

FORT MYERS BEACH FIRE  
CONTROL DISTRICT

September 30, 2021

BASIC FINANCIAL STATEMENTS TOGETHER  
WITH REPORTS OF INDEPENDENT AUDITOR

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PHONE: 941.639.6600 | FAX: 941.639.6115  
366 E OLYMPIA AVE, PUNTA GORDA, FL 33950  
AshleyBrownCPAS.com

## REPORT OF THE INDEPENDENT AUDITOR

Board of Commissioners  
Fort Myers Beach Fire Control District  
Fort Myers Beach, FL

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fort Myers Beach Fire Control District, (the "District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and other required supplementary information, as provided 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

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

In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters included under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

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 the District's internal control over financial reporting and compliance.

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

March 4, 2022

# Fort Myers Beach Fire Control District Management's Discussion and Analysis (unaudited)

This discussion and analysis of the Fort Myers Beach Fire Control 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, 2021. 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.

## *Financial Highlights*

- At the close of the fiscal year the District's assets exceeded its liabilities, resulting in a net position of \$6,909,711.
- The District's total net position increased \$3,456,755 or 100.1%
- The District assigned/committed fund balance was 66% or \$6,864,420 of the District's total fund balance of \$10,400,208 at yearend. Additional information relating to fund balance can be found in Note I on page 32.
- Total revenues increased \$917,152, or 6.8%, in comparison to the prior year.
- Total expenses decreased \$2,069,451 or 15.9%, in comparison to the prior year.

## *Government-wide Financial Statements*

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 7 and 8) 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 7) presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. The District's capital assets (property, plant and equipment) are included in this statement and reported net of their accumulated depreciation.

The *Statement of Activities* (Page 8) 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).

## *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 or retained earnings, 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 (pages 9 and 11) are prepared on the modified accrual basis of accounting 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.

## *Fiduciary Funds*

The Fiduciary fund (pages 13 and 14) is used to account for resources held in the Retiree Insurance Trust (VEBA) for the benefit of retired District employees. The fiduciary fund is not reflected in the government-wide financial statements because the resources of the VEBA fund are not available to support the District's programs.

## *Notes to the Financial Statements*

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

## *Government-Wide Financial Analysis*

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

The following is a condensed summary of net position for the primary government for fiscal years 2021 and 2020:

Fort Myers Beach Fire Control District		
Summary of Net Position		
September 30, 2021 and 2020		
	2021	2020
Assets:		
Current and other assets	\$ 10,864,669	\$ 8,131,766
Capital assets, net	<u>12,374,888</u>	<u>12,842,915</u>
Total Assets	<u>23,239,557</u>	<u>20,974,681</u>
Deferred outflows of resources - pensions	<u>4,445,499</u>	<u>7,066,128</u>
Liabilities:		
Current liabilities	759,094	752,417
Non-current Liabilities	<u>9,762,103</u>	<u>23,216,060</u>
Total liabilities	<u>10,521,197</u>	<u>23,968,477</u>
Deferred inflows of resources - pensions	<u>10,254,148</u>	<u>619,376</u>
Net position:		
Net investment in capital assets	11,086,167	11,267,748
Unrestricted (deficit)	<u>(4,176,456)</u>	<u>(7,814,792)</u>
Total net position	<u>\$ 6,909,711</u>	<u>\$ 3,452,956</u>

Current and other assets represent 46.8% of the total assets for fiscal year 2021. Current assets were comprised of cash and cash equivalents of \$2,088,488, investments of \$7,832,174, due from other governments of \$128,464, net receivables from ambulance transports of \$205,187, prepaid expenses of \$610,356.

Capital assets, net of depreciation, was \$12,374,888. Capital assets are comprised of land, buildings, equipment, and vehicles, net of accumulated depreciation. The unrestricted net position (deficit) of \$4,176,456 represents available resources to be used at the District's discretion.

The District has assigned \$6,864,420 of the General Fund fund balance for purposes such as disaster, equipment sustainment, building improvements, millage stabilization and post-employment benefits. On a Governmental fund-basis the District had a total – General Fund – fund balance of \$10,400,208.

Current liabilities at September 30, 2021 are comprised of accounts payable, accrued expenses and unearned revenue of \$464,461 and the current portion of long-term liabilities of \$294,633. Non-current liabilities are comprised of notes and leases payable of \$994,088, a Net OPEB obligation of \$4,106,052, compensated absences of \$427,353, and net pension liability of \$4,234,610. Total liabilities decreased \$13,447,280 or 56.1%, in comparison to the prior year. Additional information relating to long-term liabilities can be found in note F on pages 29-30.

The following schedule reports the revenues, expenses, and changes in net position for the District for fiscal years 2021 and 2020:

Fort Myers Beach Fire Control District  
Summary of Revenues, Expenses and Changes in Net Position  
Years ended September 30, 2021 and 2020

Revenues:	2021	2020
General Revenues		
Property taxes	\$ 12,835,065	\$ 12,322,291
Miscellaneous		
Impact fees	42,182	2,117
Interest	14,262	123,678
Other	224,568	62,588
Program Revenues		
Charges for services		
Ambulance	736,101	583,054
Inspection fees	407,305	310,967
Grants and contributions	178,066	115,702
Total Revenues	14,437,549	13,520,397
Expenses:		
Public Safety - Fire and Rescue Services	10,980,794	13,050,245
Increase (decrease) in net position	3,456,755	470,152
Net Position - Beginning of the year	3,452,956	2,982,804
Net Position - End of the year	\$ 6,909,711	\$ 3,452,956

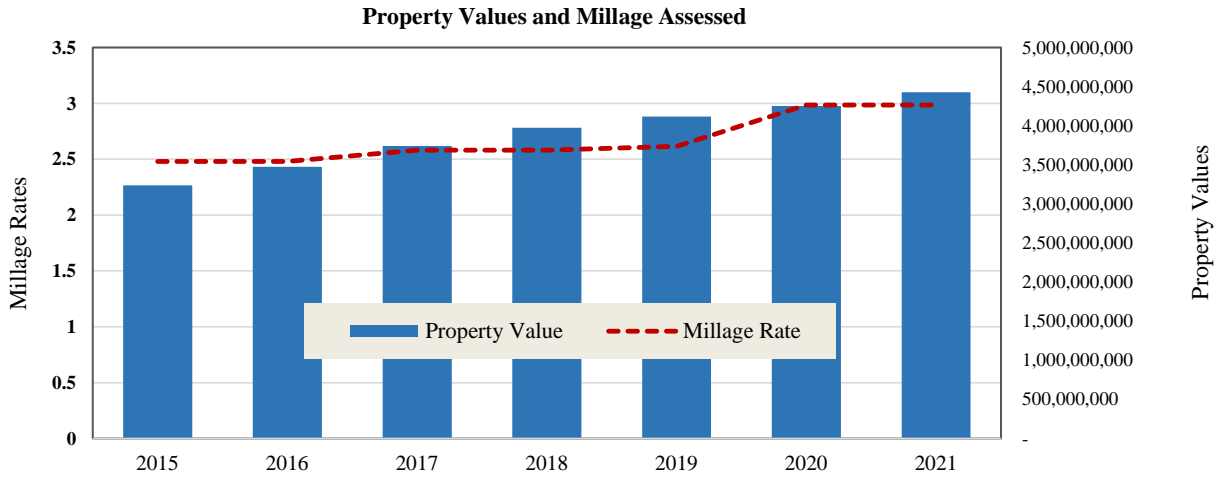


In comparison to the prior year:

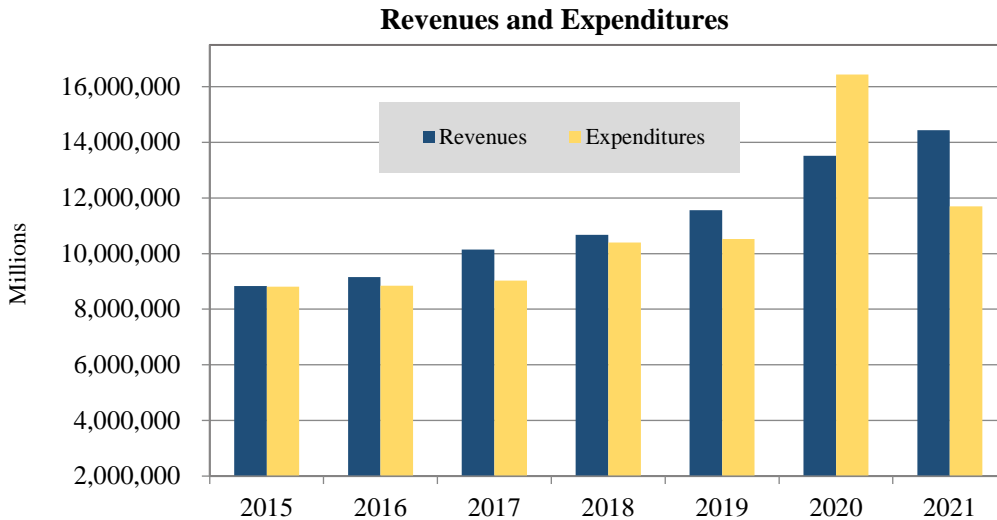
- Total revenues increased \$917,152, or 6.8%.
- Total expenses decreased \$2,069,451 or 15.9%.
- Assessed property values increased \$177,176,365 or 4.2%.
- Ad Valorem tax revenues increased \$512,774 or 4.2%.
- Impact fee revenues increased \$40,065 or 1892.5%.

The District adopted a millage rate of 2.9851 mills per thousand, unchanged from the prior year. Property taxes represent 88.9% of total revenue.

The following chart compares the change in property value and millage rates for the past seven years:



The following chart compares revenues and expenditures for the past seven years:



## *Budgetary Highlights*

The following is a brief review of noteworthy budgeting changes from the original budget to the final budget for the General Fund (see supplementary information on pages 48-51). The final budget increased \$265,795, or 1.2% from the original budget. The increase to fund balance is a result of final accounting for the prior fiscal year and applied to designated reserves for equipment and building replacement.

Budget versus actual comparisons are reported in the required supplementary information other than management discussion and analysis on pages 48-51.

## *Capital Assets*

Non-depreciable capital assets include land; depreciable assets include buildings, vehicles, equipment, furniture and fixtures.

The following is a schedule of the District's capital assets as of September 30, 2021 and 2020:

Fort Myers Beach Fire Control District		
Capital Assets		
September 30, 2021 and 2020		
CAPITAL ASSETS	2021	2020
Land	<u>\$ 5,437,744</u>	<u>\$ 5,437,744</u>
Total Capital Assets not depreciated	<u>5,437,744</u>	<u>5,437,744</u>
Buildings	6,777,961	6,730,798
Vehicles	3,746,065	3,679,206
Equipment	<u>1,526,688</u>	<u>1,437,113</u>
Total Capital Assets being depreciated	<u>12,050,714</u>	<u>11,847,117</u>
ACCUMULATED DEPRECIATION		
Buildings	(2,442,418)	(2,264,551)
Vehicles	(1,636,309)	(1,290,577)
Equipment	<u>(1,034,843)</u>	<u>(886,818)</u>
Total accumulated depreciation	<u>(5,113,570)</u>	<u>(4,441,946)</u>
CAPITAL ASSETS, NET	<u>\$ 12,374,888</u>	<u>\$ 12,842,915</u>

Major capital asset purchases during the current fiscal year included the following:

- MedStat 500 Ambulance (beach accessible) at a cost of \$66,859.
- Communications equipment and radio software upgrades at a cost of \$48,630.
- Bay doors for Station 33 at a cost of \$40,813.
- Computers and security equipment at a cost of \$13,580.

Additional information on the District's capital assets can be found in Note E on page 28.

## *Debt Administration*

The District's outstanding debt is comprised of notes and leases payable, compensated absences, a net OPEB (other post-employment benefit) obligation for retiree health insurance and net pension liability. The following is a summary schedule of the District's outstanding debt at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Net pension liability	\$ 4,234,610	\$ 16,494,454
Notes and leases payable	1,288,721	1,575,167
Compensated Absences	427,353	471,225
Net OPEB obligation	<u>4,106,052</u>	<u>4,961,660</u>
Total outstanding debt	<u>\$ 10,056,736</u>	<u>\$ 23,502,506</u>

Compensated absences decreased by \$43,872 or 9.3% in comparison to the prior year. This liability represents the total amount the District has due at the termination of all employees' employment as of September 30, 2021. Notes and leases payable decreased by \$286,446 or 18.2% in comparison to the prior year. Net pension liability decreased by \$12,259,844 or 74.3% in comparison to the prior year. Net Other Post Employment Benefits (OPEB) decreased by \$855,608 or 17.2% in comparison to the prior year.

Additional information on the District's debt obligations can be found in Note F on pages 29-30.

## *Economic Factors and Next Year's Budget*

The following factors were considered when next year's budget (2021-2022) was adopted:

- Overall property values within the District increased \$532,623,429 or 4.92% to \$4,647,261,505.
- The District adopted the millage rate of 2.9851, unchanged from the prior year, with the intention of allocating a portion of additional revenues generated by increased property values to fund personnel increases and the Station 31/Headquarters building project.

## *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: Fort Myers Beach Fire Control District, Jane Thompson, Director of Finance and Administrative Services, 100 Voorhis Street, Fort Myers, Florida, 33931, phone (239) 590-4200.

# FORT MYERS BEACH FIRE CONTROL DISTRICT

## STATEMENT OF NET POSITION

September 30, 2021

	Governmental Activities
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,082,848
Cash and Cash Equivalents - restricted	5,640
Investments	7,832,174
Due from Other Governments	128,464
Receivables, net	205,187
Prepaid Expenses	610,356
Total Current Assets	<u>10,864,669</u>
Noncurrent Assets:	
Capital Assets:	
Land	5,437,744
Depreciable Buildings, Equipment, and Vehicles (Net of \$5,113,570 Accumulated Depreciation)	<u>6,937,144</u>
Total Noncurrent Assets	<u>12,374,888</u>
<b>TOTAL ASSETS</b>	<u>23,239,557</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<u>4,445,499</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>27,685,056</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	113,573
Accrued Expenses	345,248
Unearned Revenue	5,640
Current Portion of Long-Term Obligations	294,633
Total Current Liabilities	<u>759,094</u>
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations	<u>9,762,103</u>
<b>TOTAL LIABILITIES</b>	<u>10,521,197</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	<u>10,254,148</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>20,775,345</u>
<b>NET POSITION</b>	
Investment in Capital Assets, Net of Related Debt	11,086,167
Unrestricted (deficit)	<u>(4,176,456)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,909,711</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2021**

	<u>Governmental Activities</u>
<b>PROGRAM EXPENSES</b>	
Governmental Activities	
Public Safety - Fire Protection	
Personal Services	\$ 8,526,332
Operating Expenses	1,737,344
Interest and Fiscal Charges	45,494
Depreciation	671,624
<b>TOTAL PROGRAM EXPENSES</b>	<u>10,980,794</u>
<b>PROGRAM REVENUES</b>	
Charges for Services	
Ambulance	736,101
Inspection Fees	407,305
Operating Grants and Contributions	178,066
<b>TOTAL PROGRAM REVENUES</b>	<u>1,321,472</u>
<b>NET PROGRAM EXPENSES</b>	<u>9,659,322</u>
<b>GENERAL REVENUES</b>	
Ad Valorem Taxes	12,835,065
Impact Fees	42,182
Interest	14,262
Other	224,568
<b>TOTAL GENERAL REVENUES</b>	<u>13,116,077</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	3,456,755
<b>NET POSITION, BEGINNING OF THE YEAR</b>	<u>3,452,956</u>
<b>NET POSITION, END OF THE YEAR</b>	<u>\$ 6,909,711</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**BALANCE SHEET**

**September 30, 2021**

	General Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,082,848
Cash and Cash Equivalents - Restricted	5,640
Investments	7,832,174
Due from Other Governments	128,464
Receivables, net	205,187
Prepaid Expenses	<u>610,356</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 10,864,669</u></b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 113,573
Accrued Expenses	345,248
Unearned Revenue	<u>5,640</u>
<b>TOTAL LIABILITIES</b>	<b><u>464,461</u></b>
<b>FUND BALANCES</b>	
Nonspendable	610,356
Assigned	6,864,420
Unassigned	<u>2,925,432</u>
<b>TOTAL FUND BALANCES</b>	<b><u>10,400,208</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 10,864,669</u></b>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION -  
GOVERNMENTAL FUNDS**

**September 30, 2021**

Total fund balances for governmental funds \$ 10,400,208

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Capital assets not being depreciated:

Land		5,437,744
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Capital assets being depreciated:

Building, equipment, and vehicles	\$ 12,050,714	
Less: accumulated depreciation	<u>(5,113,570)</u>	6,937,144

Deferred outflows of resources are not recognized in the general fund; however, they are recorded in the statement of net position under full accrual accounting:

OPEB (VEBA) Assumptions	197,725	
OPEB (Non-VEBA) Assumptions	970,843	
Pension Assumptions	<u>3,276,931</u>	4,445,499

Deferred inflows of resources are not recognized in the general fund; however, they are recorded in the statement of net position under full accrual accounting:

OPEB (VEBA) Assumptions	(136,387)	
OPEB (Non-VEBA) Assumptions	(1,018,748)	
Pension Assumptions	<u>(9,099,013)</u>	(10,254,148)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Notes Payable	(227,795)	
Capital Leases	(1,060,926)	
Compensated Absences	(427,353)	
Net Pension Liability - FRS	(2,239,783)	
Net Pension Liability - HIS	(1,994,827)	
Net OPEB Liability	<u>(4,106,052)</u>	<u>(10,056,736)</u>

Total net position of governmental activities		<u><u>\$ 6,909,711</u></u>
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**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Year Ended September 30, 2021**

	<u>General Fund</u>
<b>REVENUES</b>	
Ad Valorem Taxes	\$ 12,835,065
Intergovernmental Revenue:	
Firefighters Supplemental Income	20,773
State & Federal Grants	157,293
Charges for Services:	
Ambulance Transport	736,101
Inspection Fees	407,305
Impact Fees	42,182
Interest Income	14,262
Other income:	
Donations	5,020
Miscellaneous	219,548
<b>TOTAL REVENUES</b>	<u>14,437,549</u>
<b>EXPENDITURES</b>	
Public Safety	
Personal Services	9,430,256
Operating Expenditures	1,737,344
Capital Outlay	203,596
Debt Service:	
Principal Reduction	286,446
Interest and Fiscal Charges	45,494
<b>TOTAL EXPENDITURES</b>	<u>11,703,136</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,734,413</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,734,413
<b>FUND BALANCES - October 1, 2020</b>	<u>7,665,795</u>
<b>FUND BALANCES - September 30, 2021</b>	<u>\$ 10,400,208</u>



## FORT MYERS BEACH FIRE CONTROL DISTRICT

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Net change (expenditures in excess of revenues and other financing sources) in fund balances - total governmental funds \$ 2,734,413

The increase (change) 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	\$ 203,596	
Less: Current year depreciation expense	<u>(671,624)</u>	(468,028)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.

The issuance of debt is reported as a financing source in governmental funds and thus contribute 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):		
Notes Payable	132,936	
Capital Leases	<u>153,510</u>	286,446

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 fund.

Decrease in pension and OPEB expense related to amortization of deferred inflows and deferred outflows	860,052	
Decrease in compensated absences	<u>43,872</u>	<u>903,924</u>

Increase (decrease) in net position of governmental activities \$ 3,456,755

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**  
**September 30, 2021**

	Retiree Insurance Trust Fund VEBA Plan
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 12,079
Investments, at Fair Value:	
Domestic Equities - Common Stock & Options	900,450
Fixed Income Corporate Bonds	302,478
Government & GSE Bonds	190,746
<b>TOTAL ASSETS</b>	<u>1,405,753</u>
 <b>LIABILITIES AND NET POSITION</b>	
<b>NET POSITION</b>	
Held In Trust for VEBA Retiree Health Insurance Benefits	1,405,753
<b>TOTAL NET POSITION</b>	<u>\$ 1,405,753</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
For the Year Ended September 30, 2021**

	<u>Retiree Insurance Trust Fund VEBA Plan</u>
<b>ADDITIONS</b>	
Employer Contributions	\$ 22,906
Investment Income:	
Net Realized Gain	25,441
Net Unrealized Gain/(Loss)	209,308
Interest and Dividends	<u>18,375</u>
	253,124
Less: Investment Expense	<u>(11,461)</u>
Net Investment Income	<u>241,663</u>
<b>TOTAL ADDITIONS</b>	<u>264,569</u>
<b>DEDUCTIONS</b>	
Benefits Paid	97,971
Administrative Expenses	<u>19,351</u>
<b>TOTAL DEDUCTIONS</b>	<u>117,322</u>
<b>CHANGE IN NET POSITION</b>	147,247
<b>NET POSITION - BEGINNING OF THE YEAR</b>	<u>1,258,506</u>
<b>NET POSITION - END OF THE YEAR</b>	<u>\$ 1,405,753</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Organization

Fort Myers Beach Fire Control District (the "District") is an independent special district established on May 1, 1951, by Laws of Florida, Chapter 51-27676, as amended, under the provisions of Florida Statute Chapter 633. Laws of Florida, Chapter 2000-422 codified, reenacted, amended and repealed its prior enabling acts and was effective June 5, 2000. The District's codified act was amended by Laws of Florida, Chapter 2008-275 which was approved by the Governor on June 17, 2008. This law approved a change in District boundaries by removing certain lands from within the District. The District has the general and special powers prescribed by Florida Statutes Chapters 189, 191 and 633.15 as well as Laws of Florida, Chapter 97-340. The District was created for the purpose of providing fire control and protection services for a certain designated area along coastal Lee County. The District also provides emergency medical and crash and rescue services including transport (ambulance) services. The District's service area includes the Town of Fort Myers Beach and certain adjacent areas of unincorporated Lee County. The District is governed by an at-large elected five (5) member Board of Commissioners serving staggered four (4) year terms. The District operates three (3) stations plus its administrative offices.

During the year ended September 30, 2008, the District established The Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008. This is presented as a fiduciary fund in the financial statements.

Reporting Entity

The District adheres to Governmental Accounting Standards Board Statement Number 14, "Financial Reporting Entity" (GASB 14), as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" (GASB 39) and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34" (GASB 61).

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 14, as amended, there are no component units required to be included. Therefore, no component units are included in the District's basic financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by intergovernmental and general revenues.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Government-wide and Fund Financial Statements, continued

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, series, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operating activities or capital improvements of a particular function. Program revenues are considered to be revenues generated by services performed and/or by fees charged, such as inspection and ambulance fees, as well as operating and capital grants. Taxes and other revenue sources not properly included with program revenues are reported as general revenue.

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 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.

Fund financial statements for the District's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in aggregate for governmental funds. The General Fund is the District's primary operating fund and only governmental fund. It accounts for all financial resources of the District, including any impact fees collected.

The insurance trust fund (VEBA) accounts for the activities of the Retiree Insurance Trust, which accumulates resources for the payment of post-employment benefits other than pension for qualified retirees. This fiduciary fund is not reported in the government-wide financial statements, as the assets in this fund are held in trust for retirees and are not available for the operations of the District.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

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 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.

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.

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period 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, ambulance fees, 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 and ambulance fees are 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 the long-term debt, if any, which is recognized when due; and (2) expenditures, which are generally not divided between years by the recording of prepaid expenditures.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The Fiduciary Fund - The Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008 financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Restricted assets and liabilities related to restricted assets which are current in nature are reported with current assets and current liabilities in both the government-wide and fund financial statements.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Net Position

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Net position in the government-wide fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net positions represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or b) imposed by law through state statute.

Fund Balances

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources. The governmental fund financial statements the District maintains include nonspendable, restricted, committed, 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 restricted fund balance consists of amounts that can be spent only on specific purposes stipulated by constitutional provisions or enabling legislation or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed fund balance consists of amounts that can only be used for specific purposes pursuant to resolution of the District Board. Committed fund balance may be redirected by the District Board to other purposes as long as the original constraint is removed by a similar resolution.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Fund Balances, continued

The resolution giving rise to the committed fund balance must be imposed by the end of the fiscal year.

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 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). At September 30, 2021, fund balance is also assigned for a variety of specific items by District Board action. Any use of the assigned fund balance requires the District's Board approval.

Unassigned fund balance is fund balance that has not been reported in any other classification within the General Fund.

Impact Fees

Through an interlocal agreement, 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 both Lee County and the Town of Fort Myers Beach and is 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, in the general fund, until the date of expenditure, at which time it is recognized as revenue and charged to growth related debt service in the fund financial statements and debt reduction in the government-wide financial statements.

During the year ended September 30, 2013, the District resolved to eliminate the Impact Fee Fund due to the small amount of impact fees collected annually. Impact fees imposed and collected by Lee County and the Town of Fort Myers Beach are based on new construction within the District. The fees are restricted and can only be used for certain capital expenditures and/or related debt associated with growth within the District. Any amounts collected are applied to the debt service of previously approved debt.

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" (GASB 31), in which all investments are reported at fair value, other than those included in GASB Statement Number 79, "Certain External Investment Pools and Pool Participants," in which investments are reported at amortized cost. GASB Statement 40 "Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3," and GASB Statement Number 72, "Fair Value Measurement and Application." Specifically, the District has adopted a policy to adhere to Chapter 218.415(17), Florida Statutes.



**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Investments, continued

Investments held by the Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008 may include marketable securities, bonds, time deposits, mutual funds, money market funds and depository accounts. On November 28, 2008, the VEBA fund adopted a separate investment policy from that of the District which was intended to be in compliance with Florida Statute Chapter 218.415(1-16).

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, vehicles, and equipment, are reported in the government-wide Statement of Net Position, and are capitalized and depreciated. Expenditures for capital assets are recorded in the fund statements as current expenditures.

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 year.

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 acquisition value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than building, 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.

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

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	20 - 40
Vehicles	5 - 20
Equipment	3 - 20

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 cost of personal leave benefits (compensated absences) are expended in the respective operating funds when payments are made to employees. However, the liability for all accrued personal leave benefits is recorded in the government-wide Statement of Net Position.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Retirement Plans and Post Employment Benefits other than Pension (OPEB) Plans

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, the net OPEB liability for the Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, and the total OPEB liability for the OPEB for those who retired on or before September 30, 2008 and the Implicit Subsidy of the District. 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 plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are 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. For purposes of measuring the net OPEB liability and total OPEB liability of the District's two OPEB plans: The Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008 (the "VEBA Plan") and OPEB for those who retired on or before September 30, 2008 and the Implicit Subsidy of the District (the Non-VEBA Plan"), deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the plan, if applicable, and additions to/deductions from fiduciary net position of the plan, if applicable, have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

The District's retirement plans and OPEB 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 and OPEB is reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pensions and OPEB are discussed in a subsequent note.

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.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Deferred Outflows/Inflows of Resources, continued

A deferred amount on pension and OPEB results from the difference in the expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on investments, employer specific amounts due to a change in employer proportion, and contributions subsequent to the measurement date. These amounts are deferred and amortized over time.

Budgetary Information

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

The District has adopted an annual budget for the General Fund.

No budget was legally required for the Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008

The District follows these procedures in establishing budgetary data for the General 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 these financial statements, 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.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

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.

Subsequent Events

Subsequent events have been evaluated through March 4, 2022, which is the date the basic financial statements were available to be issued.

**NOTE B - CASH AND CASH EQUIVALENTS**

The District's deposit policy is in accordance with Florida Statute Chapter 218.415(17). At September 30, 2021, the District maintained deposits in checking accounts and money market savings accounts. These deposits were entirely covered during the year and at year-end by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute Chapter 280). District depositories are banks designated as qualified depositories by the State Treasurer. As of September 30, 2021, the carrying amount of the District's deposits including investments in the Local Government Surplus Funds Trust Fund- PRIME ("PRIME") administered by the Florida State Board of Administration ("SBA"), but exclusive of the Retiree Insurance Trust Fund VEBA was \$7,832,174, the bank balance was \$9,920,361 and cash on hand was \$300. Restricted cash consisted of \$5,640.

The Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, as later defined, held restricted cash and cash equivalents of \$12,079 (book and bank balance as well as deposits), at September 30, 2021, in a money market fund. This cash account is not subject to coverage under the Federal Depository Insurance (FDIC) or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute 280).

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE C - INVESTMENTS**

District Investments

Florida Statutes and District policy authorize investments in PRIME, an external 2a7-like investment pool. The Fund is publicly traded and may lose principal. PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. PRIME has a Standard & Poor's rating of AAAM at September 30, 2021 and meets all of the necessary criteria to elect to measure all of the investments in PRIME at amortized cost. In terms of interest rate risk, PRIME had a weighted average days to maturity (WAM) of 37 days and a weighted average life (WAL) of 85 days at September 30, 2021. PRIME was not exposed to any foreign currency risk nor did it participate in a securities lending program during the period from October 1, 2020 through September 30, 2021. There are currently no limitations as to the frequency of redemptions; however, PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

The District's investment in PRIME represented less than 1% of the PRIME's total investments. Investments held in PRIME 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. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

At September 30, 2021, the District reported PRIME investments of \$7,832,174 at amortized cost.

The Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008 (the "VEBA Plan")

Cash and cash equivalents and investments of the VEBA Plan totaled \$12,079 and \$1,393,674 respectively, at September 30, 2021. Such investments are controlled by the VEBA Plan's Board policy.

*VEBA Plan Investment Authorization*

The VEBA Plan's investment policy is determined by its Board of Trustees. The policy provides for the use of investment managers to oversee the investments of the Fund in a manner so that the assets will provide benefits to the participants and preserve capital while maximizing the rate of return.

The policy establishes certain investment objectives and asset class targets. The VEBA Plan is expected to earn a return over time exceeding the target rate of 7%. In addition, the VEBA Plan should earn a return greater than inflation, as measured by the Consumer Price Index, by 4% per year.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE C - INVESTMENTS, CONTINUED**

The Board of Trustees adopted the following asset class targets, based on market value:

	<u>% Range</u>	<u>% Target</u>
Large cap value equity	18.25-13.25%	15.75%
Large cap growth equity	18.25-13.25%	15.75%
SMID cap equity	17.00-12.50%	15.00%
International equity	18.50-13.50%	16.00%
Fixed income	32.50-22.50%	27.50%
Master limited partnership	15.00-0.00%	10.00%
		<u>100.00%</u>

VEBA Plan Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. As a means of limiting its exposure to interest rate risk, the VEBA Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the VEBA Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the VEBA Plan's investments by maturity at September 30, 2021, using the segmented time distribution method:

VEBA Plan Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The VEBA Plan's investment policy utilizes portfolio diversification in order to control this risk.

VEBA Plan Concentration of Credit Risk:

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represented 10% or more of the fund's fiduciary net position at September 30, 2021.

VEBA Plan Custodial Credit Risk:

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE C - INVESTMENTS, CONTINUED**

VEBA Plan Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in the currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments. The VEBA Plan's exposure to foreign currency risk derives mainly from its investments in international equity funds. The VEBA Plan reports international equity funds at market value of \$220,081.

VEBA Plan Fair Value Measurements

The framework for measuring fair value provided a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of fair value hierarchy are described as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

**Level 2** - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE C - INVESTMENTS, CONTINUED**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at September 30, 2021.

- Common stock: Valued at the closing price reported on the New York Stock Exchange.
- US government securities: Valued at the closing price reported in the active market in which the individual security is traded.
- Corporate Bonds: Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.
- Master Limited Partnerships: Valued at the closing price reported on the New York Stock Exchange.

The following table sets forth by level, within the fair value hierarchy, the VEBA Plan's assets at fair value at September 30, 2021:

Asset Type	Level 1	Level 2	Level 3	Total
Common stock	\$ 900,450	\$ -	\$ -	\$ 900,450
Corporate bonds	302,478	-	-	302,478
Government securities	190,746	-	-	190,746
Total at fair value	\$ 1,393,674	\$ -	\$ -	\$ 1,393,674

**NOTE D - RECEIVABLES, NET**

Receivables, net consist of the following at September 30, 2021:

	Amount
Ambulance receivables and other	\$ 479,718
Less: Allowance for doubtful accounts	(277,900)
Net ambulance receivables	201,818
Misc. receivable	3,369
Receivables, net	\$ 205,187

Receivables are considered doubtful when assigned to the third party collection agency. Subsequent payments recaptured on delinquent accounts are recorded when deposited and offset against the contra asset allowance for doubtful accounts.



**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE E - CAPITAL ASSETS ACTIVITY**

The following is a summary of changes in capital assets activity for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Increases / Additions	Decreases / Deletions	Balance Sept. 30, 2021
Capital Assets				
Not Being Depreciated:				
Land	\$ 5,437,744	\$ -	\$ -	\$ 5,437,744
Capital Assets				
Being Depreciated:				
Buildings	6,730,798	47,163	-	6,777,961
Equipment	1,437,113	89,575	-	1,526,688
Vehicles	3,679,206	66,859	-	3,746,065
Total Capital Assets				
Being Depreciated	11,847,117	203,597	-	12,050,714
Less: Accumulated				
Depreciation				
Buildings	(2,264,551)	(177,867)	-	(2,442,418)
Equipment	(886,818)	(148,025)	-	(1,034,843)
Vehicles	(1,290,577)	(345,732)	-	(1,636,309)
Total Accumulated				
Depreciation	(4,441,946)	(671,624)	-	(5,113,570)
Total Capital Assets				
Being Depreciated, Net	7,405,171	(468,027)	-	6,937,144
Capital Assets, Net	<u>\$ 12,842,915</u>	<u>\$ (468,027)</u>	<u>\$ -</u>	<u>\$ 12,374,888</u>

Depreciation expense was charged to the following functions during the year ended September 30, 2021:

General Government	<u>\$ 671,624</u>
Total Depreciation Expense	<u>\$ 671,624</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE F - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Additions	Retirements/ Adjustments	Balance Sept. 30, 2021	Amounts Due Within One Year
Notes Payable	\$ 360,731	-	\$ (132,936)	227,795	\$ 135,728
Capital Leases	1,214,436	-	(153,510)	1,060,926	158,905
Compensated Absences	471,225	571,645	(615,517)	427,353	-
Net Pension Liability - FRS	14,571,021	-	(12,331,238)	2,239,783	-
Net Pension Liability - HIS	1,923,433	228,987	(157,593)	1,994,827	-
Net OPEB Liability	4,961,660	447,663	(1,303,271)	4,106,052	-
	<u>\$ 23,502,506</u>	<u>\$ 1,248,295</u>	<u>\$(14,694,065)</u>	<u>\$ 10,056,736</u>	<u>\$ 294,633</u>

Long-term liabilities are comprised of the following at September 30, 2021:

Note Payable

\$1,255,000 Revenue Note Series 2013 issued April 23, 2013, to refinance the original note used for the construction of Station #33. The note requires monthly payments of \$11,598, bearing interest at a rate of 2.08%. Final payment due on May 1, 2023.

\$ 227,795

Capital Leases

\$96,000 capital lease to a leasing company for the purchase of bunker gear was entered into on August 15, 2018. The first payment of \$6,521 was due on November 15, 2018 and quarterly thereafter over four years with an annual interest rate of 3.99%, with a final payment on August 15, 2022. The lease is collateralized by the bunker gear itself.

25,448

\$1,410,000 capital lease payable to a financial institution for the purchase of two fire trucks was entered into on September 27, 2018. The first payment of \$41,670 was due on December 27, 2018 and quarterly thereafter over ten years with an annual interest rate of 3.37%, with a final payment due September 27, 2028. The lease is collateralized by the respective fire trucks.

1,035,478

Total Capital Leases

1,060,926

Compensated absences, Employees of the District are entitled to paid leave based on length of service and job classification.

427,353

Net pension liability - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.

2,239,783

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

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

Net pension liability - HIS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	1,994,827
Net OPEB liability. Cumulative difference between annual OPEB cost and District payments toward the cost of post employment benefits other than pensions since GASB No. 75 transition date of September 30, 2021.	<u>4,106,052</u>
Total long-term liabilities	<u><u>\$ 10,056,736</u></u>

The annual debt service requirements at September 30, 2021, were as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 294,633	\$ 37,308	\$ 331,941
2023	230,076	29,386	259,462
2024	142,722	23,956	166,678
2025	147,593	19,085	166,678
2026	152,630	14,048	166,678
2027	157,839	8,839	166,678
2028	163,228	3,452	166,680
	<u>1,288,721</u>	<u>136,074</u>	<u>1,424,795</u>
Net Pension Liability - FRS	2,239,783		
Net Pension Liability - HIS	1,994,827		
Net OPEB Liability	4,106,052		
Compensated Absences	427,353		
Total long-term liabilities	<u><u>\$ 10,056,736</u></u>		

Interest expenditures for the year ended September 30, 2021 totaled \$45,494 and was recorded in the General Fund, of which \$42,182 was paid with impact fee revenue.

**NOTE G - 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 2021 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE G - PROPERTY TAXES, CONTINUED**

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 years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. As of September 30, 2021, \$86,099 was due from the Lee County Tax Collector to the District for ad valorem taxes and excess fees.

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 (4.00 %)	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

For the year ended September 30, 2021, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$2.9851 per \$1,000 of the 2020 net taxable value of real property located within the District.

**NOTE H - IMPACT FEE ACTIVITY**

During the year ended September 30, 2021, the District had the following transactions related to Impact Fees:

Unearned revenue, October 1, 2020	\$ -
Impact fee receipts	42,182
Debt service interest	(42,182)
Unearned revenue, September 30, 2021	<u><u>\$ -</u></u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE I - FUND BALANCE ALLOCATIONS**

Fund balance was allocated the following purposes at September 30, 2021:

<u>Nonspendable Fund Balance</u>	<u>Amounts</u>
General Fund	
Prepays	\$ 610,356
Total Nonspendable Fund Balance	<u>\$ 610,356</u>
<u>Assigned Fund Balance</u>	
General Fund	
Millage Sustainment	\$ 1,265,476
Emergency/disaster (30-45 days)	1,200,000
Capital Sustainment	3,583,094
Firefighter Cancer Plan	50,000
OPEB costs	765,850
Total Assigned Fund Balance - General Fund	<u>\$ 6,864,420</u>

**NOTE J - 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/professional liability, automobile, and property are insured by commercial insurance. The District retains the risk of loss up to a deductible amount (ranging from \$1,000 to 5% of loss) with the risk of loss in excess of this amount transferred to the insurance carrier with limits of liability of \$1,000,000.

Insurance programs for health, dental, vision, long-term disability, short-term disability and life are also insured through third party commercial insurance.

On April 1, 2010, the District elected to obtain a third party, fully insured group health, vision and dental plan administered by the Lee County Board of County Commissioners. The District paid premiums of \$1,349,889 which are net amounts paid by employees and retirees, during the year ended September 30, 2021. The District also provides life and disability insurance for the District's employees. The District incurred costs of \$34,303 for these additional coverages.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE K - DEFICIT UNRESTRICTED NET POSITION**

During the year ended September 30, 2017, the District's unrestricted net position (net assets) balance was a deficit and totaled \$(319,519), due substantially to recording the current year actuarially determined net pension liability of \$10,406,289. The District's total available fund balance remains approximately equal to ten (10) months of actual expenditures. However, the Board assigned \$5,546,602 of the \$7,593,310 for specific purposes.

During the year ended September 30, 2018, the District's unrestricted net position (net assets) balance was again a deficit and totaled \$(998,675), due substantially to recording the current year actuarially determined net OPEB liability of \$3,155,012. The District's total available fund balance remains approximately equal to eleven (11) months of actual expenditures. However, the Board assigned \$6,502,632 of the \$9,375,252 for specific purposes.

During the year ended September 30, 2019, the District's unrestricted net position (net assets) balance was again a deficit and totaled \$(3,192,895), due substantially to recording the current year actuarially determined net OPEB liability of \$4,290,827. The District's total available fund balance remains approximately equal to eleven (11) months of actual expenditures. However, the Board assigned \$7,568,636 of the \$10,413,458 for specific purposes.

During the year ended September 30, 2020, the District's unrestricted net position (net assets) balance was again a deficit and totaled \$(7,814,792), due substantially to recording the current year Pension liability and actuarially determined net OPEB liability of \$2,940,928 and \$670,833, respectively. The District's total available fund balance remains approximately equal to eight(8) months of actual personal services and operating expenditures.

During the year ended September 30, 2021, the District's unrestricted net position (net assets) balance was again a deficit and totaled \$(4,176,456), due substantially to recording the current year Pension liability and actuarially determined net OPEB liability of \$12,259,844 and \$855,608, respectively. The District's total available fund balance remains approximately equal to ten (10) months of actual personal services and operating expenditures.

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**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE L - RETIREMENT PLANS**

General Information about the Florida Retirement System

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing multiple-employer defined benefit pension plan with a Deferred Retirement Option Program ("DROP") available for eligible employees. The FRS was established with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. 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 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 the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE L - RETIREMENT PLANS, CONTINUED**

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2021, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular class	10.82%	1.66%
Special risk class	25.89%	1.66%
Senior management service class	29.01%	1.66%
DROP from FRS	18.34%	1.66%

The employer's contributions for the year ended September 30, 2021, were \$1,170,530 to the FRS Pension Plan and \$98,873 to this HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2021, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2021. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net pension liability	\$ 2,239,783	\$ 1,994,827
Proportion at:		
Current measurement date	0.029651%	0.016262%
Prior measurement date	0.033619%	0.015753%
Pension (benefit) expense	\$ (1,185,961)	\$ 80,778



**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE L - RETIREMENT PLANS, CONTINUED**

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 383,902	\$ -	\$ 66,752	\$ (836)
Change of assumptions	1,532,571	-	156,749	(82,192)
Net difference between projected and actual earnings on pension plan investments	-	(7,814,041)	2,080	-
Changes in proportion and differences between District contributions and proportionate share of contributions	560,635	(1,154,204)	197,593	(47,740)
District contributions subsequent to the measurement date	349,207	-	27,442	-
	<u>\$ 2,826,315</u>	<u>\$ (8,968,245)</u>	<u>\$ 450,616</u>	<u>\$ (130,768)</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal year ending September 30:</u>	FRS	HIS
2022	\$ (1,095,653)	\$ 75,943
2023	(1,317,854)	43,016
2024	(1,703,803)	58,649
2025	(2,234,243)	70,930
2026	(139,584)	36,223
Thereafter	-	7,645
	<u>\$ (6,491,137)</u>	<u>\$ 292,406</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE L - RETIREMENT PLANS, CONTINUED**

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2021. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2021. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.16%

Mortality assumptions for both plans were based on the PUB-2010 with Projection Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2021:

FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.

HIS: The municipal bond index rate used to determine total pension liability decreased from 3.21% to 2.16%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate (property)	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.2%

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE L - RETIREMENT PLANS, CONTINUED**

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. FRS'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 is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.16% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS		
	Current		
	1% Decrease (5.80%)	Discount Rate (6.80%)	1% Increase (7.80%)
District's proportionate share of the net pension liability	\$ 10,016,460	\$ 2,239,783	\$ (4,260,647)

	HIS		
	Current		
	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
District's proportionate share of the net pension liability	\$ 2,306,213	\$ 1,994,827	\$ 1,739,716

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the state's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. FRS Investment Plan contributions for the fiscal year ended September 30, 2021 totaled \$214,389.

**FORT MYERS BEACH FIRE CONTROL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

The District has two post employment other than pension (OPEB) plans:

The Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, pursuant to GASB 74.

OPEB for those who retired on or before September 30, 2008, pursuant to GASB 75.

The measurement date for GASB 74 and GASB 75 reporting is September 30, 2021.

The reporting period is October 1, 2020 through September 30, 2021.

The actuarial valuation date is October 1, 2020.

**Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, pursuant to GASB 74**

Plan Description

The District’s Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008 (the "VEBA Plan") is a single-employer defined benefit postemployment health care Plan that covers eligible retired employees of the District. The VEBA Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements to receive a monthly reimbursement, regardless of whether the retiree continues insurance coverage in the District’s Plan.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2020 using the following actuarial assumptions:

Discount rate	7.00% per annum, this rate was used to discount all future benefit payments and is based on the expected long-term return on assets
Expected long-term return on assets	7.00% per annum, (2.51% per annum is attributable to long-term inflation)
Salary increases	3.00% per annum
Mortality basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020
Retirement	For firefighters, retirement is assumed to occur at the earlier of age 55 with six years of service or at any age with 25 years of service; for general employees, retirement is assumed to occur at the earlier of age 62 with six years of service or at any age with 30 years of service
Other decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for firefighters and Class 1 rates were used for general employees)
Changes	No assumptions were changed since the prior measurement date

**FORT MYERS BEACH FIRE CONTROL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

**Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, pursuant to GASB 74, Continued**

Determination of the Long-Term Expected Rate of Return on Plan Assets

Investment Category	Target Allocation	Real Return
Large cap equity	35.00%	6.00% per annum
SMID cap equity	12.50%	6.75% per annum
International equity	12.50%	6.75% per annum
Convertibles	10.00%	2.50% per annum
Intermediate fixed income	20.00%	2.25% per annum
Short-term fixed income	10.00%	0.00% per annum
Total or weighted arithmetic average	100.00%	4.49% per annum

Covered Individuals

*At October 1, 2020, the following employees were covered by the benefit term:*

Inactive Plan Members, Dependent Spouses, or Beneficiaries Currently Receiving Benefits	23
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	52
Total Covered Individuals	75

Contributions

The District makes periodic contributions to the VEBA Plan. No employee contributions are required.

Description of the Benefit Terms

Eligibility: Regular, full-time employees of the District who retire on or after October 1, 2008 with at least 15 years of service.

Retirement benefit provided: The VEBA Plan will provide \$450 per month for those individuals who have earned at least 25 years of service; benefit is reduced by 4% per year for each year of service less than 25; benefit is further reduced by 50% at age 65.

Payment frequency: Subsidy payments to eligible retirees are made annually as of each January 1.

Changes: The benefit terms did not change from the prior measurement date.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

**Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, pursuant to GASB 74, Continued**

**Net OPEB (VEBA) Liability as of September 30, 2021:**

Total OPEB Liability	\$1,281,742 *
Less: Plan Fiduciary Net Position	(1,405,991)
District's Net OPEB (Asset)/Liability	<u>\$ (124,249)</u>

\*This amount has been rolled forward from October 1, 2020.

**OPEB Expense for the 2020/21 Fiscal Year:**

Service cost	\$ 24,570
Other recognized changes in net pension liability:	
Expected interest growth	987
Investment gain/loss	(21,246)
Demographic gain/loss	26,829
Administrative expenses	29,827
Assumption changes	2,243
<b>OPEB Expense</b>	<u>\$ 63,210</u>

**Deferred Inflow and Outflow of Resources:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance as of September 30, 2020	\$ 228,022	\$ 10,546
Change due to:		
Amortization payments	(45,253)	(37,427)
Investment gain/loss	-	163,268
Demographic gain/loss	14,956	-
Total Change	<u>(30,297)</u>	<u>125,841</u>
Balance as of September 30, 2021	<u>\$ 197,725</u>	<u>\$ 136,387</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

**Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, pursuant to GASB 74, Continued**

**Balance Equation:**

Net OPEB liability as of September 30, 2020	\$	(8,415)
Plus OPEB expense for the 2020/21 fiscal year		63,210
Minus employer contribution for the 2020/21 fiscal year		(22,906)
Plus change in balance of deferred outflows of resources		(30,297)
Minus change in balance of deferred inflows of resources		(125,841)
		<u>(125,841)</u>
Net OPEB (VEBA) (asset)/liability as of September 30, 2021	\$	<u>(124,249)</u>

**Changes in Net OPEB (VEBA) (Asset)/Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset)/ Liability (a) - (b)
Balance as of September 30, 2020	\$ 1,250,091	\$ (1,258,506)	\$ (8,415)
Change due to:			
Service Cost	24,570	-	24,570
Expected interest growth	85,627	(84,640)	987
Unexpected investment income	-	(163,268)	(163,268)
Demographic experience	14,956	-	14,956
Employer contributions	-	(22,906)	(22,906)
Benefit payments and refunds	(93,502)	93,502	-
Administrative expenses	-	29,827	29,827
Net Changes	<u>31,651</u>	<u>(147,485)</u>	<u>(115,834)</u>
Balance as of September 30, 2021	<u>\$ 1,281,742</u>	<u>\$ (1,405,991)</u>	<u>\$ (124,249)</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

**Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, pursuant to GASB 74, Continued**

**Comparison of Net OPEB (Asset)/Liability Using Alternative Discount Rates**

	Discount Rate Minus 1.00%	Discount Rate 7.00%	Discount Rate Plus 1.00%
Total OPEB Liability	\$ 1,409,426	\$ 1,281,742	\$ 1,173,543
Less fiduciary net position	(1,405,991)	(1,405,991)	(1,405,991)
Net OPEB (Asset)/Liability	<u>\$ 3,435</u>	<u>\$ (124,249)</u>	<u>\$ (232,448)</u>

**Comparison of Net OEPB (Asset)/Liability Using Healthcare Cost Trend Rates**

	Trend Rate Minus 1.00%	7.00% graded down to 5.00%	Trend Rate Plus 1.00%
Total OPEB Liability	\$ 1,281,742	\$ 1,281,742	\$ 1,281,742
Less fiduciary net position	(1,405,991)	(1,405,991)	(1,405,991)
Net OPEB (Asset)/Liability	<u>\$ (124,249)</u>	<u>\$ (124,249)</u>	<u>\$ (124,249)</u>

**OPEB for those who retired before September 30, 2008, pursuant to GASB 75**

Plan Description

The District’s OPEB for those who retired on or before September 30, 2008 (the "Non-VEBA Plan") is an unfunded single-employer defined benefit postemployment health care Plan that covers eligible retired employees of the District. The Non-VEBA Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under one of the District’s retirement plans to continue medical, dental and/or vision insurance coverage as a participant in the District’s Non-VEBA Plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Non-VEBA Plan does not meet the requirements for an OPEB plan administered through a trust, as no assets are accumulated. The contributions made to the program are assumed to be the benefits paid to retirees and administrative expenses. Any retiree that continues coverage on the District’s health insurance still potentially may have an implicit cost, including any retiree eligible for the VEBA Plan which is reflected in these results.



**FORT MYERS BEACH FIRE CONTROL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

**OPEB for those who retired before September 30, 2008, pursuant to GASB 75, Continued**

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2020 using the following actuarial assumptions:

- Discount rate: 2.43% per annum, this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
- Salary increases: 3.00% per annum
- Cost of living increases: Retiree contributions, health insurance premiums, and the implicit subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
- Healthcare cost trend rates: Increases in healthcare costs are assumed to be 6.50% for the 2020/21 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years.
- Age related morbidity: Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.
- Implied health subsidy: Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$800 for the retiree and \$650 for the retiree's spouse has been assumed at age 62 for the 2020/21 fiscal year. At other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates.
- Mortality basis: Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) with full generational improvements in mortality using Scale MP-2020.
- Other decrements: Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for firefighters and Class 1 rates were used for general employees).
- Spouses and dependents: Husbands are assumed to be three years older than wives. Retirees are not assumed to have any dependent children.
- Retirement: For firefighters, retirement is assumed to occur at the earlier of age 55 with six years of service or at any age with 25 years of service; for general employees, retirement is assumed to occur at the earlier of age 62 with six years of service or at any age with 30 years of service.

**FORT MYERS BEACH FIRE CONTROL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

**OPEB for those who retired before September 30, 2008, pursuant to GASB 75, Continued**

Actuarial Assumptions, continued:

Health coverage election: 50% of eligible future retirees are assumed to elect coverage for themselves upon retirement or disability until age 65. Current retirees who retired on or before September 30, 2008 are assumed to continue coverage for life. Current retirees who retired on or after October 1, 2008 are assumed to continue coverage until age 65. Spousal coverage is assumed in accordance with the employee's or retiree's current election.

COBRA Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation because the COBRA premium is determined periodically based on the plan experience. The COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Changes: Since the prior measurement date, the discount rate increased from 2.14% per annum to 2.43% per annum and the implied monthly subsidy at age 62 for the retiree and his spouse for the 2020/21 fiscal year was decreased from \$829.25 and \$802.50, respectively, to \$800 and \$650, respectively.

Covered Individuals

*At October 1, 2020, the following employees were covered by the benefit term:*

Inactive Plan Members, Dependent Spouses, or Beneficiaries		
Currently Receiving Benefits		27
Active Plan Members		52
	Total	<u>79</u>

Contributions

There are no required employer or employee contributions other than the amount required to be paid by the District as an explicit subsidy.

Description of the Benefit Terms

Explicit subsidy: Individuals who retired prior to October 1, 2008 receive an explicit subsidy from the District and/or from the Florida Retirement System (FRS) to pay for all or a portion of their health insurance premium for single coverage; the explicit subsidy from the District varies depending on the collective bargaining agreement that was applicable at the time of retirement; three individuals who retired on or before September 30, 2008 receive a subsidy equal to 100% of the single premium but must turn over to the District their FRS subsidy; two individuals who retired on or before September 30, 2008 receive no explicit subsidy other than the FRS subsidy.

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

**OPEB for those who retired before September 30, 2008, pursuant to GASB 75, Continued**

**Net OPEB (Non-VEBA) Liability as of September 30, 2021:**

Total OPEB Liability	\$4,230,301 *
Less: Plan Fiduciary Net Position	-
Net OPEB Liability	<u>\$ 4,230,301</u>

\*This amount has been rolled forward from October 1, 2020.

**OPEB (Non-VEBA) Expense for the 2020/21 Fiscal Year:**

Service cost	\$ 252,480
Other recognized changes in net pension liability:	
Expected interest growth	124,843
Investment gain/loss	-
Demographic gain/loss	(84,936)
Benefit payments & refunds	(170,955)
Administrative expenses	-
Assumption changes	86,171
<b>OPEB (Non-VEBA) Expense</b>	<u>\$ 207,603</u>

**Deferred Inflow and Outflow of Resources:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance as of September 30, 2020	\$ 1,151,692	\$ 252,220
Change due to:		
Amortization payments	(180,849)	(179,614)
Demographic gain/loss	-	353,127
Assumption changes	-	593,015
Total Change	<u>(180,849)</u>	<u>766,528</u>
Balance as of September 30, 2021	<u>\$ 970,843</u>	<u>\$ 1,018,748</u>

**Balance Equation:**

Net OPEB (Non-VEBA) liability as of September 30, 2020	\$ 4,970,075
Plus OPEB expense for the 2020/21 fiscal year	207,603
Plus change in balance of deferred outflows of resources	(180,849)
Minus change in balance of deferred inflows of resources	<u>(766,528)</u>
Net OPEB (Non-VEBA) liability as of September 30, 2021	<u>\$ 4,230,301</u>

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE M - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, CONTINUED**

**OPEB for those who retired before September 30, 2008, pursuant to GASB 75, Continued**

**Changes in Net OPEB (Non-VEBA) Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of September 30, 2020	\$ 4,970,075	\$ -	\$ 4,970,075
Change due to:			
Service Cost	252,480	-	252,480
Expected interest growth	124,843	-	124,843
Demographic experience	(353,127)	-	(353,127)
Benefit payments and refunds	(170,955)	-	(170,955)
Assumption changes	(593,015)	-	(593,015)
Net Changes	(739,774)	-	(739,774)
Balance as of September 30, 2021	<u>\$ 4,230,301</u>	<u>\$ -</u>	<u>\$ 4,230,301</u>

**Comparison of Net OPEB (Non-VEBA) Liability Using Alternative Discount Rates**

	Discount Rate Minus 1.00%	Discount Rate 2.43%	Discount Rate Plus 1.00%
Total OPEB Liability	\$ 4,793,802	\$ 4,230,301	\$ 3,757,066
Less fiduciary net position	-	-	-
Net OPEB Liability	<u>\$ 4,793,802</u>	<u>\$ 4,230,301</u>	<u>\$ 3,757,066</u>

**Comparison of Net OEPB Liability Using Healthcare Cost Trend Rates**

	Trend Rate Minus 1.00%	6.50% graded down to 5.00%	Trend Rate Plus 1.00%
Total OPEB Liability	\$ 3,672,822	\$ 4,230,301	\$ 4,905,018
Less fiduciary net position	-	-	-
Net OPEB (Asset)/Liability	<u>\$ 3,672,822</u>	<u>\$ 4,230,301</u>	<u>\$ 4,905,018</u>

REQUIRED SUPPLEMENTARY  
INFORMATION

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - SUMMARY STATEMENT**  
**September 30, 2021**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 12,575,814	\$ 12,575,814	\$ 12,835,065	\$ 259,251
Impact Fees	5,000	5,000	42,182	37,182
Intergovernmental Revenues:				
Firefighters Supplemental Income	28,680	28,680	20,773	(7,907)
State & Federal Grants	-	-	157,293	157,293
Charges for Services:				
Ambulance Transport	702,000	702,000	736,101	34,101
Inspection Fees	358,000	358,000	407,305	49,305
Interest Income	85,000	85,000	14,262	(70,738)
Other income:				
Donations	-	-	5,020	5,020
Miscellaneous	155,000	155,000	219,548	64,548
Subtotal - Revenues	<u>13,909,494</u>	<u>13,909,494</u>	<u>14,437,549</u>	<u>528,055</u>
Cash brought forward	7,400,000	7,665,795	-	(7,665,795)
<b>TOTAL REVENUES</b>	<b><u>21,309,494</u></b>	<b><u>21,575,289</u></b>	<b><u>14,437,549</u></b>	<b><u>(7,137,740)</u></b>
<b>EXPENDITURES</b>				
Public Safety				
Personal Services	11,057,399	11,057,399	9,430,256	1,627,143
Operating Expenditures	2,770,080	2,770,080	1,737,344	1,032,736
Capital Outlay	551,390	551,390	203,596	347,794
Debt Service				
Principal Reduction	286,500	286,500	286,446	54
Interest and Fiscal Charges	45,500	45,500	45,494	6
Reserves	6,598,625	6,864,420	-	6,864,420
<b>TOTAL EXPENDITURES</b>	<b><u>21,309,494</u></b>	<b><u>21,575,289</u></b>	<b><u>11,703,136</u></b>	<b><u>9,872,153</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>2,734,413</u></b>	<b><u>\$ 2,734,413</u></b>
<b>FUND BALANCE - October 1, 2020</b>			<b><u>7,665,795</u></b>	
<b>FUND BALANCE - September 30, 2021</b>			<b><u>\$ 10,400,208</u></b>	

The accompanying notes are an integral part of this statement

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - DETAILED STATEMENT**  
**September 30, 2021**

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem taxes	\$ 12,575,814	\$ 12,575,814	\$ 12,835,065	\$ 259,251
Intergovernmental revenues:				
Firefighters supplement income	28,680	28,680	20,773	(7,907)
State & Federal Grants	-	-	157,293	157,293
Charges for services:				
Ambulance transport	702,000	702,000	736,101	34,101
Inspection fees	358,000	358,000	407,305	49,305
Impact fees	5,000	5,000	42,182	37,182
Interest income	85,000	85,000	14,262	(70,738)
Other income:				
Donations	-	-	5,020	5,020
Miscellaneous	155,000	155,000	219,548	64,548
Subtotal - Revenues	13,909,494	13,909,494	14,437,549	528,055
Cash brought forward	7,400,000	7,665,795	-	(7,665,795)
<b>TOTAL REVENUES</b>	<b>21,309,494</b>	<b>21,575,289</b>	<b>14,437,549</b>	<b>(7,137,740)</b>
<b>EXPENDITURES</b>				
<b>Public Safety</b>				
<b>Personal Services:</b>				
Salaries:				
Elected officials	30,000	30,000	30,000	-
Firefighters & admin.	6,945,369	6,945,369	5,937,890	1,007,479
Payroll Taxes:				
Social Security & Medicare	533,600	533,600	447,933	85,667
Benefits:				
Retirement	1,652,000	1,652,000	1,388,176	263,824
Heath & life insurance	1,424,000	1,424,000	1,349,889	74,111
Occupational health	44,600	44,600	34,303	10,297
VEBA trust contribution	79,030	79,030	22,906	56,124
Unemployment compensation	-	-	231	(231)
Workers compensation	348,800	348,800	218,928	129,872
<b>Total - Personal Services</b>	<b>11,057,399</b>	<b>11,057,399</b>	<b>9,430,256</b>	<b>1,627,143</b>
<b>Operating Expenditures:</b>				
<b>Professional &amp; Contracted Services:</b>				
Professional Fees	843,850	843,850	115,551	728,299
Legal Fees	95,325	95,325	64,083	31,242
Property Appraiser Fees	85,580	85,580	74,215	11,365
Contracted services	42,000	42,000	31,647	10,353
Tax Collector Fees	264,800	264,800	256,789	8,011
Auditing and Accounting	32,100	32,100	27,294	4,806
Medical Director	32,000	32,000	32,000	-
<b>Total - Professional &amp; Contracted Services</b>	<b>1,395,655</b>	<b>1,395,655</b>	<b>601,579</b>	<b>794,076</b>

The accompanying notes are an integral part of this statement

**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - DETAILED STATEMENT**  
**September 30, 2021**

	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<b>Operating Expenditures:</b>				
<b>General Operations:</b>				
Travel	54,400	54,400	8,275	46,125
Telephone	19,000	19,000	17,107	1,893
Communication fees & maintenance	88,640	88,640	83,676	4,964
Postage and freight	1,600	1,600	741	859
Cable	11,300	11,300	11,556	(256)
Electricity	35,700	35,700	35,807	(107)
Garbage	10,400	10,400	10,193	207
Water and Sewer	13,500	13,500	18,263	(4,763)
Insurance - commercial & property	165,200	165,200	153,701	11,499
EMS equipment maintenance	20,840	20,840	18,856	1,984
Suppression equipment	21,000	21,000	24,454	(3,454)
Vehicle maintenance	105,000	105,000	100,125	4,875
Office equipment maintenance	4,900	4,900	2,155	2,745
Building maintenance	165,165	165,165	158,868	6,297
Miscellaneous - operations	28,690	28,690	14,524	14,166
Legal advertising	5,700	5,700	3,759	1,941
Office supplies	13,000	13,000	7,525	5,475
EMS - medical supplies	87,600	87,600	89,624	(2,024)
Fuel and oil	40,700	40,700	40,218	482
Rescue	1,500	1,500	260	1,240
Prevention	9,700	9,700	5,191	4,509
Suppression and protective gear	51,850	51,850	13,229	38,621
Communications	12,540	12,540	786	11,754
Training	5,000	5,000	1,348	3,652
Uniform expenses	44,600	44,600	22,654	21,946
Facilities & Housekeeping supplies	17,800	17,800	17,055	745
Furniture and fixtures under \$1,000	42,400	42,400	30,415	11,985
Software licenses and updates	75,100	75,100	75,377	(277)
Education - Career development	38,100	38,100	23,323	14,777
In-service training	57,400	57,400	25,325	32,075
Conferences	18,700	18,700	1,465	17,235
Licenses & certifications	8,050	8,050	5,312	2,738
Dues, memberships & subscriptions	11,000	11,000	10,244	756
Emergency Disaster Supplies	1,550	1,550	36,137	(34,587)
Ambulance billing	46,200	46,200	44,728	1,472
Aid to other organizations	24,000	24,000	23,190	810
Community outreach programs	16,600	16,600	299	16,301
<b>Total - General Operations</b>	<b>1,374,425</b>	<b>1,374,425</b>	<b>1,135,765</b>	<b>238,660</b>
<b>Total - Operating Expenditures</b>	<b>2,770,080</b>	<b>2,770,080</b>	<b>1,737,344</b>	<b>1,032,736</b>

The accompanying notes are an integral part of this statement



**FORT MYERS BEACH FIRE CONTROL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - DETAILED STATEMENT**  
**September 30, 2021**

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Capital Outlay:</b>				
Land	-	-		-
Building improvements	20,990	20,990	47,163	(26,173)
Rolling equipment	415,000	415,000	66,859	348,141
Medical equipment	8,530	8,530	8,528	2
Suppression, rescue and protective equipment	4,960	4,960	18,836	(13,876)
Communication equipment	92,910	92,910	48,630	44,280
Training	9,000	9,000	-	9,000
IT - hardware and software	-	-	13,580	(13,580)
<b>Total - Capital Outlay</b>	<b>551,390</b>	<b>551,390</b>	<b>203,596</b>	<b>347,794</b>
<b>Debt Service:</b>				
Principal Reduction	286,500	286,500	286,446	54
Interest and Fiscal Charges	45,500	45,500	45,494	6
<b>Total - Debt Service</b>	<b>332,000</b>	<b>332,000</b>	<b>331,940</b>	<b>60</b>
<b>Reserves:</b>				
Assigned:				
Cap Sustainment/Op Bridge	3,317,299	3,583,094	-	(3,583,094)
Millage sustainment	1,265,476	1,265,476	-	(1,265,476)
Disaster/Emergency	1,200,000	1,200,000	-	(1,200,000)
Firefighter Cancer Plan	50,000	50,000	-	(50,000)
OPEB	765,850	765,850	-	(765,850)
<b>Total - Reserves</b>	<b>6,598,625</b>	<b>6,864,420</b>	<b>-</b>	<b>(6,864,420)</b>
<b>TOTAL EXPENDITURES</b>	<b>21,309,494</b>	<b>21,575,289</b>	<b>11,703,136</b>	<b>(3,856,687)</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>2,734,413</b>	<b>(3,281,053)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,734,413</b>	<b>\$ (3,281,053)</b>
<b>FUND BALANCE - October 1, 2020</b>			<b>7,665,795</b>	
<b>FUND BALANCE - September 30, 2021</b>			<b>\$ 10,400,208</b>	

The accompanying notes are an integral part of this statement

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

For the Last Eight Fiscal Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0296508%	0.0336191%	0.0341294%	0.0294330%	0.0301141%	0.0296856%	0.0247499%	0.0260567%
District's proportion share of the net pension liability	\$ 2,239,783	\$ 14,571,021	\$ 11,753,697	\$ 8,865,373	\$ 8,910,612	\$ 7,495,637	\$ 3,196,778	\$ 1,589,840
District's covered - employee payroll	\$ 4,776,050	\$ 4,486,420	\$ 4,491,069	\$ 3,694,401	\$ 3,628,598	\$ 3,617,072	\$ 3,404,639	\$ 3,501,676
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	46.90%	324.78%	261.71%	239.97%	245.57%	207.23%	93.89%	45.40%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

**SCHEDULE OF DISTRICT CONTRIBUTIONS -  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

For the Last Eight Fiscal Years Ended September 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,170,530	\$ 1,011,961	\$ 1,044,334	\$ 852,309	\$ 799,467	\$ 731,434	\$ 611,946	\$ 600,356
Contributions in relation to the contractually required contribution	<u>1,170,530</u>	<u>1,011,961</u>	<u>1,044,334</u>	<u>852,309</u>	<u>799,467</u>	<u>731,434</u>	<u>611,946</u>	<u>600,356</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,945,676	\$ 4,510,786	\$ 4,443,346	\$ 4,015,272	\$ 3,682,187	\$ 3,587,646	\$ 3,340,918	\$ 3,492,130
Contributions as a percentage of covered-employee payroll	23.67%	22.43%	23.50%	21.23%	21.71%	20.39%	18.32%	17.19%

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN**

For the Last Eight Fiscal Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0162624%	0.0157531%	0.0160857%	0.0137621%	0.0140167%	0.0143700%	0.0137827%	0.01376525%
District's proportion share of the net pension liability	\$ 1,994,827	\$ 1,923,433	\$ 1,799,826	\$ 1,456,600	\$ 1,498,734	\$ 1,674,769	\$ 1,405,621	\$ 1,287,084
District's covered - employee payroll	\$ 5,757,242	\$ 5,503,793	\$ 5,381,736	\$ 4,494,949	\$ 4,467,813	\$ 4,450,811	\$ 4,182,011	\$ 4,089,872
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.65%	34.95%	33.44%	32.41%	33.55%	37.63%	33.61%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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

For the Last Eight Fiscal Years Ended September 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 98,873	\$ 91,855	\$ 87,659	\$ 81,026	\$ 74,599	\$ 74,164	\$ 56,135	\$ 50,133
Contributions in relation to the contractually required contribution	98,873	91,855	87,659	81,026	74,599	74,164	56,135	50,133
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,956,233	\$ 5,533,436	\$ 5,280,660	\$ 4,881,075	\$ 4,493,936	\$ 4,467,715	\$ 4,123,409	\$ 4,122,582
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%	1.22%

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, pursuant to GASB 74**

**SCHEDULE OF CONTRIBUTIONS - VEBA  
POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

For the fiscal year:

Measurement Date	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Actuarially Determined Contribution	\$ 22,906	\$ 97,000	\$ 97,000	\$ 85,600
Contributions in Relation to the Actuarially Determined Contribution	<u>22,906</u>	<u>97,000</u>	<u>97,000</u>	<u>85,600</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Notes to Schedule**

Actuarially determined contribution rates shown above are calculated as of October 1 of the current fiscal year in which contributions are reported.

*Until a full 10-year trend is compiled governments should present information for only years for which information is available.*

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**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, pursuant to GASB 74**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - VEBA  
POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Measurement Date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
<b>Total OPEB Liability- VEBA</b>				
Service Cost	\$ 24,570	\$ 30,056	\$ 28,553	\$ 20,105
Interest	85,627	82,416	70,283	70,022
Demographic Experience	14,956	37,721	148,840	21,920
Benefits paid	(93,502)	(94,922)	(94,922)	(115,700)
Assumption changes	-	(1,578)	20,993	-
Net change in Total OPEB Liability - VEBA	31,651	53,693	173,747	(3,653)
Total OPEB Liability - VEBA, Beginning	1,250,091	1,196,398	1,022,651	1,026,304
Total OPEB Liability - VEBA, Ending	1,281,742	1,250,091	1,196,398	1,022,651
<b>Plan Fiduciary Net Position</b>				
Employer contributions	22,906	97,000	97,000	85,600
Net investment income	247,908	68,348	21,063	102,593
Benefits paid	(93,502)	(94,922)	(94,922)	(115,700)
Administrative expenses	(29,827)	(35,815)	(20,199)	(9,371)
Net change in Plan Fiduciary Net Position	147,485	34,611	2,942	63,122
Plan Fiduciary Net Position, Beginning	1,258,506	1,223,895	1,220,953	1,157,831
Plan Fiduciary Net Position, Ending	1,405,991	1,258,506	1,223,895	1,220,953
Net OPEB Liability/(Asset) - VEBA	\$ (124,249)	\$ (8,415)	\$ (27,497)	\$ (198,302)
Plan Fiduciary Net Position as a percentage of the				
Total OPEB Liability - VEBA	109.69%	100.67%	102.30%	119.39%

*Until a full 10-year trend is compiled governments should present information for only years for which information is available.*

**FORT MYERS BEACH FIRE CONTROL DISTRICT**

**OPEB for those who retired before September 30, 2008, pursuant to GASB 75**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - NON-VEBA  
POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Measurement Date	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 252,480	\$ 354,254	\$ 264,344	\$ 127,897
Interest	124,843	98,031	126,449	120,273
Demographic Experience	(353,127)	59,414	(333,580)	-
Assumption Changes	(593,015)	324,441	1,080,448	-
Benefits paid	<u>(170,955)</u>	<u>(184,389)</u>	<u>(172,651)</u>	<u>(141,049)</u>
Net change in Total OPEB Liability	(739,774)	651,751	965,010	107,121
Total OPEB Liability - Beginning	<u>4,970,075</u>	<u>4,318,324</u>	<u>3,353,314</u>	<u>3,246,193</u>
Total OPEB Liability - Ending	<u><u>\$ 4,230,301</u></u>	<u><u>\$ 4,970,075</u></u>	<u><u>\$ 4,318,324</u></u>	<u><u>\$ 3,353,314</u></u>

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PHONE: 941.639.6600 | FAX: 941.639.6115  
366 E OLYMPIA AVE, PUNTA GORDA, FL 33950  
AshleyBrownCPAS.com

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

Board of Commissioners  
Fort Myers Beach Fire Control District  
Fort Myers Beach, FL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of Fort Myers Beach Fire Control District, (the "District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 4, 2022 for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits.

***Internal Control Over Financial Reporting***

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

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

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.

***Internal Control Over Financial Reporting, continued***

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida

March 4, 2022





PHONE: 941.639.6600 | FAX: 941.639.6115  
366 E OLYMPIA AVE, PUNTA GORDA, FL 33950  
AshleyBrownCPAS.com

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Commissioners  
Fort Myers Beach Fire Control District  
Fort Myers Beach, FL

### **Report on the Financial Statements**

We have audited the financial statements of the Fort Myers Beach Fire Control District, (the "District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 4, 2022.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 4, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.

### **Financial Condition and Management**

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

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

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

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 219.39(3)(b), Florida Statutes. In connection with our audit, we determined that there are no special district component units required to report to the District.

### **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year were 61.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is 3.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$5,828,024.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is \$158,416.
- e. The District did not have any construction project with a total cost of at least \$65,000 in the fiscal year ended September 30, 2021.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as can be found on page 50 of the financial statements.

**Specific Information, Continued**

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

- a. The millage rate imposed by the district as 2.9851.
- b. The total amount of ad valorem taxes collected by or on behalf of the district is \$12,835,065.
- c. The District had no outstanding bonds as of September 30, 2021.

**Additional Matters**

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

**Purpose of this Letter**

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

*Ashley, Brown & Smith CPAs, P.A.*

Punta Gorda, FL  
March 4, 2022



PHONE: 941.639.6600 | FAX: 941.639.6115  
366 E OLYMPIA AVE, PUNTA GORDA, FL 33950  
AshleyBrownCPAS.com

**REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE  
WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

Board of Commissioners  
Fort Myers Beach Fire Control District  
Fort Myers Beach, FL

We have examined the Fort Myers Beach Fire Control District's (the "District") compliance with Section 218.415, *Florida Statutes*, the Local Government Investment Policies, Article V Requirements, during the year ended September 30, 2021. Management is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

The purpose of this report is to comply with the local investment policy requirements of Section 218.415, *Florida Statutes*, the Local Government Investment Policies, Article V Requirements, and Rules of the Auditor General.

This report is intended solely for the information and use of the Florida Auditor General, the District, and applicable management and is not intended to be and should not be used by anyone other than these specified parties

*Ashley, Brown & Smith, CPAs*

Punta Gorda, Florida  
March 4, 2022