

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
BASIC FINANCIAL STATEMENTS  
TOGETHER WITH ADDITIONAL REPORTS  
YEAR ENDED  
SEPTEMBER 30, 2023**

**TABLE OF CONTENTS**

	<u>Page(s)</u>
<b>INDEPENDENT AUDITOR'S REPORT.....</b>	1-4
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A) .....</b>	i-viii
 <b><u>BASIC FINANCIAL STATEMENTS</u></b>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position.....	5
Statement of Activities.....	6
 FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet.....	7
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	8
Statement of Revenues, Expenditures and Changes in Fund Balance.....	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities.....	10
 NOTES TO THE FINANCIAL STATEMENTS.....	 11-52
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&amp;A</u></b>	
BUDGET TO ACTUAL COMPARISON - MAJOR FUNDS (General and Special Revenue Funds)	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Summary Statement.....	53
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Detailed Statement.....	54-57
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Impact Fee Fund.....	58
OTHER REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS).....	59
Schedule of District Contributions - Florida Retirement System Pension Plan (FRS).....	59
Schedule of District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS).....	60
Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS).....	60
Notes to the Required Supplementary Information.....	61-62
Schedule of Changes in the Net OPEB Liability and Related Ratios GASB 75 and Related Notes to the Schedule.....	63
 <b><u>ADDITIONAL REPORTS</u></b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> .....	64-65
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes.....	66
Independent Auditor's Report to Management.....	67-69
Management's Response to Independent Auditor's Report to Management.....	Exhibit 1
Florida Rules of the Auditor General - Rule 10.554(1)(i)6-8 Compliance - Unaudited.....	Exhibit 2



**TUSCAN**  
 & Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants  
 American Institute of Certified Public Accountants  
 Private Companies Practice Section  
 Tax Division

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
 North Fort Myers Fire Control and Rescue Service District  
 P.O. Box 3507  
 North Fort Myers, Florida 33918

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of North Fort Myers Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

*Summary of Opinions*

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Impact Fee Fund	Unmodified

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North Fort Myers Fire Control and Rescue Service District as of September 30, 2023, 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.

**Matter of Emphasis**

During the year ended September 30, 2023, the District implemented GASB Statement No. 96 "Subscription-based Information Technology Arrangements (SBITA's)" as further described in Note N. The net position was not required to be restated as of October 1, 2022.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

We did not audit the financial statements of Florida Retirement Systems Pension Plan (FRS) or Health Insurance Subsidy Pension Plan (HIS) as of and for the year ended June 30, 2023. The District is required to record its proportionate share of the FRS and HIS liability in the District's government-wide financial statements as of September 30, 2023, and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Fort Myers Fire Control and Rescue Service District's government-wide financial statements, is based on the report of the other auditors.

INTEGRITY ..... SERVICE ..... EXPERIENCE

12621 World Plaza Lane, Building 55 • Fort Myers, FL 33907 • Phone: (239) 333-2090 • Fax: (239) 333-2097

***Management's Responsibility 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; this includes 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 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, 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.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i - viii, Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule

of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, as listed in the table of contents, 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 required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Required Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise North Fort Myers Fire Control and Rescue Service District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The required supplementary information other than MD&A - budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit 1 - Management's Response to Independent Auditor's Report to Management and Exhibit 2 - Florida Rules of the Auditor General - Rule 10.554(1)(i)6-8 Compliance - Unaudited are not a required part of the basic financial statements but are required by Government Auditing Standards and/or Rules of the Auditor General, Section 10.554(i), respectively. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Section 218.415, Florida Statutes***

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated April 4, 2024, on our consideration of North Fort Myers Fire Control and Rescue Service District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering North Fort Myers Fire Protection and Rescue Service District's compliance with Section 218.415, Florida Statutes.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated April 4, 2024, 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, contract 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 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 North Fort Myers Fire Control and Rescue Service District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive script.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
April 4, 2024

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS  
(MD&A)**

## **Management’s Discussion and Analysis**

This discussion and analysis of the North Fort Myers Fire Control 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, 2023. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements and footnotes. 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 2023, the District’s net position was \$6,046,844.
- At the close of fiscal year 2022, the District’s net position was \$5,041,052.
- For the year ended September 30, 2023, the District’s total net position increased \$1,005,792, or 20%, in comparison to the prior fiscal year.
- For the year ended September 30, 2022, the District’s total net position increased \$2,454,542, or 95%, in comparison to the prior fiscal year.
- At September 30, 2023, the District had \$3,275,879 of unrestricted net assets.
- At September 30, 2022, the District had \$2,384,270 of unrestricted net assets.
- Total revenues increased \$2,197,061 or 20%, in comparison to fiscal year 2022.
- Total expenses increased \$3,645,811, or 41%, in comparison to fiscal year 2022.

### **Government-wide Financial Statements**

Government-wide financial statements (statement of net position and statement of activities found on pages 5 & 6) 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 5) presents information on all of the District’s assets, deferred outflows/inflows and liabilities, with the difference between the two reported as net position. The District’s capital assets (land, construction in progress, buildings and improvements, vehicles and equipment) are included in this statement and reported net of their accumulated depreciation.

The Statement of Activities (page 6) 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, regardless of the timing of related cash flows).

## Governmental Fund Financial Statements

The accounts of the District are organized on the basis of governmental 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. 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.

Governmental fund financial statements (found on pages 7 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

## Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding basic financial statements and begin on page 11. 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 summary statement of net position for the District at September 30, 2022 and 2023:

	<u>2022</u>	<u>2023</u>
Assets:		
Current assets	\$ 14,786,600	\$ 17,361,833
Non-current assets, net	<u>2,656,782</u>	<u>2,837,533</u>
Total Assets	<u>17,443,382</u>	<u>20,199,366</u>
Deferred outflows of resources - Pensions	<u>4,028,454</u>	<u>4,034,705</u>
Liabilities:		
Current liabilities	611,019	660,457
Non-current liabilities	<u>14,766,977</u>	<u>16,344,018</u>
Total Liabilities	<u>15,377,996</u>	<u>17,004,475</u>
Deferred inflows of resources - Pensions	<u>1,052,788</u>	<u>1,182,752</u>
Net Position:		
Net Investment in capital assets	2,656,782	2,770,965
Unrestricted	<u>2,384,270</u>	<u>3,275,879</u>
Total Net Position	<u>\$ 5,041,052</u>	<u>\$ 6,046,844</u>

Current assets represent 85% of total assets at September 30, 2022. Current assets are comprised of unrestricted cash balances of \$13,797,520, unrestricted investments of \$627,938, restricted investments of \$253,950, due from other governments of \$107,152 and other receivables of \$40. The balances of unrestricted cash and investments represent amounts that are available for spending at the District's discretion. Restricted investments balances are comprised of impact fees funds restricted for certain capital asset acquisition.

The net investment in capital assets represents a component of net position and is comprised of land, construction in progress, buildings and improvements, equipment, furniture and vehicles, net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The balance of net investment in capital assets at September 30, 2022 was \$2,656,782.

Current assets represent 86% of total assets at September 30, 2023. Current assets are comprised of unrestricted cash balances of \$14,974,031, unrestricted investments of \$658,809, restricted investments of \$1,435,155, due from other governments of \$177,749, other receivables of \$76, deposits of \$20,000, prepaid expenses of \$65,156 and ROU - subscription asset – current portion of \$30,857. The balances of unrestricted cash and investments represent amounts that are available for spending at the District's discretion. Restricted investments balances are comprised of impact fees funds restricted for certain capital asset acquisition.

The net investment in capital assets represents a component of net position and is comprised of land, construction in progress, buildings and improvements, equipment, furniture and vehicles, net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The balance of net investment in capital assets at September 30, 2023 was \$2,770,965.

The unassigned fund balance of \$2,127,636 represents resources available for spending at September 30, 2023.

The following schedule reports the revenues, expenses, and changes in net assets for the District for the years ended September 30, 2022 and 2023:

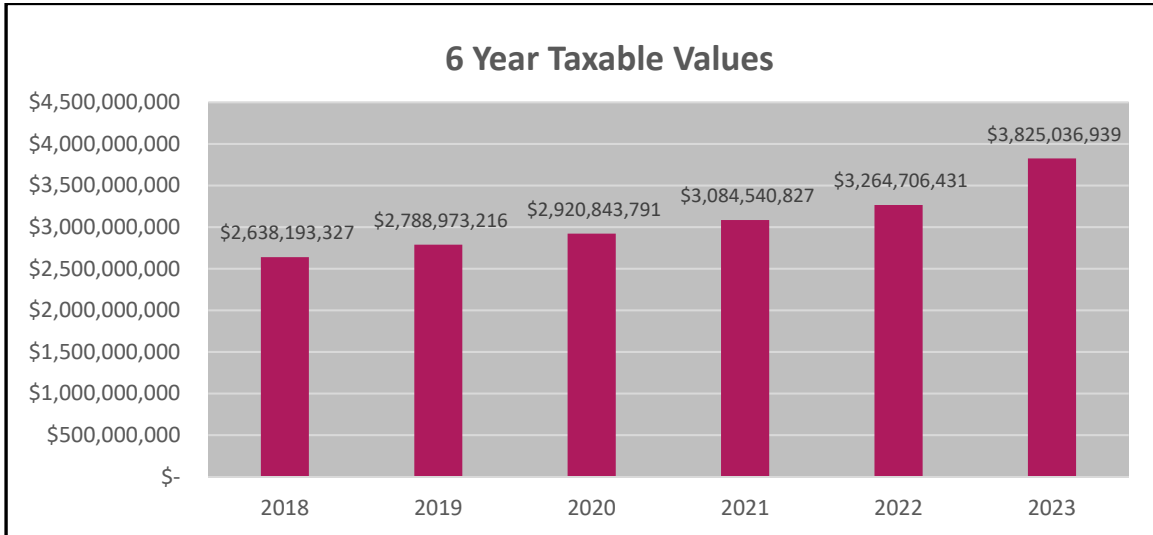
**Summary of Revenues, Expenses and Changes in Net Position  
For the years ended September 30**

Revenues:	2022	2023
General/Program Revenues		
Property Taxes	\$ 11,130,861	\$ 12,885,560
Charges for Services	19,424	51,571
Operating & Capital Grants	12,268	266,962
Miscellaneous		
Impact Fees	-	-
Investment Earnings	6,615	68,533
Gain (Loss) on Disposition of		
Capital Assets	-	(23,782)
Rent	2,300	2,415
Other	81,404	198,674
Total Revenues	11,252,872	13,449,933
Expenses:		
Public Safety-		
Fire & Rescue Services	8,798,330	12,444,141
Increase (Decrease) in Net Position	2,454,542	1,005,792
Net Position - Beginning	2,586,510	5,041,052
Net Position - Ending	\$ 5,041,052	\$ 6,046,844

Total revenues increased \$2,197,061, or 20%, in comparison to the prior fiscal year. Total expenses increased \$3,645,811 or 41%, in comparison to the prior fiscal year.

The assessed property value increased 16%. The District voters approved an increase to the millage rate to 3.5 mills from 2.5 mills effective in 2018. The following schedule compares the change in property value and millage rates for the past five years. The millage rate has been 3.5 mills for the past six years.

## Property Values Assessed



### Budgetary Highlights

Budget versus actual comparisons are reported in the required supplementary information other than management discussion and analysis on pages 53 through 58. The Board of Commissioners approved several budget amendments in the General Fund during the fiscal year ended September 30, 2023. The budget amendments transferred budgeted amounts between line items and changed the total budgeted revenue over (under) expenditures. The budget amendments did increase total budgeted revenues and expenditures by \$2,217,800 as a result of the increase in the fund balance carryforward.

## Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable capital assets include: building and improvements, equipment and vehicles.

The following is a schedule of the District's capital assets at September 30, 2022 and 2023:

### Capital Assets September 30

CAPITAL ASSETS	2022	2023
Land	\$ 96,858	\$ 96,858
Construction in progress	-	-
Total Capital Assets not depreciated	<u>96,858</u>	<u>96,858</u>
Buildings and Improvements	1,435,429	1,569,103
Vehicles	2,693,078	2,895,161
Equipment	<u>1,197,591</u>	<u>1,323,789</u>
Total Capital Assets being depreciated	<u>5,326,098</u>	<u>5,788,053</u>
ACCUMULATED DEPRECIATION		
Buildings and Improvements	(929,020)	(964,784)
Vehicles	(1,717,081)	(1,914,733)
Equipment	<u>(120,073)</u>	<u>(234,429)</u>
Total Accumulated Depreciation	<u>(2,766,174)</u>	<u>(3,113,946)</u>
CAPITAL ASSETS, NET	<u>\$ 2,656,782</u>	<u>\$ 2,770,965</u>

Noteworthy capital asset purchases/projects that took place in fiscal year 2022 were as follows:

- Purchased furniture of \$45,000
- Remodeled a dayroom of \$81,000
- Parking lot improvements of \$10,000
- Remodeled and expanded Administration Office and Storage at Trail Dairy Equipment and gear of \$320,000
- Replaced all AED's
- Replaced all SCBA's and Airpacks
- Replaced MAKO machine
- Purchased new Firefighter/Rescue tools
- Replaced fire extinguisher burn pan

Noteworthy capital asset purchases/projects that took place in fiscal year 2023 were as follows:

- Purchased 2 rescue trucks and 1 service truck
- Purchased various equipment
- Replaced 12 sets of bunker gear
- Replaces roof and septic system on Administration Office and Station at Trail Dairy Station
- Remodeled bathrooms at Barrett Road Station
- Replaced Slater Road Station shed

**Debt Administration**

At September 30, 2023, the District had \$16,277,450 of outstanding long term obligations. Long term liabilities are not due and payable in the current period.

At September 30, 2022, the District had \$14,766,977 of outstanding long term obligations. Long term liabilities are not due and payable in the current period.

The following is a schedule of the District’s outstanding debt at September 30, 2022 and 2023:

**Outstanding Debt  
September 30**

	2022	2023
Compensated Absences - Vacation Time	\$ 475,737	\$ 521,262
Compensated Absences - Comp Time	117,474	134,274
Capital Lease Payable	-	-
Net OPEB Obligation	3,359,727	2,793,284
Net Pension Liability	10,814,039	12,828,630
Total Outstanding Debt	\$ 14,766,977	\$ 16,277,450

**Current Year Budget Variances**

Significant current year budget variances include:

- Collected delinquent taxes of \$271,000 greater than budgeted.
- Personnel was \$1,277,000 less than budgeted.

**Economic Factors and Next Year’s Budget Rates**

The following were factors considered when next year’s budget (2023-2024) was prepared:

- Property values did decrease by approximately 7% in tax year 2023 (FY2024). The decrease was due to widespread damage from Hurricane Ian and a change in the way the Property Appraiser assesses properties within the District. The

District has previously seen significant increases in property values; but, we are not sure about the long-term future of assessed values.

- The District maintained the millage rate of 3.5 mills for the fiscal year ending September 30, 2024.
- The District intends to increase the reserve accounts.
- The District is looking at ways to utilize Impact Fees to help with the demands of the District.
- The District is closely monitoring several major construction developments in our District as well as current legislation.
- The District has put a deposit on land for expansion/re-location of a fire station. The District anticipates:
  - Replacing HVAC systems at all stations.
  - Replacing office furniture.

### **Request for Information**

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to:

Ronald Beecroft, Fire Chief  
North Fort Myers Fire Control and Rescue Service District  
P.O. Box 3507, North Fort Myers, FL 33918-3507  
(239) 997-8654 \* [www.northfortmyersfire.com](http://www.northfortmyersfire.com)

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF NET POSITION  
September 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 14,974,031
Cash and cash equivalents - restricted	-
Investments - unrestricted	658,809
Investments - restricted	1,435,155
Due from other governments	177,749
Other receivables	76
Right of use - subscription asset, current	30,857
Deposits	20,000
Prepaid expenses	65,156
Total current assets	<u>17,361,833</u>
Noncurrent assets:	
Right of use - subscription asset, net	66,568
Capital assets:	
Land	96,858
Construction in progress	-
Depreciable buildings, vehicles and equipment (net of \$3,113,946 accumulated depreciation)	<u>2,674,107</u>
Total noncurrent assets	<u>2,837,533</u>
<b>TOTAL ASSETS</b>	<u>20,199,366</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>4,034,705</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	112,030
Unearned revenue - impact fees	517,570
Current portion of long-term obligations	-
Right of use - subscription liability, current	30,857
Total current liabilities	<u>660,457</u>
Noncurrent liabilities:	
Right of use - subscription liability, net	66,568
Noncurrent portion of long-term obligations	<u>16,277,450</u>
<b>TOTAL LIABILITIES</b>	<u>17,004,475</u>
<b>DEFERRED INFLOWS ON RESOURCES</b>	<u>1,182,752</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,770,965
Unrestricted	<u>3,275,879</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,046,844</u>

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended September 30, 2023**

	<u>Governmental Activities</u>
<b>EXPENSES</b>	
Governmental activities	
Public safety - fire protection	
Personnel services	\$ 10,518,228
Operating expenses	1,510,498
Interest and fiscal charges	-
Depreciation	<u>415,415</u>
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	12,444,141
 <b>PROGRAM REVENUES</b>	
Charges for services - inspection fees	51,571
Operating grants and contributions	266,962
Capital grants and contributions	-
NET PROGRAM EXPENSES	<u>12,125,608</u>
 <b>GENERAL REVENUES</b>	
Ad valorem taxes	12,885,560
Impact fees	-
Interest	68,533
Gain (loss) on disposition of capital assets	(23,782)
Rent	2,415
Other	<u>198,674</u>
TOTAL GENERAL REVENUES	<u>13,131,400</u>
 INCREASE (DECREASE) IN NET POSITION	 1,005,792
 <b>NET POSITION - Beginning of the year</b>	 <u>5,041,052</u>
<b>NET POSITION - End of the year</b>	<u><u>\$ 6,046,844</u></u>

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
September 30, 2023**

	General Fund	Impact Fee Fund	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,974,031	\$ -	\$14,974,031
Investments	658,809	1,435,155	2,093,964
Due from other governments	95,334	82,415	177,749
Due from other funds	-	-	-
Other receivables	76	-	76
Deposits	20,000	-	20,000
Prepaid expenses	<u>65,156</u>	<u>-</u>	<u>65,156</u>
TOTAL ASSETS	<u>\$ 15,813,406</u>	<u>\$ 1,517,570</u>	<u>\$17,330,976</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 112,030	\$ -	\$ 112,030
Due to other funds	-	-	-
Unearned revenue	<u>-</u>	<u>517,570</u>	<u>517,570</u>
TOTAL LIABILITIES	<u>112,030</u>	<u>517,570</u>	<u>629,600</u>
 <b>FUND BALANCE</b>			
Nonspendable	85,156	-	85,156
Restricted	-	-	-
Assigned	14,488,584	-	14,488,584
Unassigned	<u>2,127,636</u>	<u>-</u>	<u>2,127,636</u>
TOTAL FUND BALANCE	<u>16,701,376</u>	<u>-</u>	<u>16,701,376</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 16,813,406</u>	<u>\$ 517,570</u>	<u>\$17,330,976</u>

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
September 30, 2023**

	<u>Amount</u>	
Total fund balance for governmental funds	\$ 16,701,376	
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Right of Use - subscription asset	<u>97,245</u>	97,245
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land	96,858	
Construction in progress	<u>-</u>	96,858
Governmental capital assets being depreciated:		
Buildings, equipment and vehicles	5,788,053	
Less accumulated depreciation	<u>(3,113,946)</u>	2,674,107
Deferred outflows and deferred inflows related to pensions are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pensions	3,568,022	
Deferred outflows related to OPEB	<u>466,683</u>	4,034,705
Deferred inflows related to pensions	(632,251)	
Deferred inflows related to OPEB	<u>(550,501)</u>	(1,182,752)
Right of Use - subscription liability	<u>(97,245)</u>	(97,245)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences-vacation time	(521,262)	
Compensated absences-comp. time	(134,274)	
Net OPEB liability	(2,793,284)	
Net pension liability - FRS	(10,585,811)	
Net pension liability - HIS	<u>(2,242,819)</u>	(16,277,450)
Elimination of interfund amounts:		
Due to other funds	-	
Due from other funds	<u>-</u>	-
Total net position (deficit) of governmental activities	<u>\$ 6,046,844</u>	

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
Year Ended September 30, 2023**

	General Fund	Impact Fee Fund	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 12,885,560	\$ -	\$ 12,885,560
Intergovernmental revenue:			
State supplemental education	13,954	-	13,954
Federal grant	253,008	-	253,008
Fees:			
Impact fees	-	-	-
Inspection fees	51,571	-	51,571
Miscellaneous:			
Interest	68,533	-	68,533
Lee County EMS - rent	2,415	-	2,415
Other	198,674	-	198,674
TOTAL REVENUES	<u>13,473,715</u>	<u>-</u>	<u>13,473,715</u>
<b>EXPENDITURES</b>			
Current			
Public safety			
Personnel services	8,884,042	-	8,884,042
Operating expenditures	1,510,498	-	1,510,498
Capital outlay	557,530	-	557,530
Debt Service			
Principal retirement	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>10,952,070</u>	<u>-</u>	<u>10,952,070</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,521,645	-	2,521,645
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from disposition of capital assets	4,150	-	4,150
NET CHANGE IN FUND BALANCE	2,525,795	-	2,525,795
FUND BALANCE - Beginning of the year	<u>14,175,581</u>	<u>-</u>	<u>14,175,581</u>
FUND BALANCE - End of the year	<u>\$ 16,701,376</u>	<u>\$ -</u>	<u>\$ 16,701,376</u>

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS TO THE STATEMENT  
OF ACTIVITIES  
Year Ended September 30, 2023**

	<u>Amount</u>
Net change (revenues and other financing sources in excess of expenditures) in fund balance - total governmental funds	\$ 2,525,795
The increase (decrease) in net position reported for governmental activities in the Statement of Activities is 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.	
Plus: expenditures for capital assets	557,530
Less: current year depreciation	(415,415)
Less: proceeds from disposition of capital assets	(4,150)
Less: loss on disposition of capital assets	<u>(23,782)</u>
	114,183
The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.	
Repayments (principal retirement):	<u>-</u>
	-
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Net (increase) decrease in compensated absences - vacation	(45,525)
Net (increase) decrease in compensated absences - comp. time	(16,800)
(Increase) decrease in net pension liability - FRS	(1,220,458)
(Increase) decrease in net pension liability - HIS	(794,133)
Increase (decrease) in deferred outflows - pensions	88,451
(Increase) decrease in deferred inflows - pensions	194,287
(Increase) decrease in net OPEB obligation	566,443
Increase (decrease) in deferred outflows - OPEB	(82,200)
(Increase) decrease in deferred inflows - OPEB	<u>(324,251)</u>
	<u>(1,634,186)</u>
Increase in net position of governmental activities	<u>\$ 1,005,792</u>

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES**

**Organization**

The North Fort Myers Fire Control and Rescue Service District (the "District") is an independent special taxing district located in northern unincorporated Lee County, Florida. The District was established on June 15, 1953, by Laws of Florida, Chapter 29240. The District has the general and special powers prescribed by Florida Statutes Chapters 189, 191, 200, 218 and 633.15, as well as Laws of Florida, Chapter 97-340. The District's governing legislation was recreated, reenacted and codified by Laws of Florida, Chapter 2000-385 on July 3, 2000. The District is governed by a five-member (5) at-large elected Board of Commissioners. Commissioners serve on a staggered four-year (4) term basis.

The District provides fire control and protection services, fire safety inspections, and crash and fire rescue services as well as EMS medical response. In providing these services, the District operates and maintains three (3) station houses and the related equipment and employs approximately 63 full-time professional firefighters, support staff and commissioners.

**Summary of Significant Accounting Policies**

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

The basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information other than MD&A

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

Page 12 of 69

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Reporting Entity**

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34". These statements require the basic 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 in GASB Statement No. 14, as amended, there are no component units required to be included or included in the District's basic financial statements.

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. 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 effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions."

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

Page 13 of 69

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Government-wide Financial Statements, continued**

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital improvements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Program revenues are considered to be revenues generated by services performed and/or by fees charged such as inspector fees.

**Fund Financial Statements**

The District adheres to GASB Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

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 or retained earnings, 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.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Fund Financial Statements, continued**

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds, in aggregate, for governmental funds.

**Governmental Funds**

The District's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns on the fund financial statements.

**Measurement Focus and Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

Page 15 of 69

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Measurement Focus and Basis of Accounting, continued**

period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt, if any, which is recognized when due; and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

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

Separate financial statements are provided for governmental funds.

**Non-current Government Assets/Liabilities**

GASB 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes payable and capital leases, to be reported in the governmental activities column in the government-wide Statement of Net Position.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

Page 16 of 69

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Major Funds**

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in the Impact Fee Fund.

The Impact Fee Fund consists of fees collected by Lee County based on new construction within the District. The fees are restricted and can only be used for certain capital expenditures associated with growth within the District.

**Budgetary Information**

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

**Investments**

The District adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," in which all investments are reported at amortized cost which approximates fair value.

Investments, including restricted investments, consist of funds held in The Local Government Surplus Trust Fund (SBA) administered by the State Board of Administration.

**Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements, equipment and vehicles, are reported in the government-wide Statement of Net Position.

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$1,000 or more and have a useful life in excess of one (1) year.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Capital Assets, continued**

All capital assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, including curbs, gutters and drainage systems, are not capitalized, as the District generally does not acquire such assets. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB 34.

Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide statements, but rather are capitalized and depreciated.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	5-30
Equipment	5-15
Vehicles	5-15

**Subsequent Events**

Subsequent events have been evaluated through April 4, 2024, which is the date the basic financial statements were available to be issued.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Budgets and Budgetary Accounting**

The District has adopted an annual budget for the General Fund. The District also adopted a budget for the Special Revenue Fund - Impact Fee.

The District follows these procedures in establishing budgetary data for the General Fund and the Special Revenue Fund:

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 the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget amounts, as shown in the required supplementary information other than MD&A, are as originally adopted or as amended by the Board of Commissioners.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.

The Board of Commissioners approved budget amendments in the General Fund during the year ended September 30, 2023. The budget amendments increased budgeted expenditures by \$2,217,800. There were no budget amendments in the Special Revenue Fund.

**Impact Fees/Unearned Revenue**

The District levies an impact fee on new construction within the District. The intent of the fee is for growth within the District to pay for capital improvements needed due to the growth. The fee is collected by Lee County and remitted to the District. The fee is refundable if not expended by the District within twenty (20) years from the date of collection. The District, therefore, records this fee as restricted cash and as unearned revenue until the date of expenditure, at which time it is recognized as revenue and charged to capital outlay in the Special Revenue Fund.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

Page 19 of 69

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Due To/From Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by funds affected in the period in which transactions are executed.

**Due From Other Governments**

No allowance for losses on uncollectible accounts has been recorded since the District considers all amounts to be fully collectible.

**Compensated Absences**

The District's employees accumulate annual leave, based on the number of years of continuous service. Upon termination of employment, employees can receive payment of accumulated annual leave if certain criteria are met. The costs of vacation and personal leave (comp time) benefits (compensated absences) are expended in the respective operating funds when payments are made to employees. However, the liability for all accrued vacation and personal leave benefits is recorded in the government-wide Statement of Net Position.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because, at present, it is not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control.

**Management 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Fund Balances**

The governmental fund financial statements the District maintains include nonspendable, assigned and unassigned fund balances. Nonspendable fund balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, for example prepaid expenses.

The District's assigned fund balances are a result of the District's Board approval. The District's intent is to maintain a minimum assigned fund balance level of three (3) months of prior year total expenditures. The assigned fund balance will serve as the District's operational reserve to carry the District's operations from October 1 through December 31 of the subsequent fiscal year. The Board's intent is also to hold an assigned capital asset reserve for future capital asset needs as well as assigned fund balance amounts for disaster events (30 days all-out response) and a portion of the OPEB liability. At September 30, 2023, fund balance is also assigned for a variety of specific items by District Board action. Any use or change of the assigned fund balance requires the District's Board approval.

**Interfund Transactions**

The District considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as reduction of expenditures/expenses in the fund that is reimbursed.

**Pensions**

In the government-wide Statement of Net Position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) defined benefit plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

Page 21 of 69

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Pensions, continued**

reported by the Plans. For this purpose, benefit payments, (including refunds of employees' contributions) are recognized when due and payable in accordance with the benefit terms.

The District's retirement plans and related amounts are described in a subsequent note.

**Deferred Outflows/Inflows of Resources**

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

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

**Leases**

During the year ended September 30, 2022, the District adopted GASB Statement No. 87 - Leases (GASB 87). This Statement required the recognition of certain lease assets and liabilities in the Statement of Net Position for leases that previously were classified as operating leases. The District, however, determined its current lease agreement with Lee County EMS to be immaterial, therefore, it does not meet the recording criteria of GASB Statement No. 87 at September 30, 2023.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

Page 22 of 69

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**New Accounting Guidance**

*GASB 94: Public-Private and Public-Public Partnerships and Availability  
Payment Arrangements*

In March 2020, the GASB issued Statement No. 94 (*Public-Private and Public-Public Partnerships and Availability Arrangements*) to bring a uniform guidance on how to report public-private and public-public partnership arrangements, will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangement in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District, however, had no arrangements that met this Statement's reporting criteria and/or the related arrangement costs were considered immaterial.

*GASB 96: Subscription-Based Information Technology Arrangements (SBITAs)*

In May 2020, the GASB issued Statement No. 96 (*Subscription-Based Information Technology Arrangements (SBITAs)*), which defined the SBITAs and provides accounting and financial reporting for SBITAs by governments. This Statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for the SBITAs. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District had arrangements that met this Statement's reporting criteria and have reported them as subscription right of use asset and liability, respectively, on the Government Wide financial statements. For further discussion see Note N.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE B - CASH**

At September 30, 2023, cash was \$14,974,031, in the General Fund which included cash on hand of \$10,100.

**Deposits**

The District's deposit policy allows deposits to be held in demand deposit and money market accounts. All District depositories are institutions designated as qualified depositories by the State Treasurer at September 30, 2023.

At September 30, 2023, the District's deposits consisted of cash held in depository accounts. At September 30, 2023, the carrying amount of these deposits was \$14,963,931 and the bank balance was \$15,053,479.

These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act (Florida Statute Chapter 280) of the State of Florida. Bank balances approximate market value. Depository accounts were either fully insured or collateralized in accordance with Florida Statute Chapter 280.

**NOTE C - INVESTMENTS**

Florida Statutes and the District's investment policy authorize investments in the Local Government Surplus Funds Trust (LGIP) Fund (SBA) administered by the State Board of Administration, money markets and U.S. backed securities. Specifically, the District's investment policy is consistent with Florida Statutes, Chapter 218.415(17). At September 30, 2023, the District's investments in the Local Government Surplus Funds Trust Fund consist of the following:

	<u>Cost Basis</u>	<u>Fair Value (NAV)/ Carrying Amount</u>
<u>General Fund - Unrestricted</u>		
Local Government Surplus Trust Fund (SBA)		
PRIME (Fund "A") (LGIP)		
Total investments - General Fund	\$ 658,809	\$ 658,809
<u>Impact Fee Fund - Restricted</u>		
Local Government Surplus Trust Fund (SBA)		
PRIME (Fund "A") (LGIP)		
Total investments - Impact Fee Fund	435,155	435,155
Total investments	<u>\$ 1,093,964</u>	<u>\$ 1,093,964</u>

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE C - INVESTMENTS, CONTINUED**

The Local Government Surplus Funds Trust Fund (Florida PRIME) is an external 2a7-like investment pool, administered by the Florida State Board of Administration ("SBA"). The Local Government Surplus Funds Investment Pool Trust Fund is not categorized as it is not evidenced by securities that exist in physical or book entry form. The Local Government Surplus Trust Funds Investment Pool's shares are stated at amortized cost (NAV), which approximates fair value. These investments are subject to the risk that the market value of an investment, collateral protecting a deposit or securities underlying a repurchase agreements, will decline.

The District's investment in the Fund represented less than 1% of the Fund's total investments. Investments held in the Fund include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. These short-term investments are stated at cost, which approximates market value. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

The District adheres to GASB Statement No. 79 which requires the following disclosures related to its Florida PRIME investment:

Redemption Gates: Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to a payment at any time from the moneys in the trust fund. However, the Executive Director of the fund may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Executive Director has instituted such measures to review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on the contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

Page 25 of 69

**NOTE C - INVESTMENTS, CONTINUED**

measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

Liquidity Fees: Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosures in the enrollment materials of the amount and purpose of such fees. At September 30, 2023, no such disclosure has been made.

Redemption Fees: As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Fair Value: The carrying value of the cash, cash equivalents, and investments held by the District is amortized cost which approximates fair value. However, it is the opinion of the management of PRIME it is exempt from GASB 72 financial hierarchy disclosures.

Foreign Currency Risk: Florida PRIME is not exposed to foreign currency risk during the period October 1, 2022, through September 30, 2023.

Securities Lending: Florida PRIME did not participate in securities lending program during the period October 1, 2022, through September 30, 2023.

Florida PRIME provides separate audited financial statements for the year ended June 30, 2023.

At September 30, 2023, the District reported SBA investments of \$1,093,964 fair value/cost for amounts held in Florida PRIME. The Florida PRIME carried a credit rating of AAAM by Standard and Poors and had a dollar weighted average days to maturity (WAM) of 35 days at September 30, 2023. The Weighted Average Life (WAL) of PRIME at September 30, 2023 is 75 days. Rule 2a7 allows funds to use amortized cost to maintain a constant NAV of \$1.00 per share. Accordingly, the District's investment in Florida PRIME is reported at the account balance (pooled shares) using amortized cost, which is considered fair value.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE C - INVESTMENTS, CONTINUED**

**Restricted Investments**

The District, as previously noted, has a restricted investment account: Impact Fees. The Impact Fees account is used to account for the deposit of impact fees received and is restricted for certain capital asset acquisition. Impact fees are collected by Lee County for the District pursuant to County ordinance and District resolution.

During the year ended September 30, 2023, the District purchased the following restricted investments held in the general fund to be used for the future acquisition of a new engine:

	<u>Cost</u>	<u>Fair Value</u>
Money market	\$ -	\$ 427
Treasury notes	<u>1,000,000</u>	<u>999,573</u>
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

In accordance with GASB Statement Number 31, the District uses fair value measurements to record adjustments to certain assets. GASB Statement Number 31 defines fair value as "the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale." The District categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles.

Level 1 - inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. An active market is a market in which transactions of the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted market prices of similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active, and pricing models developed principally from inputs from or corroborated by observable market data by correlation or other means.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE C - INVESTMENTS, CONTINUED**

**Restricted Investments, continued**

Level 3 - inputs are unobservable and allowed in situations where there is little, if any, market activity for the asset or liability at measurement date. These inputs reflect the reporting entity's own assumptions about assumptions that would be used by market participants.

The District has the following fair value measurements as of September 30, 2023:

	Fair Value Measurements Using:			
	Fair Value	Level 1	Level 2	Level 3
Money market	\$ 427	\$ -	\$ 427	\$ -
Treasury notes	999,573	999,573	-	-
	<u>\$ 1,000,000</u>	<u>\$ 999,573</u>	<u>\$ 427</u>	<u>\$ -</u>

**NOTE D - DUE FROM OTHER GOVERNMENTS**

Due from other governments at September 30, 2023 totaled \$177,749 including \$82,415 in fourth quarter Impact Fees (Impact Fee Fund) and \$95,334 in Ad Valorem taxes, excess fees and supplemental education reimbursement (General Fund).

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE E - CAPITAL ASSETS ACTIVITY**

The following is a summary of changes in capital assets activity for the year ended September 30, 2023:

	Balance October 1 2022	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30 2023
Capital Assets Not Being Depreciated:					
Land	\$ 96,858	\$ -	\$ -	\$ -	\$ 96,858
Construction in progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	96,858	-	-	-	96,858
Capital Assets Being Depreciated:					
Buildings and improvements	1,435,429	171,915	(38,241)	-	1,569,103
Vehicles	2,693,078	229,882	(27,799)	-	2,895,161
Equipment	1,197,591	155,733	(29,535)	-	1,323,789
Total Capital Assets Being Depreciated	5,326,098	557,530	(95,575)	-	5,788,053
Less Accumulated Depreciation:					
Buildings and improvements	(929,020)	(52,767)	17,003	-	(964,784)
Vehicles	(1,717,081)	(225,451)	27,799	-	(1,914,733)
Equipment	(120,073)	(137,197)	22,841	-	(234,429)
Total Accumulated Depreciation	(2,766,174)	(415,415)	67,643	-	(3,113,946)
Total Capital Assets Being Depreciated, Net	2,559,924	142,115	(27,932)	-	2,674,107
Capital Assets, Net	<u>\$ 2,656,782</u>	<u>\$ 142,115</u>	<u>\$ (27,932)</u>	<u>\$ -</u>	2,770,965
				Related debt	-
				Net investment in capital assets	<u>\$ 2,770,965</u>

Depreciation expense was charged to the following functions during the year ended September 30, 2023:

	Amount
General Government	\$ 415,415
Total Depreciation Expense	<u>\$ 415,415</u>

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE F - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2023:

	Balance October 1 2022	Additions	Retirements / Adjustments	Balance September 30 2023	Amounts Due Within One Year
Comp. Absences - Vacation	\$ 475,737	\$ 45,525	\$ -	\$ 521,262	\$ -
Comp. Absences - Comp. Time	117,474	16,800	-	134,274	-
Net OPEB Liability	3,359,727	-	(566,443)	2,793,284	-
Net Pension Liability - FRS	9,365,353	1,220,458	-	10,585,811	-
Net Pension Liability - HIS	1,448,686	794,133	-	2,242,819	-
	<u>\$ 14,766,977</u>	<u>\$ 2,076,916</u>	<u>\$ (566,443)</u>	<u>\$ 16,277,450</u>	<u>\$ -</u>

The following is a summary of long-term obligations at September 30, 2023:

	Amount
Non-current portion of compensated absences - vacation time. Employees of the District are entitled to annual personal leave time, based on length of service and job classification.	\$ 521,262
Non-current portion of compensated absences - comp. time. Employees of the District are entitled to annual comp. time at their separation from the District based on hours accrued during their employment.	134,274
Net OPEB liability - GASB 75 - actuarially determined.	2,793,284
Net pension obligation - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	10,585,811
Net pension obligation - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	<u>2,242,819</u>
Total Long-Term Liabilities	16,277,450
Current Portion	<u>-</u>
Noncurrent Portion	<u>\$ 16,277,450</u>

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE F - LONG-TERM LIABILITIES, CONTINUED**

The annual debt service requirements at September 30, 2023, were as follows:

<u>Years Ending September 30</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
2024	\$ -	\$ -	\$ -
Total capital leases	-	-	-
Accrued compensated absences - vacation	521,262	-	521,262
Accrued compensated absences - comp time	134,274	-	134,274
Net OPEB obligation	2,793,284	-	2,793,284
Net pension liability - FRS	10,585,811	-	10,585,811
Net pension liability - HIS	2,242,819	-	2,242,819
Total long-term debt	<u>\$ 16,277,450</u>	<u>\$ -</u>	<u>\$ 16,277,450</u>

Interest expense related to the capital leases payable was \$0 for the year ended September 30, 2023.

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN**

**General Information about the Florida Retirement System**

The Florida Retirement System ("FRS") was created in Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan ("Pension Plan") for participating public employees. All District employees are participants in the Statewide Florida Retirement System (FRS) under authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide an integrated defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a separate cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans (Pension and HIS Plans) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information dated June 30, 2020, is available from the Florida Department of Management Services' Website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The District's total pension expense, \$3,292,981 for the year ended September 30, 2023, is recorded in the government-wide financial statements. Total District actual retirement contribution expenditures were \$1,561,128, \$1,290,754, and \$1,071,222 for the years ended September 30, 2023, 2022 and 2021, respectively. The District contributed 100% of the required contributions.

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS Pension Plan**

**Plan Description.** The FRS Pension Plan ("Plan") is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class - Members of the FRS who do not qualify for membership in the other classes.

Senior Management Service Class (SMSC) - Members in senior management level positions.

Special Risk Class - Members who are employed as certified firefighters and meet the criteria to qualify for this class.

Elected Officials - Members who are elected by the voters within the District boundaries.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for those members classified as special risk who are eligible for normal retirement benefits at age 55 and 6 years of service or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 and 8 years of service or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 and 8 years of service or at any age after 30 years of service. However, effective July 1, 2023, for special risk who enrolled on or after July 1, 2011, normal retirement date changed to the earlier of 25 years of creditable service or age 55. Members of both Plans (Pension and HIS) may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS Pension Plan, continued**

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may elect to participate in DROP at any time after reaching normal retirement date for a period not to exceed 60 months after electing to participate. Effective July 1, 2023, an employee may participate in DROP for a period not to exceed 96 months (8 years) after electing to participate except for certain instructional personnel who can participate for 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. Interest accrues at 4% on DROP accumulation held on or after July 1, 2023, and at 1.3% prior. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits. The restricted 12 month election window was removed. Participants may elect to enter DROP at anytime after becoming fully vested and reaching normal retirement age.

**Benefits Provided.** Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for the members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value of each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>%Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS Pension Plan, continued**

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**Contributions.** The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2023 were as follows:

<u>Class</u>	<u>Percent of Gross Salary*</u>		
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employer (3)</u>
Florida Retirement System, Regular	3.00	11.91	13.57
Florida Retirement System, Senior Management Service	3.00	31.57	34.52
Florida Retirement System, Special Risk	3.00	27.83	32.67
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	18.60	21.13
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	57.00	58.68

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/22 - 6/30/23.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 2.00 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/23 - 6/30/24.

\* As defined by the Plan.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS Pension Plan, continued**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan.** At September 30, 2023 (measurement date), the District reported an FRS pension liability of \$10,585,811 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At September 30, 2023, the District's proportionate share was .026566253 percent, which was an increase of .001396011 percent from its proportionate share measure as of September 30, 2022.

For the year ended September 30, 2023, the District recognized pension expense of \$3,095,402. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 993,916	\$ -
Change of assumptions	690,073	-
Net difference between projected and actual earnings on pension plan investments	442,092	-
Changes in proportion and differences between District contributions and proportionate share of contributions	728,296	432,639
District contributions subsequent to the measurement date	<u>401,891</u>	<u>-</u>
Total	<u>\$ 3,256,268</u>	<u>\$ 432,639</u>

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS Pension Plan, continued**

The deferred outflows of resources related to the FRS pension, totaling \$401,891, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 5.3 years as follows:

Fiscal Years Ending September 30	Amount
2024	\$ 570,905
2025	570,905
2026	570,905
2027	570,905
2028	460,382
Thereafter	<u>(322,264)</u>
Total	<u>\$ 2,421,738</u>

**Actuarial Assumptions.** The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Individual entry date

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS Pension Plan, continued**

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100%			
Assumed inflation - Mean		2.40%		1.40%

(1) As outlined in the Plan's investment policy

**Money-weighted Rate.** The annual money-weighted rate of return on the FRS Pension Plan investments for the year ended September 30, 2023 was 7.58%.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS Pension Plan, continued**

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the net FRS pension liability	<u>\$ 18,082,721</u>	<u>\$ 10,585,811</u>	<u>\$ 4,313,749</u>

**Pension Plan Fiduciary Net Position.** Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report (FRS ACFR) dated June 30, 2023.

The FRS ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services  
Division of Retirement  
Bureau of Research and Member Communications  
P.O. Box 9000  
Tallahassee, FL 32315-9000

850-488-5706 or toll free at 877-377-1737

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)

**Payables to the Pension Plan.** At September 30, 2023, the District reported an FRS payable of \$16,644 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2023.

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**HIS Plan**

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

**Benefits Provided.** For the year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. Subsequent to July 1, 2023, eligible retirees and beneficiaries receive \$7.50 for each year of service monthly. Maximum benefit is \$225 per month or \$2,700 annually. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

**Contributions.** The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Prior to July 1, 2023, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. Subsequent to July 1, 2023, the rate was 2%. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan.** At September 30, 2023, the District reported a HIS liability of \$2,242,819 its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability was used to calculate the net pension liability which was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net HIS liability was based on

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**HIS Plan, continued**

the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At September 30, 2023, the District's proportionate share was .014122362 percent, which was an increase of .000444672 percent from its proportionate share measured as of September 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized HIS expense of \$197,579. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,833	\$ 5,264
Change of assumptions	58,964	194,348
Net difference between projected and actual earnings on HIS pension plan investments	1,158	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	188,461	-
District contributions subsequent to the measurement date	<u>30,338</u>	<u>-</u>
Total	<u>\$ 311,754</u>	<u>\$ 199,612</u>

The deferred outflows of resources related to HIS, totaling \$30,338, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 6.3 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2024	\$ 15,507
2025	15,507
2026	15,507
2027	15,505
2028	15,217
Thereafter	<u>4,561</u>
Total	<u>\$ 81,804</u>

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**HIS Plan, continued**

**Actuarial Assumptions.** The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.65 percent
Actuarial cost method	Individual entry age

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2018.

Because the HIS plan is funded on a pay-as-you-go basis, no experience study has been completed for this plan.

**Discount Rate.** The discount rate used to measure the total HIS liability was 3.65 percent. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 3.65 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
District's proportionate share of the net HIS liability	<u>\$ 2,558,707</u>	<u>\$ 2,242,819</u>	<u>\$ 1,980,970</u>

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**HIS Plan, continued**

**Pension Plan Fiduciary Net Position.** Detailed information about the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Annual Comprehensive Financial Report (FRS ACFR) dated June 30, 2023.

The FRS ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services  
Division of Retirement  
Bureau of Research and Member Communications  
P.O. Box 9000  
Tallahassee, FL 32315-9000  
850-488-5706 or toll free at 877-377-1737

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)

**Payables to the Pension Plan.** At September 30, 2023, the District reported a payable of \$1,062 for the outstanding amount of contributions to the HIS plan required for the fiscal year ended September 30, 2023.

**FRS - Defined Contribution Pension Plan**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS - Defined Contribution Pension Plan, continued**

are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including FRS Financial Guidance Program, are funded through an employer contribution of .06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-23 fiscal year were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	6.30	8.30
Florida Retirement System, Senior Management Service	3.00	7.67	9.67
Florida Retirement System, Special Risk	3.00	14.00	16.0
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	11.34	13.34

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/22 - 6/30/23.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 2.00 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/23 - 6/30/24.

\* As defined by the Plan.

Effective July 1, 2023, employer contribution rates increased by 2.0% in all membership classes.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE G - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED**

**FRS - Defined Contribution Pension Plan, continued**

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

The District's Investment Plan pension expense totaled \$182,750 which is included in FRS employer contributions for the fiscal year ended September 30, 2023.

Payables to the Investment Plan. At September 30, 2023, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2023.

**NOTE H - PROPERTY TAXES**

Property taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related recordkeeping of all property taxes is performed for the District by the Lee County Tax Collector. No accrual for the property tax levy becoming due in November 2023 is included in the accompanying basic financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two (2) years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. As of September 30, 2023, \$90,869 was recorded in the General Fund as due from the Lee County Tax Collector to the District for ad valorem taxes and excess fees.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE H - PROPERTY TAXES, CONTINUED**

Important dates in the property tax cycle are as follows:

Assessment roll certified	July 1
Millage resolution approved	No later than 93 days following certification of assessment roll
Taxes due and payable (Levy date)	November/with various discount provisions through March 31
Property taxes payable - maximum discount (4 percent)	30 days after levy date
Beginning of fiscal year for which taxes have been levied	October 1
Due date	March 31
Taxes become delinquent (lien date)	April 1
Tax certificates sold by the Lee County Tax Collector	Prior to June 1

The Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$3.50 per \$1,000 (3.5 mills) of the 2022 net taxable value of real property located within the District. In August 2016, the voters of the District approved a referendum to increase the District's millage cap to 3.5 mills from its previous cap of 2.5 mills. The change was effective for the year ended September 30, 2018, and the ad valorem tax levied in November 2017.

**NOTE I - ASSIGNED FUND BALANCE**

Assigned fund balance in the General Fund consisted of the following at September 30, 2023:

<u>Assigned fund balance</u>	<u>Amount</u>
Operations (90 days)	\$ 6,948,584
Disaster preparedness	100,000
Buildings	4,500,000
Vehicles	1,900,000
Capital equipment	300,000
Contingency	100,000
Post Retirement Medical Reserve (OPEB)	640,000
Total assigned fund balance	<u>\$ 14,488,584</u>

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE J - IMPACT FEE FUND ACTIVITY**

During the year ended September 30, 2023, the Impact Fee Fund had the following activity:

	<u>Amount</u>
Unearned revenue, October 1, 2022	\$ 296,534
Impact fee receipts	121,348
Due from other governments	82,415
Interest income	17,273
Capital outlay	-
Fiscal charges	-
Unearned revenue, September 30, 2023	<u>\$ 517,570</u>

**NOTE K - COMMITMENTS AND CONTINGENCIES**

The District is involved from time to time in certain routine litigation, the substance of which either as liabilities or recoveries, would not materially affect the financial position of the District. Although the final outcome of the lawsuits, assertions and claims or the exact amount of costs and/or potential recovery is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a materially adverse affect on the financial condition of the District. As a general policy, the District plans to contest any such matter.

**NOTE L - 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 natural disasters.

Insurance programs for general liability, crime and fidelity, automobile and property are covered by commercial insurance. The District retains the risk of loss up to a deductible amount with the risk of loss in excess of this amount transferred to the insurance carrier with limits of general liability of \$1,000,000 per occurrence and \$3,000,000 in the aggregate. The District is third party insured for employee health, dental and vision, as well as workers' compensation.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)**

Pursuant to the provisions of Section 112.08, Florida Statutes, the District provides the opportunity to participate in health insurance benefits to its retired employees through a single employer defined benefit plan. All retired full-time employees are eligible for benefits if actively employed by the District immediately before retirement and retired through the FRS system. As of September 30, 2023, there were thirty-six (36) retirees receiving benefits, twenty (20) of which are on the District's health insurance plan. The remaining sixteen (16) retirees are of Medicare age and received a stipend from the District. The opportunity to obtain coverage is available to all retired District employees which have completed 20 years of service or 15 years of service and attainment of age 62 or 55 if special risk. The benefits require contributions from the retirees, depending on certain specified criteria and, in particular, length of creditable employment. For those retirees electing District insurance, the District pays \$500 monthly towards the health insurance rate at the time of retirement after 25 years of service until age 65. Eligible retirees must convert coverage to Medicare at 65. Retirees, after conversion to Medicare, then can receive \$250 per month subsidy from the District until age 80. Retirees will be responsible for any additional rate increase from year to year. The District closed the subsidy Plan to new hires effective for anyone hired after October 1, 2014. Retirees retiring after October 1, 2014, must have 25 years of service to claim subsidy benefits. Retirees hired after this date can elect to participate in the health care coverage but must fund 100% of the related cost. The District finances the benefits on a pay-as-you-go basis and recognizes expenditures at the time premiums are due. Dependents can participate but must contribute 100% of the related costs. There are no special provisions for disabled participants.

The year ended September 30, 2018, was the District's transition year and as such, the District implemented GASB No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". GASB No. 75 required the District to annually record its actuarially determined total OPEB liability.

The retiree's premiums for these benefits totaled \$163,200 during the year ended September 30, 2023, of which the District paid \$70,452 in explicit subsidies.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS  
(OPEB), CONTINUED**

**Funding Policy**

The District's OPEB benefits plan is unfunded and operated on a pay-as-you-go basis. No formal trust for the Plan has been established. The District has not determined if a separate trust fund or equivalent arrangement will be established into which the District would make contributions to advance-fund the obligation. Therefore, no separate financial statement is issued. All required disclosures are presented herein. The District obtained an actuarial valuation for its OPEB Plan to measure the current year's subsidies and project these subsidies into the future, making an allocation of that cost to different years.

The District also subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the plan on average than those of active employees.

**Actuarial Methods and Assumptions**

At September 30, 2023, the District's net OPEB liability of \$2,793,284 was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2021. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Salary Increases	2.20%
Discount Rate	4.40%
Inflation Rate	2.50%

Annual healthcare cost trend using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions with an initial rate of 6.0% per year trending to 4.64% by 2050 updated on October 30, 2021.

The discount rate was based on the 20 Year Municipal Bond Rate with AA/Aa or higher.

Entry age normal cost method was used.

The FRS salary scale was used.

Mortality rates were based on the PUB-2010 Generational Healthy Mortality Table with scale MP-2019.

The actuarial assumptions used in the October 1, 2021, valuation were based on results of an actuarial experience study performed for the FRS Retirement Plan.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS  
(OPEB), CONTINUED**

**Actuarial Methods and Assumptions, continued**

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumptions changes summarized above are to best reflect the current market conditions and recent plan experience.

**Demographic Assumptions**

100% of participants are assumed to retire between age 55-65. Termination assumptions mirror the Florida Retirement System's special risk employees' termination assumptions as reported in the FRS actuarial valuation report. No disability assumption was made.

**Changes in the Net OPEB Liability**

	<u>Amount</u>
Balance at September 30, 2022	\$ 3,359,727
Changes for the year:	
Service Cost	50,949
Interest	70,824
Change in benefit terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions	(436,688)
Contributions from Employer	<u>(251,528)</u>
Net Changes	<u>(566,443)</u>
Balance at September 30, 2023	<u>\$ 2,793,284</u>

The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or 1 percent lower than the current discount rate.

	1% Decrease 3.40%	Current Rate 4.40%	1% Increase 5.40%
Net OPEB Liability	<u>\$ 2,980,905</u>	<u>\$ 2,793,284</u>	<u>\$ 2,620,700</u>

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS  
(OPEB), CONTINUED**

**Changes in the Net OPEB Liability, continued**

The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using healthcare trend rates that are 1 percent higher or 1 percent lower than the current healthcare trend rate.

	1% Decrease 2.94%	Trend Rate 3.94%	1% Increase 4.94%
Net OPEB Liability	<u>\$ 2,703,206</u>	<u>\$ 2,793,284</u>	<u>\$ 2,895,022</u>

For the year ended September 30, 2023, the District recognized OPEB expense (credit) of \$(91,536). At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 119,965	\$ 94,510
Changes in Assumptions	346,718	455,991
Net difference between projected and actual earnings	-	-
Employer contribution subsequent to measurement date	-	-
Total	<u>\$ 466,683</u>	<u>\$ 550,501</u>

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

Years Ended September 30:	<u>Amount</u>
2024	\$ (30,237)
2025	(30,238)
2026	(9,017)
2027	4,065
2028	4,068
Thereafter	<u>(22,459)</u>
Total	<u>\$ (83,818)</u>

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS  
(OPEB), CONTINUED**

**Changes in the Net OPEB Liability, continued**

Changes of Assumptions:

- Discount rate was changed from 2.19% to 4.40%
- Population covered by Plan: 68 active 36 retired receiving benefits.
- Plan has no specific trust established. \$640,000 assigned for OPEB for FY 23.

**NOTE N - SUBSCRIPTION LIABILITY**

The District entered into multiple subscription-based information technology arrangements for various software (GASB 96). The software have 1 year terms and have fixed payments. The District aggregated the subscriptions for reporting purposes. The District used a discount rate of 6.25% to record the present value of the future minimum payments as of the date of implementation. The total initial subscription sight of use (ROU) asset and liability was \$120,537.

The District is recording the arrangements over a 5 year term consistent with its fixed asset capitalization policy.

The future minimum subscription payments as of September 30, 2023 is as follows:

<u>Years Ending September 30</u>	<u>Amount</u>
2024	\$ 30,857
2025	30,857
2026	30,857
2027	<u>20,016</u>
	112,587
Impact of present value discount	<u>(15,162)</u>
Present value	<u>\$ 97,425</u>

The amortization of the subscription liability for the year ended September 30, 2023 was \$23,113. The annual total cost was \$30,856.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2023**

**NOTE N - SUBSCRIPTION LIABILITY, CONTINUED**

At September 30, 2023, the right of use - subscription asset and right of use - subscription liability balances are as follows:

	<u>Amount</u>
Right of use subscription asset, current	\$ 30,857
Right of use subscription asset, noncurrent	<u>66,568</u>
	<u>\$ 97,425</u>
Right of use subscription liability, current	\$ 30,857
Right of use subscription liability, noncurrent	<u>66,568</u>
	<u>\$ 97,425</u>

**NOTE O - HURRICANE DAMAGE**

On September 28, 2022, Hurricane Ian impacted Southwest Florida. The District sustained storm damage that caused loss and damage to property and equipment estimated at \$115,000. There was no effect on the operations of the District. During the year ended September 30, 2023, the District received approximately \$71,421 in hurricane related insurance claim payouts and FEMA reimbursement of \$253,008 for repairs, maintenance, personnel and disaster related operating costs. All hurricane related repairs were completed by September 30, 2023.

**NOTE P - LAND PURCHASE**

During the year ended September 30, 2023, the District entered a contract to purchase land for a future District fire station. The District paid a \$20,000 deposit, however, cancelled the contract after September 30, 2023.

**NOTE Q - SUBSEQUENT EVENTS**

On October 24, 2023, the District paid a \$5,000 down payment for a new rescue truck and purchased \$25,000 worth of items to outfit the truck. On February 26, 2024, the District purchased a service truck in the amount of \$51,000. On March 13, 2024, the District initiated a rapid water rescue team and purchased necessary equipment in the amount of \$26,500.

**REQUIRED SUPPLEMENTARY  
INFORMATION  
OTHER THAN MD&A**

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
SUMMARY STATEMENT  
Year Ended September 30, 2023**

	General Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Ad valorem taxes	\$ 12,657,919	\$ 12,592,388	\$ 12,885,560	\$ 293,172
Intergovernmental revenue:				
State supplemental education	15,000	15,000	13,954	(1,046)
Federal grant proceeds	-	254,000	253,008	(992)
Fees:				
Inspection fees	25,000	35,000	51,571	16,571
Miscellaneous:				
Interest	2,200	20,200	68,533	48,333
Lee County EMS - Rent	2,300	2,415	2,415	-
Other	116,500	190,500	198,674	8,174
Cash brought forward	12,252,865	14,175,581	-	(14,175,581)
<b>TOTAL REVENUES</b>	<b>25,071,784</b>	<b>27,285,084</b>	<b>13,473,715</b>	<b>(13,811,369)</b>
<b>EXPENDITURES</b>				
Current				
Public safety				
Personnel services	9,986,000	10,161,000	8,884,042	1,276,958
Operating expenditures	9,370,784	9,718,584	1,510,498	8,208,086
Capital outlay	5,715,000	7,410,000	557,530	6,852,470
Debt Service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>25,071,784</b>	<b>27,289,584</b>	<b>10,952,070</b>	<b>16,337,514</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(4,500)</b>	<b>2,521,645</b>	<b>2,526,145</b>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from disposition of Capital Assets	-	4,500	4,150	(350)
Other financial assistance - CARES Act	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,525,795</b>	<b>\$ 2,525,795</b>
<b>FUND BALANCE - Beginning</b>			<b>14,175,581</b>	
<b>FUND BALANCE - Ending</b>			<b>\$ 16,701,376</b>	

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
DETAILED STATEMENT  
Year Ended September 30, 2023**

REVENUES	General Fund			Variance Favorable/ (Unfavorable)
	Original Budget	Final Budget	Actual	
Ad valorem taxes:				
Current	\$ 12,637,919	\$ 12,572,388	\$ 12,544,001	\$ (28,387)
Delinquent	20,000	20,000	291,042	271,042
Excess fees	-	-	50,517	50,517
Subtotal - Ad Valorem Taxes	<u>12,657,919</u>	<u>12,592,388</u>	<u>12,885,560</u>	<u>293,172</u>
Intergovernmental revenue:				
State supplemental education	15,000	15,000	13,954	(1,046)
Federal Grant Proceeds	-	254,000	253,008	(992)
Fees:				
Inspection fees	25,000	35,000	51,571	16,571
Miscellaneous:				
Interest:				
Ad valorem interest	-	-	37,611	37,611
Bank interest	200	200	51	(149)
SBA interest	<u>2,000</u>	<u>20,000</u>	<u>30,871</u>	<u>10,871</u>
Subtotal - Interest	<u>2,200</u>	<u>20,200</u>	<u>68,533</u>	<u>48,333</u>
Lee County EMS - Rent	2,300	2,415	2,415	-
Other:				
Donations	1,500	5,500	5,016	(484)
Lock boxes	-	-	-	-
Increase (Decrease) in fair value investment	-	-	-	-
Retiree health insurance	85,000	85,000	92,748	7,748
Miscellaneous	<u>30,000</u>	<u>100,000</u>	<u>100,910</u>	<u>910</u>
Subtotal - Other	<u>116,500</u>	<u>190,500</u>	<u>198,674</u>	<u>8,174</u>
Cash brought forward	<u>12,252,865</u>	<u>14,175,581</u>	<u>-</u>	<u>(14,175,581)</u>
<b>TOTAL REVENUES</b>	<u><b>25,071,784</b></u>	<u><b>27,285,084</b></u>	<u><b>13,473,715</b></u>	<u><b>(13,811,369)</b></u>

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
DETAILED STATEMENT, CONTINUED  
Year Ended September 30, 2023**

	General Fund			Variance Favorable/ (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>EXPENDITURES</b>				
Current - Public safety				
Personnel services:				
Salaries				
Firefighters & administrative	6,200,000	6,130,000	5,205,215	924,785
Overtime	525,000	700,000	567,369	132,631
Incentives and holiday pay	15,000	15,000	13,950	1,050
Payroll taxes				
Social Security	500,000	500,000	425,389	74,611
Unemployment	6,000	6,000	3,300	2,700
Benefits				
Retirement	1,600,000	1,600,000	1,561,128	38,872
VEBA	60,000	60,000	-	60,000
Group insurance - health/life	900,000	970,000	963,831	6,169
Workers compensation	180,000	180,000	143,860	36,140
Subtotal - Personnel services	9,986,000	10,161,000	8,884,042	1,276,958
Operating expenditures:				
Uniforms	40,000	40,000	33,494	6,506
Communications	65,000	65,000	54,747	10,253
Commercial Pkg Insurance	70,000	100,000	74,368	25,632
Utilities	60,000	60,000	39,699	20,301
Maintenance				
Vehicle	120,000	170,000	156,190	13,810
Equipment	65,000	65,000	44,459	20,541
Office	20,000	20,000	16,200	3,800
Communications	5,000	5,000	3,709	1,291
Hydrant	3,000	3,000	736	2,264
Building	100,000	100,000	62,585	37,415
Bunker gear	2,000	2,000	1,240	760
Supplies				
Office	20,000	20,000	17,420	2,580
Inter-departmental	7,000	10,000	9,604	396
Communications	6,000	10,000	6,926	3,074
Firefighter & rescue	120,000	120,000	90,740	29,260
Station	55,000	80,000	57,105	22,895
Training	5,000	5,000	2,482	2,518
Fire prevention	1,000	1,000	-	1,000

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
DETAILED STATEMENT, CONTINUED  
Year Ended September 30, 2023**

	General Fund			Variance Favorable/ (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating expenditures (continued):				
CERT	5,000	5,000	4,804	196
Public education	10,000	10,000	9,611	389
Professional and other fees				
Legal	40,000	180,000	154,645	25,355
Legal advertising	3,000	10,000	7,341	2,659
Property Appraiser fees	100,000	100,000	78,052	21,948
Tax Collector fees	280,000	280,000	258,451	21,549
Election fees	-	-	-	-
Consulting	-	45,000	33,578	11,422
Accounting and audit	115,000	115,000	78,750	36,250
Miscellaneous				
Education and travel	65,000	65,000	39,294	25,706
Donations	-	2,000	1,796	204
Postage	2,000	2,000	857	1,143
Gas and oil	120,000	120,000	85,936	34,064
Employment expenses	55,000	55,000	36,690	18,310
Computer software/training	40,000	40,000	23,953	16,047
Lock boxes	-	-	-	-
Miscellaneous	10,000	15,000	17,424	(2,424)
Books and dues	10,000	10,000	7,612	2,388
Operational reserves				
Contingency	100,000	100,000	-	100,000
Operating reserve	6,911,784	6,948,584	-	6,948,584
Disaster preparedness reserve	100,000	100,000	-	100,000
Post retirement medical reserve	640,000	640,000	-	640,000
Subtotal - Operating expenditures	<u>9,370,784</u>	<u>9,718,584</u>	<u>1,510,498</u>	<u>8,208,086</u>
Capital outlay:				
Vehicles	140,000	230,000	229,882	118
Firefighter & rescue equipment	15,000	105,000	70,091	34,909
Bunker gear	25,000	40,000	33,653	6,347
Training equipment	-	-	-	-
Communications equipment	20,000	30,000	20,912	9,088
Furniture & office	85,000	40,000	10,307	29,693
Station equipment	5,000	15,000	8,600	6,400

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
DETAILED STATEMENT, CONTINUED  
Year Ended September 30, 2023**

	General Fund			Variance Favorable/ (Unfavorable)
	Original Budget	Final Budget	Actual	
Capital outlay (continued):				
Rescue equipment	-	-	-	-
Public education equipment	15,000	15,000	12,170	2,830
Station #1 improvements	30,000	130,000	106,456	23,544
Station #2 improvements	45,000	70,000	61,156	8,844
Station #3 improvements	25,000	5,000	4,303	697
New Station Design	10,000	30,000	-	30,000
Capital Reserves				
Building reserve	3,500,000	4,500,000	-	4,500,000
Vehicle reserve	1,500,000	1,900,000	-	1,900,000
Capital equipment reserve	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Subtotal - Capital outlay	<u>5,715,000</u>	<u>7,410,000</u>	<u>557,530</u>	<u>6,852,470</u>
DEBT SERVICE				
Principal reduction	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal - Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>25,071,784</u>	<u>27,289,584</u>	<u>10,952,070</u>	<u>16,337,514</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,500)	2,521,645	2,526,145
OTHER FINANCING SOURCES				
Proceeds from disp of capital assets	-	4,500	4,150	8,650
Other financial assistance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SUBTOTAL - OTHER FINANCING SOURCES	<u>-</u>	<u>4,500</u>	<u>4,150</u>	<u>(350)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>2,525,795</u>	<u>\$ 2,525,795</u>
FUND BALANCE, October 1, 2022			<u>14,175,581</u>	
FUND BALANCE, September 30, 2023			<u>\$ 16,701,376</u>	

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - IMPACT FEE FUND  
Year Ended September 30, 2023**

	Impact Fee Fund			
	Original	Final	Actual	Variance
	Budget	Budget		Favorable (Unfavorable)
<b>REVENUES</b>				
Fees:				
Impact fees	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Miscellaneous:				
Interest	1,000	1,000	-	(1,000)
Cash brought forward	135,000	135,000	-	(135,000)
TOTAL REVENUES	<u>156,000</u>	<u>156,000</u>	<u>-</u>	<u>(156,000)</u>
<b>EXPENDITURES</b>				
Current				
Public safety				
Operating				
Refunds	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay				
Contingency	156,000	156,000	-	156,000
Vehicles	-	-	-	-
Equipment - firefighter/rescue	-	-	-	-
Equipment - Communications	-	-	-	-
Buildings	-	-	-	-
TOTAL EXPENDITURES	<u>156,000</u>	<u>156,000</u>	<u>-</u>	<u>156,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE - Beginning</b>			<u>-</u>	
<b>FUND BALANCE - Ending</b>			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM (FRS) PENSION  
PLAN (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.026566253%	0.025170242%	0.023769391%	0.026687550%
District's proportionate share of the net pension liability	\$ 10,585,811	\$ 9,365,353	\$ 1,795,205	\$ 11,566,778
District's covered-employee payroll	\$ 5,786,534	\$ 5,173,672	\$ 4,595,441	\$ 4,480,468
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	182.94%	181.02%	39.06%	258.16%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

**SCHEDULE OF DISTRICT CONTRIBUTIONS -  
FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,467,460	\$ 1,213,309	\$ 1,006,949	\$ 961,965
Contributions in relation to the contractually required contribution	<u>1,467,460</u>	<u>1,213,309</u>	<u>1,006,949</u>	<u>961,965</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,786,534	\$ 5,173,672	\$ 4,595,441	\$ 4,480,468
Contributions as a percentage of covered-employee payroll	25.36%	23.45%	21.91%	21.47%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.025421272%	0.024596426%	0.022709709%	0.022818081%	0.021852527%	0.021748347%
\$ 8,754,732	\$ 7,408,571	\$ 6,717,360	\$ 5,761,583	\$ 2,822,547	\$ 1,326,969
\$ 3,970,948	\$ 3,826,921	\$ 3,495,050	\$ 3,342,649	\$ 3,371,304	\$ 3,421,304
220.47%	193.59%	192.20%	172.37%	83.72%	38.79%
82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 867,583	\$ 781,750	\$ 658,074	\$ 612,210	\$ 568,090	\$ 551,857
<u>867,583</u>	<u>781,750</u>	<u>658,074</u>	<u>612,210</u>	<u>568,090</u>	<u>551,857</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,970,948	\$ 3,826,921	\$ 3,495,050	\$ 3,342,649	\$ 3,371,304	\$ 3,421,304
21.85%	20.43%	18.83%	18.32%	16.85%	16.13%

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY - HEALTH INSURANCE SUBSIDY (HIS) PENSION  
PLAN (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.014122362%	0.013677690%	0.012728908%	0.012343048%
District's proportionate share of the net pension liability	\$ 2,242,819	\$ 1,448,686	\$ 1,561,392	\$ 1,507,066
District's covered-employee payroll	\$ 5,786,534	\$ 5,173,672	\$ 4,595,441	\$ 4,480,468
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.76%	28.00%	33.98%	33.64%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

**SCHEDULE OF DISTRICT CONTRIBUTIONS -  
HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 93,668	\$ 77,445	\$ 64,273	\$ 72,406
Contributions in relation to the contractually required contribution	<u>93,668</u>	<u>77,445</u>	<u>64,273</u>	<u>72,406</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,786,534	\$ 5,173,672	\$ 4,595,441	\$ 4,480,468
Contributions as a percentage of covered-employee payroll	1.62%	1.50%	1.40%	1.62%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

2019	2018	2017	2016	2015	2014
0.011640644%	0.011570500%	0.010811470%	0.010779066%	0.011594876%	0.011475690%
\$ 1,298,644	\$ 1,224,635	\$ 1,156,012	\$ 1,256,255	\$ 1,182,495	\$ 1,073,005
\$ 3,970,948	\$ 3,826,921	\$ 3,495,050	\$ 3,342,649	\$ 3,371,304	\$ 3,421,304
32.70%	32.00%	33.08%	37.58%	35.08%	31.36%
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

2019	2018	2017	2016	2015	2014
\$ 65,302	\$ 58,841	\$ 49,532	\$ 48,924	\$ 46,272	\$ 37,464
<u>65,302</u>	<u>58,841</u>	<u>49,532</u>	<u>48,924</u>	<u>46,272</u>	<u>37,464</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,970,948	\$ 3,826,921	\$ 3,495,050	\$ 3,342,649	\$ 3,371,304	\$ 3,421,304
1.64%	1.54%	1.42%	1.46%	1.37%	1.10%

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
September 30, 2023**

**Changes of Assumptions**

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments remained unchanged at 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65%, increased from 3.54%, was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018.

**Florida Retirement System Pension Plan**

There were changes in actuarial assumptions. As of June 30, 2023, the inflation rate assumption remained at 2.4 percent, the real payroll growth assumption remained at 0.85 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained at 6.70%.

**Health Insurance Subsidy Pension Plan**

The municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
September 30, 2023**

**Pension Expense and Deferred Outflows/Inflows of Resources**

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments - amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense. However, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at September 30, 2023, was 5.3 years (5.5 for FY22) (5.7 for FY 21) (5.9 for FY 20) for FRS and 6.3 years for FY 23 (6.4 for FY 22 and FY 21) (7.2 for FY 20) for HIS.

**NORTH FORT MYERS FIRE CONTROL  
RESCUE SERVICE DISTRICT  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND  
RELATED RATIOS GASB 75 AND RELATED NOTES TO THE SCHEDULE**

**Changes in Employer's Net OPEB Liability and Related Ratios as of September 30:**

Net OPEB Liability	2018	2019	2020
Service Cost	\$ 71,485	\$ 66,635	\$ 65,378
Interest Cost	121,507	130,319	137,031
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	(157,514)
Changes in Assumptions	(169,777)	(104,642)	315,522
Benefit Payments	(214,000)	(224,773)	(230,762)
Net Change in net OPEB Liability	(190,785)	(132,461)	129,655
Net OPEB Liability - Beginning of Year	4,026,567	3,835,782	3,703,321
Net OPEB Liability - End of Year	\$ 3,835,782	\$ 3,703,321	\$ 3,832,976

NOTE: Information for FY 2017 and earlier is not available.

**Plan Fiduciary Net Position as of September 30:**

	2018	2019	2020
Contributions - Employer	\$ 214,000	\$ 224,773	\$ 230,762
Net Investment Income	-	-	-
Benefit Payments	(214,000)	(224,773)	(230,762)
Administrative Expense	-	-	-
Net Change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
Fiduciary Net Position - End of Year	\$ -	\$ -	\$ -
Net OPEB Liability	\$ 3,835,782	\$ 3,703,321	\$ 3,832,976
Fiduciary Net Position as a % of Net OPEB Liability	0.00%	0.00%	0.00%
Measurement Date	9/30/2017	9/30/2018	9/30/2019
Covered-Employee Payroll *			
Net OPEB Liability as a % of Payroll *			
Expected Average Remaining Service Years	8	8	10
Discount Rate	3.50%	3.83%	2.75%

\* Because this OPEB plan does not depend on salary, no information is provided.

NOTE: Information for FY 2017 and earlier is not available.

**Notes to the Schedule:**

Changes of Assumptions

The discount rate was changed from 2.19% to 4.40%.

Population covered by Plan: 68 active 36 retired receiving benefits.

Plan has no specific trust established. \$640,000 assigned for OPEB for FY 23.

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 60,351	\$ 66,900	\$ 50,949
101,965	90,137	70,824
-	(682,030)	-
-	167,951	-
120,630	102,147	(436,688)
<u>(250,283)</u>	<u>(251,017)</u>	<u>(251,528)</u>
32,663	(505,912)	(566,443)
<u>3,832,976</u>	<u>3,865,639</u>	<u>3,359,727</u>
<u>\$ 3,865,639</u>	<u>\$ 3,359,727</u>	<u>\$ 2,793,284</u>

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 250,283	\$ 251,017	\$ 251,528
-	-	-
(250,283)	(251,017)	(251,528)
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\$ 3,865,639	\$ 3,359,727	\$ 2,793,284
0.00%	0.00%	0.00%
9/30/2020	9/30/2021	9/30/2022

10	7	0
2.41%	2.19%	4.40%

## **ADDITIONAL REPORTS**



**TUSCAN**  
 & Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

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

Board of Commissioners  
 North Fort Myers Fire Control and Rescue Service District  
 P.O. Box 3507  
 North Fort Myers, Florida 33918

We have audited, 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 of America, the basic financial statements of the governmental activities and each major fund of North Fort Myers Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated April 4, 2024.

**Report 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) as a basis for designing 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 basic financial statements will not be prevented or detected and

INTEGRITY ..... SERVICE ..... EXPERIENCE

corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether North Fort Myers Fire Control and Rescue Service 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 financial statements. 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 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



TUSCAN & COMPANY, P.A.

Fort Myers, Florida

April 4, 2024



**TUSCAN**  
& Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

Board of Commissioners  
North Fort Myers Fire Control and Rescue Service District  
P.O. Box 3507  
North Fort Myers, Florida 33918

We have examined North Fort Myers Fire Control and Rescue Service District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management is responsible for North Fort Myers Fire Control and Rescue Service District's compliance with those requirements. Our responsibility is to express an opinion on North Fort Myers Fire Control and Rescue Service 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 and, accordingly, included examining, on a test basis, evidence about North Fort Myers Fire Control and Rescue Service District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on North Fort Myers Fire Control and Rescue Service District's compliance with specified requirements.

In our opinion, North Fort Myers Fire Control and Rescue Service District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

This report is intended solely for the information and use of the North Fort Myers Fire Control and Rescue Service District and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
April 4, 2024

**INTEGRITY ..... SERVICE ..... EXPERIENCE**



**TUSCAN**  
 & Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants  
 American Institute of Certified Public Accountants  
 Private Companies Practice Section  
 Tax Division

**INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT**

Board of Commissioners  
 North Fort Myers Fire Control and Rescue Service District  
 P.O. Box 3507  
 North Fort Myers, Florida 33918

We have audited the accompanying basic financial statements of North Fort Myers Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2023, and have issued our report thereon dated April 4, 2024.

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 of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated April 4, 2024, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

- 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 financially significant prior year comments noted.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

INTEGRITY ..... SERVICE ..... EXPERIENCE

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- 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 the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. 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(7), Rules of the Auditor General, we have applied financial condition assessment procedures. 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. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a.
- Pursuant to Section 10.554(1)(i)5.b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this District (F.S. Section 218.39(3)(b)). There are no known component units required to report within these financial statements.
- Pursuant to Section 10.554(1)(i)6, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.
- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires an independent special district that imposes ad valorem taxes to disclose certain related unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)8, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the entity's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated April 4, 2024, included herein.

**PRIOR YEAR COMMENTS:**

There were no financially significant comments noted.

**CURRENT YEAR COMMENTS:**

There were no financially significant comments noted.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Commissioners, management, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.



TUSCAN & COMPANY, P.A.

Fort Myers, Florida

April 4, 2024

**EXHIBIT 1**



**NORTH FT. MYERS FIRE DIST.**

P.O. Box 3507 \* 2900 Trail Dairy Circle  
N. Ft. Myers, FL 33918-3507  
(239) 997-8654 (239) 995-3757 fax

May 15, 2024

Response to Management Letter – Fiscal Year 2022/2023

In response to the management letter contained in the independent audit by Tuscan and Company, we provide the following:

We are happy to report that we had no financially significant comments the previous year, as well as for the current year.

Sincerely,

Ronald A. Beecroft  
Fire Chief

**EXHIBIT 2**

**UNAUDITED  
COMPLIANCE WITH REPORTING REQUIRED BY:**

**Auditor General Rule 10.554(1)(i)6**

For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district as provided in Section 218.39(3)(a), Florida Statutes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information):

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). 68 including 5 Board of Commission members
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes). 0
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited) \$ 5,786,534
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE) \$0
- e. Each construction project with a total cost of at least \$65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes). 0
- f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). See attached pages 3 and 4.

**Auditor General Rule 10.554(1)(i)7**

For an independent special district that imposes ad valorem taxes, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)4., Florida Statutes).

- a. The millage rate or rates imposed by the district. 3.5 mills
- b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. \$12,885,560
- c. The total amount of outstanding bonds issued by the district and terms of such bonds. 0

**Auditor General Rule 10.554(1)(i)8**

For an independent special district that imposes non-ad valorem special assessments, the following specific information provided by management (with explanatory verbiage that the auditor provides no assurance on the information): (see information required in Section 218.32(1)(e)5., Florida Statutes).

- a. The rate or rates of such assessment imposed by the district. 0
- b. The total amount of special assessments collected by or on behalf of the district. 0
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds. 0

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
SUMMARY STATEMENT  
Year Ended September 30, 2023**

	General Fund		
	Original		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes	\$ 12,657,919	\$ 12,885,560	\$ 227,641
Intergovernmental revenue:			
State supplemental education	15,000	13,954	(1,046)
Federal grant proceeds	-	253,008	253,008
Fees:			
Inspection fees	25,000	51,571	26,571
Miscellaneous:			-
Interest	2,200	68,533	66,333
Lee County EMS - Rent	2,300	2,415	115
Other	116,500	198,674	82,174
Cash brought forward	12,252,865	-	(12,252,865)
TOTAL REVENUES	<u>25,071,784</u>	<u>13,473,715</u>	<u>(11,598,069)</u>
<b>EXPENDITURES</b>			
Current			
Public safety			
Personnel services	9,986,000	8,884,042	1,101,958
Operating expenditures	9,370,784	1,510,498	7,860,286
Capital outlay	5,715,000	557,530	5,157,470
Debt Service			
Principal retirement	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>25,071,784</u>	<u>10,952,070</u>	<u>14,119,714</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,521,645	2,521,645
<b>OTHER FINANCING SOURCES</b>			
Proceeds from disposition of capital assets	-	4,150	4,150
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>2,525,795</u>	<u>\$ 2,525,795</u>
FUND BALANCE - Beginning		<u>14,175,581</u>	
FUND BALANCE - Ending		<u>\$ 16,701,376</u>	

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - IMPACT FEE FUND  
Year Ended September 30, 2023**

	Impact Fee Fund		
	Original		Variance
	Budget	Actual	Favorable (Unfavorable)
	Budget	Actual	(Unfavorable)
<b>REVENUES</b>			
Fees:			
Impact fees	\$ 20,000	\$ -	\$ (20,000)
Miscellaneous:			
Interest	1,000	-	(1,000)
Cash brought forward	135,000	-	(135,000)
TOTAL REVENUES	156,000	-	(156,000)
<b>EXPENDITURES</b>			
Current			
Public safety			
Operating			
Refunds	-	-	-
Miscellaneous	-	-	-
Capital outlay			
Contingency	156,000	-	156,000
Vehicles	-	-	-
Equipment - firefighter/rescue	-	-	-
Equipment - Communications	-	-	-
Buildings	-	-	-
TOTAL EXPENDITURES	156,000	-	156,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	\$ -
<b>FUND BALANCE - Beginning</b>		-	
<b>FUND BALANCE - Ending</b>		\$ -	

The accompanying notes are an integral part of this statement.