

UPPER CAPTIVA FIRE PROTECTION
AND RESCUE SERVICE DISTRICT

September 30, 2025

FINANCIAL STATEMENTS,
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

Honorable Board of Commissioners
Upper Captiva Fire Protection and Rescue Service District
North Captiva Island, Florida

We have audited the accompanying financial statements of the governmental activities, the major fund, and aggregate remaining fund information of the Upper Captiva Fire Protection and Rescue Service District (the "District"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and aggregate remaining fund information of the District as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as mentioned in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, FL
June 19, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Upper Captiva Fire Protection and Rescue Service District

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Upper Captiva Fire Protection and Rescue Service District (the "District") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the District's financial activities for the fiscal year ended September 30, 2025. The basic financial statements are composed of the government-wide financial statements, governmental fund financial statements, and notes. We hope this will assist readers in identifying significant financial issues and changes in the District's financial position.

District Highlights

- At the close of fiscal year 2025, the District's assets exceeded its liabilities, resulting in net position of \$1,607,276.
- The District's total net position decreased \$139,322, or 7.98 percent, in comparison to the prior year.
- The District had \$477,828 of unassigned fund balance that can be used to meet the District's ongoing obligations.
- Total revenues increased \$299,172, or 17.11 percent, in comparison to the prior year.
- Total expenses increased \$803,972, or 58.11 percent, in comparison to the prior year.

Government-wide Financial Statements

Government-wide financial statements (statement of net position and statement of activities found on pages 9 and 10) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The *Statement of Net Position* (page 9) presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. The District's capital assets (property, plant, and equipment) are included in this statement and reported net of their accumulated depreciation.

The *Statement of Activities* (page 10) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Fund Financial Statements

The District accounts for its services in a *general governmental fund*. A fund is a grouping of related accounts that is being used to maintain control over resources that have been segregated for specific activities or objectives. Governmental funds are used to account for the sources, uses, and balances of a government's expendable general government financial resources (and the current liabilities). The main focus is on how money flows into and out of the general fund and the balances left at year-end that are available for spending.

Upper Captiva Fire Protection and Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Fund Financial Statements (continued)

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The *Fund Financial Statements* can be found on pages 11 and 13.

Notes to the Financial Statements

The *notes* to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 15. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year.

The following is a condensed summary of net position for the primary government for fiscal years 2025 and 2024.

Upper Captiva Fire Protection and Rescue Service District Summary of Net Position September 30,		
	2025	2024
Assets:		
Current and Other Assets	\$ 530,960	\$ 859,514
Capital Assets	1,129,264	1,203,749
Total Assets	<u>1,660,224</u>	<u>2,063,263</u>
Liabilities:		
Current Liabilities	52,948	93,487
Long-Term Liabilities	-	223,178
Total Liabilities	<u>52,948</u>	<u>316,665</u>
Net Position:		
Net Investment in capital assets	1,129,264	980,571
Restricted for purchase of capital assets	184	182
Unrestricted	477,828	765,845
Total Net Position	<u>\$ 1,607,276</u>	<u>\$ 1,746,598</u>

Investment in capital assets totaled \$1,129,264, which represents 70.26 percent of total net position and is comprised of land, building and improvements, and fire and rescue equipment, net of accumulated depreciation.

Upper Captiva Fire Protection and Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Government-Wide Financial Analysis (Continued)

The unrestricted net position balance of \$477,828 represents resources available to meet the District's ongoing obligations. The restricted net position balance of \$184 is comprised of impact fee funds received and restricted for the purchase of capital assets.

The following schedule reports the changes in net position for the District for the 2025 and 2024 fiscal years:

	<u>2025</u>	<u>2024</u>
Revenues:		
General revenues		
Ad valorem taxes	\$ 1,124,350	\$ 910,559
Proceeds from insurance	833,435	321,044
Donations	31,270	5,108
Impact fees	-	772
Miscellaneous	59,041	60,095
Program revenues		
Charges for services	-	451,346
Total Revenues	<u>2,048,096</u>	<u>1,748,924</u>
Expenses:		
Public safety- fire and rescue services		
Personal services	1,000,894	875,661
Operating expenditures	639,681	396,753
Interest and fiscal charges	7,118	7,599
Loss on disposal of fixed assets	371,249	2,250
Depreciation	168,476	101,183
Total Program Expenses	<u>2,187,418</u>	<u>1,383,446</u>
Increase in net position	(139,322)	365,478
Net Position - Beginning	<u>1,746,598</u>	<u>1,381,120</u>
Net Position - Ending	<u>\$ 1,607,276</u>	<u>\$ 1,746,598</u>

Total revenues increased \$299,172 or 17.11 percent in comparison to the prior year primarily due to an increase in ad valorem taxes and proceeds from insurance, which offset the decrease in special assessment revenue.

Total expenses increased in comparison to the prior year by \$803,972 or 58.11 percent due to an increase in personal services and repairs related to Hurricanes Milton and Helene.

Upper Captiva Fire Protection and Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights

The District adopts an annual budget for the General Fund as required by Florida Statute. The difference between the final budgeted expenditures and actual expenditures represents a negative variance of \$157,273 or 7.41% of budgeted expenditures for the General Fund.

Capital Assets

Non-depreciable capital assets include land. Depreciable assets include fire and rescue equipment, building, fire and rescue vehicles, furniture and fixtures, and equipment.

The following is a schedule of the District's capital assets:

Upper Captiva Fire Protection and Rescue Service District Capital Assets As of September 30,		
CAPITAL ASSETS	2025	2024
Land	\$ 66,096	\$ 66,096
Equipment not in service	-	110,052
Construction in progress	-	109,473
Total Capital Assets Not Being Depreciated	<u>66,096</u>	<u>285,621</u>
Buildings and improvements	834,690	834,690
Furniture and fixtures	1,433	1,433
Fire and rescue equipment	960,244	810,042
Total Capital Assets Being Depreciated	<u>1,796,367</u>	<u>1,646,165</u>
 ACCUMULATED DEPRECIATION		
Buildings and improvements	(383,842)	(355,115)
Furniture and fixtures	(1,433)	(1,433)
Fire and rescue equipment	(347,924)	(371,489)
Total Accumulated Depreciation	<u>(733,199)</u>	<u>(728,037)</u>
 Total Capital Assets Being Depreciated, net	 <u>1,063,168</u>	 <u>918,128</u>
 CAPITAL ASSETS, NET	 <u><u>\$ 1,129,264</u></u>	 <u><u>\$ 1,203,749</u></u>

Upper Captiva Fire Protection and Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Economic Factors and Next Year's Budget Rates

The following factors were considered when the 2025-2026 budget was prepared:

- Property values on Upper Captiva Island continued to increase, with many other housing markets in the Southwest Florida area, after recovery from Hurricane Ian began. New construction additions and existing valuations increased the tax roll by \$13,045,015 and overall assessed values of existing property increased by 4% over the prior tax year.
- The District adopted the millage rate of 3.75 to be applied to an estimated tax roll of \$336,376,483, which is expected to generate \$1,223,569 in net ad valorem tax revenue.
- The District's elected officials and management desire to keep the ad valorem millage rate to the minimum necessary to provide safe and efficient fire protection and emergency rescue services. The District's total approved budget for fiscal year 2025–26 was \$1,220,416, which was amended to \$1,337,087 as of June 1, 2026.

Request for Information

Questions regarding any information provided in this report should be directed to:

Upper Captiva Fire Protection and Rescue Service District
Chief Jesse Cottrell
P.O. Box 322, Pineland, Florida 33945-0327
Phone (239) 872-2263
Email: Info@UpperCaptivaFire.org

BASIC FINANCIAL STATEMENTS

Upper Captiva Fire Protection and Rescue Service District
STATEMENT OF NET POSITION
September 30, 2025

ASSETS

Current assets:

Cash	\$ 522,395
Cash - restricted	184
Due from other governments	8,381
Total current assets	<u>530,960</u>

Noncurrent assets:

Capital assets:

Land	66,096
Buildings and improvements	834,690
Furniture & fixtures	1,433
Fire and rescue equipment	960,244
Less: accumulated depreciation	(733,199)
Total noncurrent assets (net)	<u>1,129,264</u>
Total assets	<u>1,660,224</u>

LIABILITIES

Current liabilities:

Accounts payable	33,538
Accrued liabilities	19,410
Total current liabilities	<u>52,948</u>
Total liabilities	<u>52,948</u>

NET POSITION

Net investment in capital assets	1,129,264
Restricted for purchase of capital assets	184
Unrestricted	477,828
Total Net Position	<u>\$ 1,607,276</u>

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

Upper Captiva Fire Protection and Rescue Service District
STATEMENT OF ACTIVITIES
Year Ended September 30, 2025

PROGRAM EXPENSES:

Salaries and benefits	\$ 1,000,894
Operating	639,681
Interest and fiscal charges	7,118
Loss on disposal of fixed assets	371,249
Depreciation	<u>168,476</u>
Total program expenses	2,187,418

GENERAL REVENUES:

Ad valorem taxes	1,124,350
Interest	23,890
Donations	31,270
Proceeds from insurance	833,435
Miscellaneous	<u>35,151</u>
Total general revenues	2,048,096

Changes in net position	(139,322)
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NET POSITION, OCTOBER 1, 2024	<u>1,746,598</u>
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NET POSITION, SEPTEMBER 30, 2025	<u><u>\$ 1,607,276</u></u>
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The accompanying notes are an integral and essential part of these financial statements.

Upper Captiva Fire Protection and Rescue Service District
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2025

	Major	Non-major		
	General	Special Assessment	Impact Fee	Total
ASSETS				
Cash	\$ 522,395	\$ -	\$ -	\$ 522,395
Cash - restricted	-	-	184	184
Due from other funds	-	-	-	-
Due from other governments	8,381	-	-	8,381
Total Assets	<u>\$ 530,776</u>	<u>\$ -</u>	<u>\$ 184</u>	<u>\$ 530,960</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 33,538	\$ -	\$ -	\$ 33,538
Accrued liabilities	19,410	-	-	19,410
Due to other funds	-	-	-	-
Total Liabilities	<u>52,948</u>	<u>-</u>	<u>-</u>	<u>52,948</u>
FUND BALANCE				
Spendable:				
Restricted	-	-	184	184
Unassigned	477,828	-	-	477,828
Total Fund Balance	<u>477,828</u>	<u>-</u>	<u>184</u>	<u>478,012</u>
Total Liabilities and Fund Balance	<u>\$ 530,776</u>	<u>\$ -</u>	<u>\$ 184</u>	<u>\$ 530,960</u>

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

Upper Captiva Fire Protection and Rescue Service District
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2025

Fund Balance	\$ 478,012
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported on the balance sheet.

Cost of assets	\$ 1,862,463	
Accumulated depreciation	<u>(733,199)</u>	<u>1,129,264</u>
Net Position		<u><u>\$ 1,607,276</u></u>

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

Upper Captiva Fire Protection and Rescue Service District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2025

	Major	Non-major		
	General	Special Assessment	Impact Fee	Total
REVENUES				
Ad valorem taxes	\$ 1,124,350	\$ -	\$ -	\$ 1,124,350
Impact fees	-	-	-	-
Fire service special assessment	-	-	-	-
Miscellaneous				
Donations	31,270	-	-	31,270
Interest	23,888	-	2	23,890
Proceeds from insurance	833,435	-	-	833,435
Other miscellaneous	35,150	-	-	35,150
Total Revenues	<u>2,048,093</u>	<u>-</u>	<u>2</u>	<u>2,048,095</u>
EXPENDITURES				
Current				
Public safety				
Personal services	945,472	55,422	-	1,000,894
Operating expenditures	639,681	-	-	639,681
Capital outlay	465,240	-	-	465,240
Debt service	230,295	-	-	230,295
Total Expenditures	<u>2,280,688</u>	<u>55,422</u>	<u>-</u>	<u>2,336,110</u>
Excess of Revenues Over/(Under)				
Expenditures	(232,595)	(55,422)	2	(288,015)
FUND BALANCE, October 1, 2024	<u>710,423</u>	<u>55,422</u>	<u>182</u>	<u>766,027</u>
FUND BALANCE, September 30, 2025	<u><u>\$ 477,828</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 184</u></u>	<u><u>\$ 478,012</u></u>

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

Upper Captiva Fire Protection and Rescue Service District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2025

Net changes in fund balance	\$ (288,015)
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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 allocated over their estimated useful lives and reported as depreciation expense. In addition, gains and losses on the disposition of fixed assets are recorded on the statement of activities, however, they are not reported on the statement of revenues, expenditures, and changes in fund balance. These amounts are as follows:

Capital outlay	\$ 465,240	
Loss on disposition of capital assets	(371,249)	
Less current year depreciation	<u>(168,476)</u>	(74,485)

The repayment of the principal of long-term debt is an expenditure in the Statement of Revenue, Expenditures and Changes in Fund Balance, but reduces long-term liabilities in the Statement of Net Position.

	<u>223,178</u>
Change in net position	<u><u>\$ (139,322)</u></u>

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

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities

The Upper Captiva Fire Protection and Rescue Service District (the "District") is an independent special taxing district located on Upper Captiva Island, which is a barrier island off the coast of Southwest Florida not accessible by automobile. The District was originally established in 1990 by a Special Act of the Legislature of the State of Florida (Laws of Florida, Chapter 90-397) and recreated and reenacted by the Legislature of the State of Florida in 2004 (Laws of Florida, Chapter 2004-470).

The business and affairs of the District are governed by an elected Board of Commissioners, which consists of five members and operates under state statutes. The Commissioners serve on a staggered four-year term basis.

The District provides fire control and protection services and rescue services within the District's legal boundaries. In providing these services, the District operates and maintains one (1) station house and its related equipment and employs one full-time Fire Chief and forty-five (45) part-time firefighters.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

Reporting Entity

The Governmental Accounting Standards Board ("GASB") requires the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established by GASB, there are no component units required to be included in the District's financial statements.

Government-wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities that report information on all of the activities of the District as a whole. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures.

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are presented to report additional and detailed information about the District. Fund financial statements accompany the government-wide financial statements and present a summary reconciliation to explain differences between the data reported in the governmental funds and the data reported for the corresponding governmental activities in the government-wide financial statements.

Governmental Funds

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when such liabilities have matured.

Ad valorem property taxes are recorded as revenues in the fiscal year in which the taxes are due and collected within 60 days of fiscal year-end. Investment earnings are recognized when earned. All other revenue items are recognized when they become measurable and available to finance expenditures of the fiscal period. Generally, revenues are considered available when they are collected within the current period or within 60 days after the end of the fiscal year.

Fund Accounting

The accounts of the District are organized and recorded in individual funds. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The following fund types are used by the District:

General Fund (major)

The General Fund is the general operating fund of the District. All financial resources, which are not required to be accounted for in another fund, are recorded in the General fund.

Special Assessments Fund (non-major)

This special revenue fund is used to account for special assessments that are legally restricted for expenditure for a particular purpose. No new special assessment revenue was levied in fiscal year 2025, and the remaining special assessment fund balance was spent down during the year.

Impact Fees Fund (non-major)

This special revenue fund is used to account for impact fees that are legally restricted to expenditure for a particular purpose.

Major Funds

The District reports the general fund as a major fund.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported only in the government-wide financial statements. Capital assets are those acquired for general government purposes with an initial individual cost equal to or greater than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at their estimated fair value at the date of the donation. The estimated fair value is based on the most recent appraisal documentation available.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building and Improvements	7-40
Fire and Rescue Equipment	5-25
Furniture and Fixtures	5-7

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The following procedures are used by the District in establishing the budgetary data reflected in the financial statements:

1. During the summer of each year, the District Fire Chief submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget transfers can be made throughout the year between expenditure accounts within a fund by approval of the Board of Commissioners.
5. Budget amounts, as shown in these financial statements, are as originally adopted and as finally amended by the Board of Commissioners.
6. The budget for the general fund is adopted on a basis consistent with accounting principles generally accepted in the United States. Budgeted appropriations lapse at year-end.
7. The legal level of control for appropriations is exercised at the fund level. There were four supplemental appropriations during the year ended September 30, 2025.
8. The District did not adopt a budget for the non-major funds.

Impact Fees

The District receives impact fees in accordance with an interlocal agreement with Lee County, Florida. Impact fees collected by Lee County are remitted on a quarterly basis to the District. The District, with prior Lee County approval, may expend amounts collected on qualifying capital expenditures. Funds received that are not expended within six years must be refunded. Because of the eligibility requirements imposed in the agreement, (1) prior approval before expenditure and (2) refund if not expended, the District records receipts of funds as restricted. As of September 30, 2025, \$184 of the District's Net Position was restricted for this purpose.

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Accordingly, in the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance - Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the District's Board of Commissioners, the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action (resolution) that imposed the constraint originally (usually by resolution). Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned Fund Balance - Includes spendable fund balance amounts established by management of the District that are intended to be used for specific purposes that are neither restricted or committed.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Unrestricted Fund Balance - The total of the committed fund balance, assigned fund balance, and unassigned fund balance.

The District's policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance in that order under circumstances where a particular expenditure can be made from more than one fund classification.

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Minimum Fund Balance Policy

Compliance with the provisions of this policy shall be reviewed after the annual audit. If prior committed or assigned fund balance causes the unassigned fund balance to fall below 17% of general fund operating expenditures, the District will take the necessary action to restore the unassigned fund balance to 17% of the General Fund operating expenditures within no more than two years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

The District does not provide paid time off that vests or accumulates for its employees. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements.

NOTE 2. CASH

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. In accordance with its policy, all District depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act", provides procedures for public depositories to ensure public monies in banks and savings and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and non-negotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof, and therefore, the District is not exposed to custodial credit risk for its deposits.

At September 30, 2025, the carrying amount of the District's deposits was \$522,579 and the bank balance was \$539,526.

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3. PROPERTY TAXES

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Lee County, Florida Tax Collector's Office bills and collects property taxes on behalf of the District. Property tax revenue is recognized in the fiscal year for which the taxes are levied.

Key dates in the property tax cycle (latest date, where appropriate) are as follows:

- | | |
|-----------------|---|
| July 1 | - Assessment roll validated |
| September 30 | - Millage resolution approved and taxes levied following certification of assessment roll |
| October 1 | - Beginning of fiscal year for which tax is to be levied |
| November 1 | - Property taxes due and payable (levy date) with various discount provisions through March 1 |
| April 1 | - Taxes become delinquent |
| Prior to June 1 | - Tax certificates sold by Lee County |

The Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$3.6214 per \$1,000 (3.6214 mills) on the January 1, 2024 taxable assessed value of real property located within the District.

NOTE 4. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and the natural disasters for which the District carries commercial insurance. The financial impact of the District's risk management activities is reported in the accompanying financial statements. For 2025, the District paid \$77,685 in premiums for policies to insure against these risks. No accrual has been provided for claims and incidents not reported to insurers.

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 5. CAPITAL ASSETS

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

	Balance Oct. 1, 2024	Increases	Decreases	Balance Sept. 30, 2025
Capital assets not being depreciated:				
Land	\$ 66,096	\$ -	\$ -	\$ 66,096
Equipment not in service	110,052	-	(110,052)	-
Construction in progress	109,473	-	(109,473)	-
Total capital assets not being depreciated	285,621	-	(219,525)	66,096
Capital assets being depreciated				
Buildings and improvements	834,690	-	-	834,690
Furniture and fixtures	1,433	-	-	1,433
Fire and rescue equipment	810,042	465,240	(315,038)	960,244
Total capital assets being depreciated	1,646,165	465,240	(315,038)	1,796,367
Less accumulated depreciation for:				
Buildings and improvements	(355,115)	(28,727)	-	(383,842)
Furniture and fixtures	(1,433)	-	-	(1,433)
Fire and rescue equipment	(371,489)	(139,749)	163,314	(347,924)
Total accumulated depreciation	(728,037)	(168,476)	163,314	(733,199)
Total capital assets being depreciated, net	918,128	296,764	(151,724)	1,063,168
Total capital assets	<u>\$ 1,203,749</u>	<u>\$ 296,764</u>	<u>\$ (371,249)</u>	<u>\$ 1,129,264</u>

NOTE 6. LINE OF CREDIT

The District has a \$500,000 revolving line of credit agreement with Centennial Bank, which requires interest only payments at a variable rate of the qualified tax exempt rate per annum, which is equal to 79% of the index rate. The "Index" is the highest rate of interest designated by the Wall Street Journal, Money Rates Section, periodically as the "Prime Rate". The prime rate as of September 30, 2025 is 7.25%. The line of credit is unsecured and expires July 16, 2026. During the year, the District did not utilize the line of credit.

Upper Captiva Fire Protection and Rescue Service District
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 7. LONG TERM DEBT

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

	Balance Oct. 1, 2024	Increases	Decreases	Balance Sept. 30, 2025	Amounts Due Within One Year
Note payable	\$ 223,178	\$ -	\$ (223,178)	\$ -	\$ -
Total	<u>\$ 223,178</u>	<u>\$ -</u>	<u>\$ (223,178)</u>	<u>\$ -</u>	<u>\$ -</u>

On October 15, 2021, the District purchased a Pierce Freightliner Pumper for a total cost of \$274,785 by entering into an agreement with a financial institution. The agreement required annual payments of \$22,675 and carried a fixed annual interest rate of 3.19%. During fiscal year 2025, the pumper was destroyed in Hurricane Milton, and the related loan was satisfied in full using insurance proceeds. As of September 30, 2025, no balance remained outstanding on this obligation.

NOTE 8. HURRICANES LOSSES AND INSURANCE RECOVERIES

During the year ended September 30, 2025, the District recognized insurance recoveries of \$625,815 related to hurricane-related claims. The recoveries included amounts related to Hurricanes Ian, Helene and Milton claims. Insurance recoveries were recognized when realized or realizable and are reported as insurance proceeds in the statement of activities.

The District also recognized a loss on disposal of capital assets of \$371,249 during the year ended September 30, 2025. Of this amount, \$261,766 is related to capital assets destroyed by Hurricanes Helene and Milton. The District removed the affected assets and related accumulated depreciation from its capital asset records and recognized the remaining carrying value as a loss on disposal of capital assets.

Replacement assets, if any, are capitalized when acquired and placed into service. Repair and maintenance costs that do not extend the useful life of the related assets or increase their service capacity are expensed as incurred.

NOTE 9. BUDGET COMPLIANCE

For the year ended September 30, 2025, actual expenditures exceeded budgeted appropriations in the General Fund by \$157,273. The unfavorable variance resulted primarily from the early repayment of an outstanding loan using insurance proceeds received in connection with hurricane-related damages. The insurance recovery and related debt retirement were not anticipated when the original budget was adopted. As a result, the loan payoff was not included in the budgeted debt service expenditures for the year. The over-budget expenditure was nonrecurring in nature and directly related to the hurricane recovery transaction.

REQUIRED
SUPPLEMENTARY
INFORMATION

Upper Captiva Fire Protection and Rescue Service District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Ad valorem taxes	\$ 1,132,858	\$ 1,132,858	\$ 1,124,350	\$ (8,508)
Miscellaneous				
Interest	20,000	20,000	23,888	3,888
Insurance proceeds	-	628,584	833,435	204,851
Grants from businesses	5,000	28,770	28,770	-
Fun run	-	27,000	31,270	4,270
Miscellaneous	-	-	6,380	6,380
TOTAL REVENUES	<u>1,157,858</u>	<u>1,837,212</u>	<u>2,048,093</u>	<u>210,881</u>
EXPENDITURES				
Public Safety Current				
Current				
Personal services				
Salaries	765,731	804,675	844,196	(39,521)
Payroll taxes paid	58,578	61,558	66,288	(4,730)
Retirement contribution	8,434	8,434	9,242	(808)
Workers' compensation	32,544	34,339	25,746	8,593
Total personal services	<u>865,287</u>	<u>909,006</u>	<u>945,472</u>	<u>(36,466)</u>
Operating expenditures				
Legal and professional services	20,000	20,000	20,253	(253)
Accounting and auditing	24,000	19,000	19,750	(750)
Property appraiser fees	6,500	6,500	5,168	1,332
Tax collector fees	19,000	24,400	18,697	5,703
Travel	5,000	24,000	5,500	18,500
Communications	10,000	10,000	8,253	1,747
Utilities	14,680	14,680	14,585	95
Rentals	11,000	11,000	18,222	(7,222)
Insurance	31,340	56,340	52,020	4,320
Repairs and maintenance	23,000	341,723	337,806	3,917
Access point maintenance	50,000	50,000	13,523	36,477
Bank service charges	2,000	2,000	2,309	(309)
Other expenses	-	7,000	6,469	531

Upper Captiva Fire Protection and Rescue Service District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES				
Public Safety Current				
Current				
Operating expenditures				
Licenses and taxes	-	-	20	(20)
Operating supplies				
Medical supplies	8,000	8,000	6,676	1,324
Uniforms	6,000	6,000	6,298	(298)
Fuel	15,000	-	919	(919)
Personal protective equipment	10,000	10,000	-	10,000
Other	44,000	107,770	94,450	13,320
Books, subscriptions and memberships	750	750	1,556	(806)
Station software	8,160	8,160	5,407	2,753
Training and education	2,000	2,000	1,800	200
Total operating expenditures	310,430	729,323	639,681	89,642
Capital outlay				
Machinery and equipment	105,000	462,411	465,240	(2,829)
Total capital outlay	105,000	462,411	465,240	(2,829)
Debt service				
Principal	15,077	15,557	223,177	(207,620)
Interest	7,598	7,118	7,118	-
Total debt service	22,675	22,675	230,295	(207,620)
TOTAL EXPENDITURES	1,303,392	2,123,415	2,280,688	(157,273)
EXCESS OF REVENUES OVER EXPENDITURES	(145,534)	(286,203)	(232,595)	53,608
FUND BALANCE, October 1, 2024	640,691	710,423	710,423	-
FUND BALANCE, September 30, 2025	\$ 495,157	\$ 424,220	\$ 477,828	\$ 53,608

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Honorable Board of Commissioners
Upper Captiva Fire Protection and Rescue Service District
North Captiva Island, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and aggregate remaining fund information of Upper Captiva Fire Protection and Rescue Service District (the "District"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Internal Control Over Financial Reporting (continued)

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

June 19, 2026

Management Letter

Honorable Board of Commissioners
Upper Captiva Fire Protection and Rescue Service District
North Captiva Island, Florida

Report on the Financial Statements

We have audited the financial statements of the Upper Captiva Fire Protection and Rescue Service District (the "District"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 19, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on the examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 19, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District had no component units as of September 30, 2025.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the District's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

- a. The total number of District employees compensated in the last pay period of the district's fiscal year is 33.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year is 2.
- c. All compensation earned by or awarded to employees in the last pay period of the fiscal year, whether paid or accrued, regardless of contingency is \$30,508.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued in the last month of the District's fiscal year, regardless of contingency is \$19,968.

Special District Component Units (Continued)

- e. The District did not have any construction projects with a total cost of at least \$65,000 that was scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, can be found on pages 24-25 of the financial statements.

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

- a. The millage rate imposed by the District is 3.6214.
- b. The total amount of ad valorem taxes collected by or on behalf of the District is \$1,124,350.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds is zero.

Additional Matters

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

Purpose of this Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 19, 2026

Independent Accountant's Examination Report

Honorable Board of Commissioners
Upper Captiva Fire Protection and Rescue Service District
North Captiva Island, Florida

We have examined the Upper Captiva Fire Protection and Rescue Service District's (the "District") compliance with Section 218.415, Florida Statutes, in regards to investments for the year ended September 30, 2025. Management is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 19, 2026