	-	-	-	-
Construction Draw Note	519,439	-	-	-	-
Capital lease notes	<u>-</u>	<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>1,934,996</u>	\$ <u>181,653</u>	\$ <u>176,121</u>	\$ <u>30,210</u>	\$ <u>66,514</u>

OPERATING INFORMATION

ENGLEWOOD AREA FIRE CONTROL DISTRICT

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

<u>FUNCTION</u>	Full-Time Equivalent Employees as of September 30,					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety:						
Fire:						
- Firefighters	60	57	54	45	42	42
- EMS Professionals	60	57	54	45	42	42
- Administrative Staff	6	6	6	6	6	6

OPERATING INDICATORS BY FUNCTION
LAST SIX FISCAL YEARS

FUNCTION	Fiscal Year Ended September 30,					
	2008	2007	2006	2005	2004	2003
Public Safety:						
Fire:						
Number of Fire calls	184	230	186	162	200	208
Number of EMS calls	1,904	1,953	2,014	1,882	1,758	1,664
Miscellaneous calls ^(A)	645	-	-	-	-	-
District population	49,580	49,000	44,198	43,941	41,713	39,944

^(A) During the fiscal year ended September 30, 2008, the District began to track separately the different types of calls that are received. The miscellaneous calls include hazardous material incidents, special details, and automobile related accidents.

ENGLEWOOD AREA FIRE CONTROL DISTRICT

CAPITAL ASSETS STATISTICS
LAST SIX FISCAL YEARS

<u>FUNCTION</u>	<u>Fiscal Year Ended September 30,</u>					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety:						
Fire:						
Fire Stations	6	4	4	4	4	4
Fire Engines	7	6	5	5	4	4

ENGLEWOOD AREA FIRE CONTROL DISTRICT

SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2008

<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	2008	American Alternative Insurance	\$ Various	\$ 52,693
	General Liability	2008	-	-	-
	Employee Dishonesty	2008	-	-	-
	Electronic Data Processing	2008	-	-	-
VFISCU-50053014	Umbrellas	2008	American Alternative Insurance	-	9,092
VFISCM-1009719	Auto	2008	-	-	-
WCFL-100840060709	Worker's Compensation	2008	FCCI Zenith Settlement	1,000,000	203,698 180,012
RSB21294	Public Official Bond	2008	-	5000	180
VFP-8110-9425A	Accidental Death-Volunteers	2008	-	-	-
CFP-9410-0376A	Accidental Death - Paid		-	-	-
TOTAL PREMIUMS					\$ <u><u>445,675</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, 2008

REPORT ON
COMPLIANCE AND INTERNAL CONTROL

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

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**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, 2008, and have issued our report thereon dated June 30, 2009. 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.

Board of Commissioners
Englewood Area Fire Control District

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 June 30, 2009.

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.

Davidson, Jamison & Coitner, P.C.

June 30, 2009

MANAGEMENT LETTER

Davidson, Jamieson & Cristini, P.L.
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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, 2008 and have issued our report thereon dated June 30, 2009.

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 June 30, 2009 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 internal controls and compliance, whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report not otherwise addressed in the auditor's report pursuant to Rule 10.557(3)(b)(2). There were no findings or recommendations made on internal control and compliance 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 Town/City/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 government entity's financial management. In connection with our audit we found no material weakness or reportable conditions involving the entity's financial management.

Board of Commissioners
Englewood Area Fire Control District

The Rules of the Auditor General (Section 10.554(1)(i)(4)) requires disclosures in the management letter of the following matters if not already addressed in the auditor's report on internal controls and compliance. Violations of laws, regulations, contracts, or grant agreements, or abuse that have occurred or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential.

None of these matters were observed during our audit of the Englewood Area Fire Control District's financial statements for the fiscal year ended September 30, 2008.

The Rules of the Auditor General (Section 10.554(1)(i)(5)) requires that the management letter include the following.

For matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment:

- a. Violations of laws, regulations, contracts, or grant agreements, or abuse that have occurred, or are likely to have occurred.
- b. Control deficiencies 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 annual financial statements).
 - 2) Failures to properly record financial transactions.
 - 3) Inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

None of the above matters were observed during our audit of the Englewood Area Fire Control District's financial statements for the fiscal year ended September 30, 2008.

The Rules of the Auditor General (Section 10.554(1)(i)(6)) 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, unless disclosed in the notes to the financial statements. Legal authority includes the general law, special acts, ordinances, resolutions, or other means by which the local government entity was created and is governed. For county agencies, legal authority disclosure shall include a reference to a county charter, if applicable. This disclosure has been included in the Englewood Area Fire Control District's Comprehensive Annual financial Report for the fiscal year ended September 30, 2008.

Board of Commissioners
Englewood Area Fire Control District

The Rules of the Auditor General (Section 10.554(1)(i)(7)(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 Englewood Area Fire Control District's financial statements for the fiscal year ended September 30, 2008, we found that the Englewood Area Fire Control District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

The Rules of the Auditor General (Section 554(1)(i)(7)(b)) requires a statement as to whether or not the financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the current audit period and, if not, explanations of any significant differences. We determined that the Comprehensive Annual Financial Report for the Englewood Area Fire Control District for the fiscal year ended September 30, 2008 is in agreement with the financial report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2008.

The Rules of the Auditor General (Section 554(1)(i)(7)(c)) requires the following information regarding the auditor's application of financial condition assessment procedures pursuant to Rule 10.556(7):

- 1) A statement that the auditor applied 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 Englewood Area Fire Control District's financial statements for the fiscal year ended September 30, 2008.

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.

Davidson, Jamison & Coitner, P.L.C.

June 30, 2009

**MEMORANDUM ON REVIEW
OF INTERNAL CONTROL STRUCTURE**

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

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June 30, 2009

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, 2008, and have issued our report thereon dated June 30, 2009.

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

Impact Fee Fund
Fixed Assets

CURRENT YEAR

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.

We understand that a separate impact fee fund has been established during the fiscal year ended September 30, 2008.

Fixed Assets

During the year ended September 30, 2007 and 2008 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.

We understand that the District's fixed asset data is being sorted by natural account category during the fiscal year ended September 30, 2009.

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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

ENGLEWOOD AREA FIRE CONTROL DISTRICT

ADMINISTRATION CENTER
516 Paul Morris Drive
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Managements Response to Internal Controls August 4, 2009

A. Impact Fee Fund

During the fiscal year 2007/2008 a separate fund was established for impact fee deposits and expenditures.

B. Fixed Assets

The District added the reporting of fixed assets by asset type and will continue to report by location during the current fiscal year (2008/2009).