ESTERO FIRE RESCUE DISTRICT
FIREFIGHTERS' RETIREMENT PLAN

SEPTEMBER 30, 2023

FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

To the Board of Trustees of the
Estero Fire Rescue Firefighters' Retirement Plan
Estero, Florida

We have audited the accompanying financial statements of the Estero Fire Rescue Firefighters' Retirement Plan (the "Plan"), which comprises the statement of fiduciary net position as of September 30, 2023, the statement of changes in fiduciary net position for the fiscal year then ended, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's fiduciary net position as of September 30, 2023, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the District's Net Pension Liability and Related Ratios, Schedule of Contributions, and the Schedule of Investment Returns to be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on these basic financial statements is not affected by this missing information.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
March 22, 2024

Estero Fire Rescue
Firefighters' Retirement Plan

Statement of Fiduciary Net Position
September 30, 2023

ASSETS		
Cash and cash equivalents		$ 573,095
Contributions receivable		4,000
Investments, at fair value:		
Pooled/common/comingled funds:		
Fixed income	$ 11,543,777	
Equities	28,818,508	
Total investments at fair value		40,362,285
TOTAL ASSETS		40,939,380
PLAN NET POSITION		
Restricted for defined benefits		39,409,104
Restricted for shared benefits		1,530,276
RESTRICTED FOR PENSIONS		$ 40,939,380

The accompanying notes are an integral and essential part of these financial statements.

Estero Fire Rescue
Firefighters' Retirement Plan

Statement of Changes in Fiduciary Net Position
Year ended September 30, 2023

ADDITIONS TO NET POSITION ATTRIBUTED TO:		
Contributions:		
Employer	$ 653,992	
Plan member	203,138	
State contribution	483,276	
TOTAL CONTRIBUTIONS		$ 1,340,406
Investment income (expense):		
Net appreciation in fair value of investments	3,159,403	
Less: investment expense	(46,824)	
NET INVESTMENT GAIN (LOSS)		3,112,579
TOTAL ADDITIONS TO NET POSITION		$ 4,452,985
DEDUCTIONS FROM NET POSITION ATTRIBUTED TO:		
Benefits and refunds	465,839	
Administrative expenses	26,717	
TOTAL DEDUCTIONS FROM NET POSITION		492,556
Net increase in fiduciary net position		3,960,429
Fiduciary net position restricted for pensions		
Beginning of year, October 1, 2022		36,978,951
End of year, September 30, 2023		$ 40,939,380

The accompanying notes are an integral and essential part of these financial statements.

Estero Fire Rescue
Firefighters' Retirement Plan
Notes to Financial Statements
Year ended September 30, 2023

NOTE A - DESCRIPTION OF PLAN

The following description of the Estero Fire Rescue Firefighters' Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provision.

The Plan is a defined benefit pension plan covering all full-time Firefighters of the Estero Fire Rescue District (the "District").

The Plan's membership consists of:

	September 30, 2023 Current Membership	October 1, 2022 Actuary Valuation Date
Inactive plan members or beneficiaries currently receiving benefits	11	11
Inactive plan members entitled to, but not yet receiving benefits	7	7
Active plan members participating in the Deferred Retirement Option Plan (DROP)	0	4
Active plan members	69	65
Total Plan Members	87	87

General

The Plan is a defined benefit pension plan covering full-time firefighters of the District. Participation in the Plan is required as a condition of employment. Established in December 2000, the Plan provides for retirement, disability, and pre-retirement death benefits, and is subject to the 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 of Trustees. 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 Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

Pension Benefits

Monthly accrued benefit - The monthly accrued benefit is equal to:

a. 2.00% of Average Final Compensation multiplied by Credited Service earned prior to December 1, 2000, plus,
b. 3.70% of Average Final Compensation multiplied by Credited Service earned from December 1, 2000 through September 30, 2010, plus,
c. 3.00% of Average Final Compensation multiplied by Credited Service earned after September 30, 2010.

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Pension Benefits, Continued

Credited Service - The total number of years and fractional parts of years of service as a member in the Plan during which the member made required contributions to the Plan, omitting intervening years or fractional parts of year when the member was not employed by the District.

Average final compensation - The average of the highest five years of compensation out of the last ten years of employment, or career average, whichever is larger.

Payment options - The Plan offers a variety of payment options as defined by the Plan, including, lump sum payout, 10 year certain and life annuity, actuarially reduced joint and 1 life annuities, and other options.

Normal retirement age - Normal retirement age is defined as:

a. Age 55 with at least 10 years of Credited Service, or
b. Age 52 with at least 25 years of Credited Service.

Early retirement age - Early retirement age is defined as any age with at least 10 years of Credited Service. Benefits are reduced, if applicable, by 3.00% for each year by which the participant's early retirement date precedes the normal retirement date.

Death and disability - Upon the death of a vested participant prior to retirement, the beneficiary will receive the participant's monthly accrued benefit for 10 years beginning on the participant's early or normal retirement date. Upon the death of a non-vested participant prior to retirement, the beneficiary will receive the participant's accumulated contributions in lieu of any other benefits payable under the Plan.

Active employees who become totally and permanently disabled in the line of duty shall receive a 10-year certain and life annuity equal to the larger of a) monthly accrued benefit, or b) 42% of the average final compensation. Any participant who becomes totally and permanently disabled while not in the line of duty, and has at least 10 years of Credited service shall receive a 10 year certain and life annuity equal to the larger of a) the monthly accrued benefit, or b) 25% of average final compensation.

Regardless of how the member becomes disabled, the benefit is offset as necessary to preclude the total of the member's workers' compensation, disability benefit, or other District-provided disability compensation from exceeding his average final compensation.

Contribution and Funding

Covered firefighters are required to contribute 3.00% of their salary to the Plan, which accumulate with no interest. If the participant terminates his employment with less than ten years of credited service, he receives his accumulated contributions in lieu of any other benefits payable from the plan. The District makes contributions based on actuarially determined minimum funding requirements. Additionally, the State of Florida contributes insurance premium taxes which are used to help reduce the District's portion of its minimum funding requirement.

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Vesting

Members are 100% vested in their contributions and earnings thereon at all times. Members become 100%vested in employer contributions and earnings thereon after completing 10 years of credited service.

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue, and earn interest at the rate of 6.50%, until such time that they leave the DROP program. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. Plan member contributions are recognized in the period in which the contributions are due. District contributions to the plan as calculated by the Plan's actuary, are recognized as revenue when due and the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Basis of presentation

The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement 67, "Financial Reporting for Pension Plans" and the Codification of Governmental Accounting and Financial Reporting Standards which covers the reporting requirements for defined benefit pensions established by a governmental employer. The accompanying financial statements include the accounts of the Plan which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service, disability and death benefits required under the terms of the Plan document.

Valuation of investments and investment income

Plan investments are carried at fair market value based on quoted market prices of the underlying investments. Investment income is recognized on the accrual basis as earned. Unrealized appreciation in fair value of investments includes the difference between cost and fair value of investments held.

The net realized and unrealized investment appreciation or depreciation for the year is reflected in the Statement of Changes in Fiduciary Net Position. The Plan is collectively managed with other governments' plans. Investment income is allocated to each plan as a net amount, as it is not feasible to specifically allocate appreciation (depreciation) by individual component.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Custody of assets

Custodial and investment services are provided to the Plan under a contract with the Florida Municipal Pension Trust Fund/Florida League of Cities, Inc. The Plan's investment policies are governed by Resolutions of the District and State of Florida Statutes.

Investment Objectives

The primary objective is to seek long-term growth of capital and income consistent with conservation of capital. Necessary liquidity will be maintained to meet payout requirements. Emphasis is placed on achieving consistent returns and avoiding extreme volatility in market value.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, annuities and life insurance contracts, time deposits insured by the FDIC, and large capitalization common or preferred stocks, pooled equity funds and high quality bonds, notes or fixed income funds administered by national or state banks.

Additionally, the Plan places the following restrictions on selected equity securities:

a. No more than five percent of the Plan's assets may be invested in the common or capital stock of any single corporation.
b. The Plan's investment in the common stock of any single corporation shall not exceed five percent of such corporation's outstanding common or capital stock.
c. The aggregate value of investments in common stock, capital stock and convertible securities at market value cannot exceed 60% of the Plan's assets.

Actuarial Cost Method

The Plan utilizes the Aggregate Cost Method for funding purposes. Under this cost method, a funding cost is developed for the plan as a level percentage of payroll. The level percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants.

The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Under this cost method, no unfunded accrued liability is developed.

Reporting entity

The financial statements presented are only for the Plan and are not intended to present the basic financial statements of the Estero Fire Rescue District. The Plan is included in the District's Annual Financial Statements for the year ended September 30, 2023 which is a separately issued document. Anyone wishing further information about the District is referred to the District's Financial Statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reporting entity, continued

The Plan is a pension trust fund (fiduciary fund type) of the District which accounts for the single employer defined benefit pension plan for all District Firefighters. The provisions of the Plan provide for retirement, disability, and survivor benefits.

Use of estimates

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

Risk and uncertainties

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

NOTE C - DEPOSITS AND INVESTMENTS

The Plan adheres to State Statutes and prudent business practices. By decision of the Board of Trustees, the Plan is affiliated with the Florida Municipal Pension Trust Fund ("FMPTF"). As a result, the Plan's assets are held with FMPTF, an agent multiple employer pension plan administered by the FMPTF Board of Trustees. The FMPTF issues a publicly available report that includes the combined financial statements of all plan members. Separate accounts are maintained for each employer group.

The Florida Municipal Investment Trust (FMIT) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The FMIT is a Local Government Investment Pool and is considered an external investment pool for GASB reporting purposes. The City reports its investment in the FMIT at fair value in accordance with the GASB Statement 72, Fair Value Measurement and Application fair value hierarchy. GASB 72 requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques.

NOTE C - DEPOSITS AND INVESTMENTS, CONTINUED

The hierarchy is based on valuation inputs used to measure the fair value as follows:

Level 1: Inputs are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.

Level 3: Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

At September 30, 2023, the Plan reported the following investments:

	Fair Value Measurement Using:	
Investment by Fair Value Level	Balance	Level
FMIvT Broad Market High Quality Bond Fund	$ 5,976,565	2
FMIvT Core Plus Fixed Income Fund	5,567,212	3
FMIvT Diversified Large Cap Equity Portfolio	9,988,232	2
FMIvT Diversified Small to Mid Cap Equity Portfolio	5,690,018	2
FMIvT International Equity Portfolio	7,900,528	2
FMIvT Core Real Estate	5,239,730	3
Total Investments at Fair Value	$ 40,362,285	

Investment management and custodial fees are calculated quarterly as a percentage of the fair market value of the Plan's managed assets. The plan follows the investment policies of the FMPTF. The Master Trustees of the FMPTF have the exclusive authority and discretion to manage and control the assets of the FMPTF. The District has elected to participate in the FMPTF 60% Equity Fund. The maximum target asset allocation for equities is 70%. A variance of more than 10% from the approved allocation percentages of any asset class requires approval by the Master Trustees. Percentage allocations are intended to serve as guidelines; the Master Trustees will not be required to remain strictly at the designated allocation. Market conditions or an investment transition (asset class or manager) may require an interim investment strategy and, therefore, a temporary imbalance in asset mix.

NOTE C - DEPOSITS AND INVESTMENTS, CONTINUED

The following was the adopted asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation	
Fixed Income Funds	30%	
Core Bonds		15%
Core Plus		15%
Equity Funds	60%	
US Large Cap Equity		25%
US Small/Mid Cap Equity		14%
International (non US)		21%
Core Real Estate	10%	

All employee pension plans assets with the FMPTF are included in the trust's master Trust Fund. Employee pension plan assets of the defined benefit type are invested by the FMPTF through the Florida Municipal Investment Trust ("FMIvT") for the benefit of the Participating Employers, Participating Employees and Beneficiaries. The FMIvT is a Local Government Investment Pool (LGIP) and, therefore, considered an external investment pool. The plans have a beneficial interest in shares in the FMIvT portfolios listed below. The plan's investment is the beneficial interest in the FMIvT portfolio, not the individual securities held within each portfolio.

The Plan had no instrument that in whole, or in part, is accounted for as a derivative instrument under GASB Statement 53, Accounting and Financial Reporting for Derivative Instruments during the current Plan year.

As of September 30, 2023, the asset allocations for the various investment models were as follows:

	Fair Market Value	Percentage of Portfolio
Cash	$ 573,095	1.40%
Pooled, Common, Comingled Funds:		
Fixed Income Funds	11,543,777	28.20%
Equity Funds	23,578,778	57.60%
Core Real Estate	5,239,730	12.80%
	$ 40,935,380	100.00%

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.

Estero Fire Rescue
Firefighters' Retirement Plan
Notes to Financial Statements
Year ended September 30, 2023

NOTE C - DEPOSITS AND INVESTMENTS, CONTINUED

FMIvT Interest Rate Risk (Years)

Fixed Income Fund	Modified Duration	WAM*
FMIvT Broad Market High Quality Bond Fund	5.58	4.7
FMIvT Core Plus Fixed Income Fund	5.7	9.4

*weighted average matu

Credit Risk

Credit risk exists when there is a possibility the issuer, or other counterparty to an investment, may be unable to fulfill its obligations. GASBS 40 requires disclosure of credit quality ratings for investments in debt securities as well as investments in external investment pools, money market funds, and other pooled investments of fixed-income securities. Investments may be aggregated by rating categories within the disclosure. Ratings are set by nationally recognized statistical rating organizations (Fitch, Moody's and S&P). In cases where an investment is unrated, a disclosure noting that the investment is unrated is required.

Investment Type	Fair Value	Fitch Rating
FMIvT Broad Market High Quality Bond Fund	$ 5,976,565	Aaf/S4
FMIvT Core Plus Fixed Income Fund	5,567,212	Not Rated
FMIvT Diversified Large Cap Equity Portfolio	9,988,232	Not Rated
FMIvT Diversified Small to Mid Cap Equity Portfolio	5,690,018	Not Rated
FMIvT International Equity Portfolio	7,900,528	Not Rated
FMIvT Core Real Estate Portfolio	5,239,730	Not Rated
Total Investments at Fair Value	$ 40,362,285	

Concentration Risk

In addition to describing the credit risk of investments in the portfolio, governmental entities will need to disclose the concentration of credit risk with a single issuer. If five percent or more of the total assets of the portfolio are invested with one issuer, a footnote disclosure will be required. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the concentration of credit risk disclosure requirements.

Foreign Currency Risk

This category applies only if a government's deposits or investments are exposed to foreign currency risk. If subject to such exposure, the government should disclose the dollar balances subject to such risks, organized by currency denomination and investment type. Participating Employers' investments in the FMIvT are not subject to foreign currency risk.

NOTE C - DEPOSITS AND INVESTMENTS, CONTINUED

Custodial Credit Risk

GASBS 40 modifies the existing GASBS 3 custodial credit risk reporting requirements. Under GASBS 3, governments had to categorize their investments into one of three custodial credit risk categories. This is no longer required. Under GASBS 40, disclosure is only required if investments are uninsured, unregistered and held by either the counterparty or the counterparty's trust department or agent but not in the government's name. (This was "Category 3" in GASB Statement 3.)

Participating Employers' investments through the FMPTF in the FMIvT are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Rate of return

For the year ended September 30, 2023, the annual money weighted rate of return on the Firefighters' Retirement Pension Plan investments, net of investment expense was 21.62%. The money weighted rate of return expresses investment performance, net of investment expense, and is adjusted for the changing amounts actually invested.

NOTE D - NET PENSION ASSET

The components of the net pension asset of the District as it pertains to this Plan at September 30, 2023 were as follows:

	Amount	
Total pension liability	$ 39,538,045	*
Less: Plan fiduciary net position	(39,405,104)	
District's net pension liability (asset)	$ 132,941	*
Plan fiduciary net position as a percentage of the total pension liability	98.48%	

* This amount has been rolled forward from October 1, 2022.
** This amount is recognized on the District's balance sheet.

NOTE E - SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

The total pension liability was determined by an actuarial valuation as of October 1, 2022 using the following actuarial assumptions applied to all measurement periods:

- Discount Rate — 7.00%, net of investment expenses and commissions, (2.62% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments

NOTE E - SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS, CONTINUED

- Salary increase: 4.5%
- Cost of living increases: None assumed
- Non-Investment Expenses: Liabilities have been loaded by 1.75% to account for non-investment expenses
- Mortality Basis: For non-retired participants, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees with full generational improvements in mortality Scale MP-2018 and with ages set forward one year. For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees with full generational improvements in mortality Scale MP-2018 and with ages set forward one year. For disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disable Retiree Mortality Table with full generational improvements in mortality Scale MP-2018.
- Retirement: For those participants whose normal retirement age is 53 or earlier, retirement is assumed to occur at the rate of 15% at age 50, 10% at each age of ages 51 and 52, and 100% at the earlier age of 53 or normal retirement age. For those participants whose normal retirement age is 54 or later, retirement is assumed to occur at the rate of 15% at each of ages 50 through 54 and 100% at age 55, except that 40% retirement is assumed to occur at a normal retirement age of 54.
- Future Contributions: Contributions from the employer and employees are assumed to be made as legally required
- Other Decrements: Assumed employment termination is based on gender, age ,and service; for participants with less than ten years of service, termination rates range from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between eight and 10 years of service; for participants with at least 10 years of service, termination rates range from 4.28% for males and 5.41% for females at age 25 to 0.00% at age 55. Assumed disability is based on gender and age and ranges from 0.067% for males and 0.040% for females at age 25 to 1.00%for males and 0.84% for females at age 55.
- Changes: No assumptions were changed since the prior measurement date.

NOTE F - DETERMINATION OF THE LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return *
Core Bonds	15.00%	1.60%
Multi-sector	15.00%	2.10%
U.S. Large Cap Equity	25.00%	4.60%
U.S. Small Cap Equity	14.00%	5.50%
Non-U.S. Equity	21.00%	6.70%
Core Real Estate	10.00%	5.00%
Total/Weighted Arithmetic Average	100.00%	4.38%

*per annum

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension asset to changes in the discount rate: The following presents the total pension liability calculated using the discount rate of 7.00%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total Pension Liability	$45,017,422	$ 36,313,032	$ 35,041,494
Less: Fiduciary Net Position	(39,405,104)	(35,760,439)	(39,405,104)
Net Pension Liabilty/(Asset)	$ 5,612,318	$ 552,593	$ (4,363,610)

NOTE G - ADMINISTRATIVE AND INVESTMENT EXPENSES

Administrative and investment expenses for the year ended September 30, 2023 are as follows:

	Amount
Actuary Fees	12,413
Fiduciary Liability Insurance	3,346
Legal Fees	10,958
Total Administration Expenses	26,717
Third Party Investment Expenses	46,824
Total Administration and Investment Expenses	73,541
Percentage of Administrative and Investment Expenses to Fiduciary Net Position	0.18%

NOTE H - PLAN TERMINATION

Although it has not expressed any intention to do so, the Plan may be terminated by the District at any time by a written resolution of the Board of Commissioners of Estero Fire Rescue District, duly certified by an official of the District. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each firefighter in the Plan at such termination date would be non-forfeitable and would be 100% vested.

NOTE I - DEFINED CONTRIBUTION COMPONENT, "SHARE PLAN"

Description of Share Plan

During the year ended September 30, 2011, the District adopted what is known as the Share Plan. The Share Plan is not included in the actuarial value of assets available to fund accumulated Plan benefits.

For plans participating in Chapter 175 or 185, Florida Statutes, in accordance with sections 175.351(6) and 185.35(6), Florida Statutes, there is an established defined contribution plan component (“Share Plan”) to provide special benefits to Firefighters who are Members of the defined benefit plan. The Share Plan is funded solely and entirely by Chapter 175 and 185 premium tax monies that are allocated to the Share Plan, by mutual consent of the District and the plan members’ collective bargaining representative.

Eligible Share Plan Participants

Eligible Share Plan participants shall be determined through collective bargaining between the Employer and the plan members’ collective bargaining representative.

NOTE I - DEFINED CONTRIBUTION COMPONENT, "SHARE PLAN," CONTINUED

Individual Share Accounts

An individual share account is created for each eligible Share Plan participant as of the date that premium tax monies are first allocated to the Share Plan. Thereafter, the plan administrator maintains appropriate records showing the share account balance of each participant.

Share Account Funding

Individual share accounts were established as of December 31, 2015 for all eligible Share Plan participants, or at a later date when premium tax monies were first allocated to the Share Plan. Individual share accounts were credited with a portion of any premium tax monies allocated to the Share Plan for the plan year beginning October 1, 2015, and each plan year thereafter in which premium tax monies are allocated to the Share Plan.

Allocation of Investment Gains and Losses

As of October 1 each year in which premium tax monies have been or are credited to participant share accounts, each individual share account is adjusted to reflect the net investment earnings or losses for the Trust for the immediately preceding plan year. The net investment earnings or losses for the Trust is the percentage earned or lost by the total Trust investments, including realized and unrealized gains or losses, net of brokerage commissions, transaction costs and management fees, as determined by the Plan's investment advisor.

Forfeitures

A Share Plan participant who terminates employment with less than the minimum number of years of credited service specified in the Adoption Agreement for vesting shall forfeit his/her share account. Forfeited amounts shall be reallocated to the other participant share accounts at the end of the plan year in which a forfeiture occurs, unless a different allocation is required by law. A participant whose share account is forfeited shall not thereafter be entitled to any portion of the amount forfeited, and if subsequently reemployed in an eligible position shall participate in the Share Plan as a new participant.

Distribution of Share Account

A participant's share account balance shall be distributed to the participant or his/her designated beneficiary within 180 days following the participant's retirement, death, or termination of employment after obtaining the minimum number of years of credited service specified in the Adoption Agreement for vesting and reaching the normal retirement date. The share account distribution shall reflect one hundred percent of the participant's share account balance as of October 1 preceding the participant's retirement, death, or termination of employment and meeting the conditions specified herein, and shall be paid in one lump sum payment. No optional forms of payments shall be permitted.

NOTE I - DEFINED CONTRIBUTION COMPONENT, "SHARE PLAN," CONTINUED

Contributions to the Share Plan

For the fiscal year ended September 30, 2023, the State premium tax monies contributed to the plan were $483,276. There were no District or employee contributions. The balance in the Share Plan at September 30, 2023 is 1,530,276.

NOTE J - SUBSEQUENT EVENTS

Management has assessed subsequent events through March 22, 2024, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Estero Fire Rescue

Firefighters' Retirement Plan

Firefighters' Retirement Plan - Schedule of Changes in the District's Net Pension Liability and Related Ratios

Last Ten Fiscal Years

September 30,	2023	2022	2021	2020	2019	2018
Total Pension Liability:						
Service cost	$ 504,157	$ 493,041	$ 493,246	$ 435,707	$ 444,623	$ 485,455
Expected interest growth	2,537,282	2,300,691	2,104,209	1,950,281	1,792,095	1,614,497
Demographic experience	649,413	1,106,794	1,293,941	65,142	828,505	715,572
Benefit payments, including refunds	(465,839)	(446,324)	(495,759)	(266,240)	(307,120)	(165,996)
Changes of assumptions	-	-	(476,278)	-	(443,827)	-
Net change in Total Pension Liability	3,225,013	3,454,202	2,919,359	2,184,890	2,314,276	2,649,528
Total Pension Liability - Beginning of Year	36,313,032	32,858,830	29,939,471	27,754,581	25,440,305	22,790,777
Total Pension Liability - End of Year (a)	$ 39,538,045	$ 36,313,032	$ 32,858,830	$ 29,939,471	$ 27,754,581	$ 25,440,305
Plan Fiduciary Net Position						
Expected interest growth	$ 2,523,289	$ 2,867,679	$ 2,357,630	$ 2,119,360	$ 1,512,964	$ 1,782,592
Unexpected investment income	538,411	(8,306,321)	4,103,646	(82,723)	-	-
Contributions - employer	653,992	528,508	1,297,198	1,437,653	1,313,297	1,380,648
Contributions - state	267,811	267,811	267,811	267,811	267,811	267,811
Contributions - employee	199,138	178,846	178,501	172,685	157,741	158,408
Benefit payments & refunds	(465,839)	(446,324)	(495,759)	(266,240)	(307,120)	(165,996)
Administrative expenses	(72,137)	(72,087)	(66,481)	(64,931)	(62,631)	(76,484)
Net change in Plan Fiduciary Net Position	3,644,665	(4,981,888)	7,642,546	3,583,615	2,882,062	3,346,979
Plan Fiduciary Net Position - Beginning of Year	35,760,439	40,742,327	33,099,781	29,516,166	26,634,104	23,287,125
Plan Fiduciary Net Position - End of Year (b)	$ 39,405,104	$ 35,760,439	$ 40,742,327	$ 33,099,781	$ 29,516,166	$ 26,634,104
Net Pension Asset - End of Year (a) - (b)	$ 132,941	$ 552,593	$ (7,883,497)	$ (3,160,310)	$ (1,761,585)	$ (1,193,799)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.66%	98.48%	123.99%	110.56%	106.35%	104.69%
Covered Employee Payroll	$ 5,426,428	$ 5,135,978	$ 5,116,997	$ 4,648,570	$ 4,680,262	$ 4,782,434

Estero Fire Rescue

Firefighters' Retirement Plan

Firefighters' Retirement Plan - Schedule of Changes in the District's Net Pension Liability and Related Ratios

Last Ten Fiscal Years

September 30,	2017	2016	2015	2014
Total Pension Liability:				
Service cost	$ 455,634	$ 462,980	$ 236,813	$ 296,869
Expected interest growth	1,374,646	911,490	1,116,502	915,736
Demographic experience	681,912	727,005	1,222,925	-
Benefit payments, including refunds	(187,513)	(163,056)	(225,627)	(183,085)
Changes of assumptions	1,087,356	4,790,497	(1,870,609)	-
Net change in Total Pension Liability	3,412,035	6,728,916	480,004	1,029,520
Total Pension Liability - Beginning of Year	19,378,742	12,649,826	12,169,822	11,140,302
Total Pension Liability - End of Year (a)	$ 22,790,777	$ 19,378,742	$ 12,649,826	$ 12,169,822
Plan Fiduciary Net Position				
Expected interest growth	$ 2,679,023	$ 1,428,448	$ (40,658)	$ 1,125,520
Unexpected investment income	-	-	-	-
Contributions - employer	1,032,000	754,447	1,139,300	981,425
Contributions - state	267,811	267,811	-	393,429
Contributions - employee	156,888	148,229	146,502	134,012
Benefit payments & refunds	(187,513)	(163,056)	(93,875)	(102,421)
Administrative expenses	(52,390)	(64,972)	(62,772)	(52,454)
Net change in Plan Fiduciary Net Position	3,895,819	2,370,907	1,088,497	2,479,511
Plan Fiduciary Net Position - Beginning of Year	19,391,306	17,020,399	15,931,902	13,452,391
Plan Fiduciary Net Position - End of Year (b)	$ 23,287,125	$ 19,391,306	$ 17,020,399	$ 15,931,902
Net Pension Asset - End of Year (a) - (b)	$ (496,348)	$ (12,564)	$ (4,370,573)	$ (3,762,080)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.18%	100.06%	134.55%	130.91%
Covered Employee Payroll	$ 4,674,731	$ 4,718,212	$ 4,288,910	$ 4,234,095

Estero Fire Rescue
Firefighters' Retirement Plan
Firefighters' Retirement Plan - Schedule of Contributions

Last Ten Fiscal Years

September 30,	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	$ 973,199	$ 808,391	$ 1,601,781	$ 1,700,404	$ 1,663,637	$ 1,648,462	$ 1,300,081
Contributions in relation to the actuarially determined contributions	921,803	796,319	1565009	1705464	1581108	1648459	1299811
Contribution deficiency (excess)	$ 51,396	$ 12,072	$ 36,772	$ (5,060)	$ 82,529	$ 3	$ 270
Covered Employee Payroll	$ 5,426,428	$ 5,135,978	$ 5,116,997	$ 4,648,570	$ 4,680,262	$ 4,782,434	$ 4,674,731
Contributions as a Percentage of Covered Employee Payroll	16.99%	15.50%	30.58%	36.69%	33.78%	34.47%	27.81%
Valuation Date	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016

September 30,	2016	2015	2014
Actuarially determined contributions	$ 1,092,921	$ 1,012,328	$ 1,113,639
Contributions in relation to the actuarially determined contributions	1,022,258	1,139,300	1,374,854
Contribution deficiency (excess)	$ 70,663	$ (126,972)	$ (261,215)
Covered Employee Payroll	$ 4,718,212	$ 4,288,910	$ 4,234,095
Contributions as a Percentage of Covered Employee Payroll	21.67%	26.56%	32.47%
Valuation Date	10/1/2015	10/1/2014	10/1/2013

Notes to Schedule:

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

Estero Fire Rescue
Firefighters' Retirement Plan
Firefighters' Retirement Plan - Schedule of Investment Returns

Last Ten Fiscal Years

The table below summarizes the annual money-weighted rate of return, net of investment expenses.

September 30,	Rate of Return
2023	21.62%
2022	-15.47%
2021	15.99%
2020	6.08%
2019	5.56%
2018	7.45%
2017	13.45%
2016	8.06%
2015	-28.00%
2014	9.12%