

**NORTH COLLIER FIRE CONTROL
AND RESCUE DISTRICT**

**BASIC FINANCIAL STATEMENTS
TOGETHER WITH ADDITIONAL REPORTS**

**YEAR ENDED
SEPTEMBER 30, 2021**

TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	i-xi
 <u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position.....	5
Statement of Activities.....	6
 FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet.....	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	8
Statement of Revenues, Expenditures and Changes in Fund Balance.....	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	10
Fiduciary Fund - Firefighters' Pension Plan:	
Statement of Fiduciary Net Position.....	11
Statement of Changes in Fiduciary Net Position.....	12
 NOTES TO THE FINANCIAL STATEMENTS.....	 13-81
 <u>OTHER INFORMATION</u>	
COMBINING FINANCIAL STATEMENTS BY SERVICE DELIVERY AREA	
Governmental Funds	
Combining Balance Sheet - General Fund - by Service Delivery Area.....	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund - by Service Delivery Area.....	83
 <u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A</u>	
<u>NORTH NAPLES SERVICE DELIVERY AREA</u>	
BUDGET TO ACTUAL COMPARISON - MAJOR FUNDS (General and Special Revenue Funds)	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Summary Statement.....	84
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Detailed Statement.....	85-87
<u>BIG CORKSCREW ISLAND SERVICE DELIVERY AREA</u>	
BUDGET TO ACTUAL COMPARISON - MAJOR FUNDS (General and Special Revenue Funds)	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Summary Statement.....	88
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Detailed Statement.....	89-91

TABLE OF CONTENTS (CONTINUED)

	<u>Page(s)</u>
<u>COMBINED SERVICE DELIVERY AREAS</u>	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Impact Fee Fund - Combined Service Delivery Areas Summary Statement.....	92
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Impact Fee Fund - Combined Service Delivery Areas Detailed Statement	93
BUDGET TO ACTUAL COMPARISON - OTHER NON-MAJOR GOVERNMENTAL FUND	
Special Revenue Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Inspection Fee Fund - Summary Statement.....	94
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Inspection Fee Fund - Detailed Statement.....	95-96
<u>OTHER REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS).....	97
Schedule of District Contributions - Florida Retirement System Pension Plan (FRS).....	97
Schedule of District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS).....	98
Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS).....	98
Notes to the Required Supplementary Information - FRS/HIS.....	99-100
Schedule of Changes in the Net OPEB Liability and Related Ratios, GASB No. 75 and Related Notes to the Schedule.....	101
Schedule of Changes in the District's Net Pension Liability and Related Ratios (unaudited) - Firefighters' Pension Trust Fund.....	102
Schedule of District Contributions - Firefighters' Pension Trust Fund.....	103
Schedule of Investment Returns - (Unaudited) Firefighters' Pension Trust Fund.....	104
Notes to the Required Supplementary Information - Firefighters' Pension Trust Fund.....	105
<u>ADDITIONAL REPORTS</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	106-107
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes.....	108
Independent Auditor's Report to Management.....	109-111
Management's Response to Independent Auditor's Report to Management.....	Exhibit 1
Florida Rules of the Auditor General - Rule 10.554(1)(i)6-8 Compliance - Unaudited.....	Exhibit 2



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Private Companies Practice Section

Tax Division

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
 North Collier Fire Control and Rescue District
 1885 Veterans Park Drive
 Naples, Florida 34109-0492

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the non-major fund and the fiduciary fund type of North Collier Fire Control and Rescue District (the "District") as of and for the 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 an opinion on these financial statements based on our audit. We did not audit the financial statements of North Collier Fire Control and Rescue District Firefighters' Pension Trust Fund ("Fiduciary Fund - Pension Fund") as of and for the year ended September 30, 2021, which represent 100% of the assets, liabilities and net position as well as 100% of the revenue and expenses of the District's Fiduciary Fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Collier Fire Control and Rescue District Firefighters' Pension Trust Fund, is based on the report of the other auditors. We also did not audit the financial statements of the Florida Retirement System Pension Plan (FRS) or Health Insurance Subsidy Pension Plan (HIS) as of and for the year ended June 30, 2021. The District is required to record its proportionate share of the FRS and HIS liability in the District's government-wide financial statements as of September 30, 2021 and for the year then ended. The Florida Retirement System financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the District's government-wide financial statements, are based on the reports of the other auditors. 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 of America. 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 District's preparation and fair presentation of the financial statements in order to

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design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, 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 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 opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Impact Fee Fund	Unmodified
Inspection Fee Fund	Unmodified
Firefighters' Pension Trust Fund	Unmodified

Opinions

Unmodified Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the non-major fund and the fiduciary fund type of North Collier Fire Control and Rescue District as of September 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-xi, Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Net OPEB Liability and Related Ratios GASB No. 75 and Related Notes to the Schedule, Schedule of Changes in the District's Net Pension Liability and Related Ratios (unaudited) - Firefighters' Pension Trust Fund, Schedule of District Contributions - Firefighters' Pension Trust Fund, Schedule of Investment Returns - (Unaudited) Firefighters' Pension Trust Fund and Notes to the Required Supplementary Information - Firefighters' Pension Trust Fund as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Net OPEB Liability and Related Ratios GASB No. 75 and Related Notes to the Schedule, Schedule of Changes in the District's Net Pension Liability and Related Ratios (unaudited) - Firefighters' Pension Trust Fund, Schedule of District Contributions - Firefighters' Pension Trust Fund, Schedule of Investment Returns - (Unaudited) Firefighters' Pension Trust Fund and Notes to the Required Supplementary Information - Firefighters' Pension Trust Fund as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information and Schedule of Changes in the Net OPEB Liability and Related Ratios GASB No. 75 and Related Notes to the Schedule, Schedule of Changes in the District's Net Pension Liability and Related Ratios (unaudited) - Firefighters' Pension Trust Fund, Schedule of District Contributions - Firefighters' Pension Trust Fund, Schedule of Investment Returns - (Unaudited) Firefighters' Pension Trust Fund and Notes to the Required Supplementary Information - Firefighters' Pension Trust Fund as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise North Collier Fire Control and Rescue District's basic financial statements. The required supplementary information other than MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The required supplementary information other than MD&A budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated May 13, 2022, on our consideration of North Collier Fire Control and Rescue District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering North Collier Fire Control and Rescue District's compliance with Section 218.415, Florida Statutes.

Board of Commissioners
North Collier Fire Control and Rescue District
Page 4

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 13, 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, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering North Collier Fire Control and Rescue District's internal control over financial reporting and compliance.

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

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 13, 2022

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

Management's Discussion and Analysis of Financial Statements FYE September 30, 2021

This Discussion and Analysis of the North Collier Fire Control & Rescue District's ("The District") basic financial statements is provided to assist the reader in understanding the District's financial activities and significant changes in ending financial position for the fiscal year ended September 30, 2021. These statements include the requirements of GASB Statements #34, #68 and #75 and incorporate those annual reporting requirements, as well as the financial statement format and presentation.

Contained within are the basic financial statements, consisting of the government-wide financial statements, governmental fund and fiduciary fund financial statements and related notes to the financial statements. This Discussion and Analysis will also provide an analytical overview of these statements, including comparisons of the District's financial position at September 30, 2021 versus September 30, 2020.

District Highlights

1. At the conclusion of fiscal year 2021, the District's assets exceeded its liabilities, resulting in net assets of \$36,918,153 as compared to net assets at September 30, 2020 of \$25,511,294.
2. The District had \$6,358,076 in unrestricted net assets at September 30, 2021 as compared to (\$6,627,736) deficit of unrestricted net assets at September 30, 2020. The amount of unrestricted net assets increased by \$12,985,812.
3. Total revenues on the government-wide basis increased \$278,958 or 1% percent, in comparison to the prior year.
4. Total expenses on the government-wide basis decreased (\$8,732,293) or (21%) percent, in comparison to the prior year.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 5 and 6) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Position (page 5) presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. The District's capital assets are included in this statement and reported net of their accumulated depreciation.

The Statement of Activities (page 6) presents revenue and expense information showing how the District's net assets 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 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 (found on pages 7 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Fiduciary Fund

The fiduciary fund is used to account for resources held for the benefit of retired employees that participated in the District's Firefighters' Pension Plan (Plan 2). The fiduciary funds are not reflected in the government-wide financial statements because the resources of this fund are not available to support the District's programs. The accounting used for the fiduciary fund is much like that used for governmental proprietary funds. The fiduciary fund financial statements can be found on pages 11 and 12.

Notes to the Financial Statements

The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 13. 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 are designed so that the user can determine if the District's financial condition is better or worse than the prior year.

The following is a Condensed Summary Statement of Net Position for the District (Primary Government) at September 30, 2021 and 2020:

**Summary Statement of Net Position
September 30**

Assets:	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$29,449,689	\$23,073,068
Capital Assets	<u>32,860,379</u>	<u>34,692,567</u>
Total Assets	<u>62,310,068</u>	<u>57,765,635</u>
 Deferred Outflows - Pensions	 <u>15,168,042</u>	 <u>16,231,538</u>
Liabilities:		
Current Liabilities	8,864,135	3,656,402
Non-Current Liabilities	<u>16,425,423</u>	<u>33,800,721</u>
Total Liabilities	<u>25,289,558</u>	<u>37,457,123</u>
Net Position:		
Deferred Inflows - Pensions	<u>15,270,399</u>	<u>11,028,756</u>
 Net Investment in Capital Assets	 29,780,446	 31,974,210
Restricted	779,631	164,820
Unrestricted (deficit)	<u>6,358,076</u>	<u>(6,627,736)</u>
Total Net Position	<u>\$36,918,153</u>	<u>\$25,511,294</u>

Current and other assets represent 47 percent of total assets at September 30, 2021, as compared to 40 percent of total assets at September 30, 2020. Current assets at September 30, 2021 are comprised of unrestricted cash balances of \$12,947,420, restricted cash of \$5,178,575, investments of \$10,175,383, due from other governments of \$1,057,647, other receivables of \$71,317 and other assets of \$19,347. The balances of unrestricted cash represent amounts that are available for spending at the discretion of the Board of Fire Commissioners of the District. Restricted cash balances are comprised of the impact fee funds restricted for the purchase of capital assets, and unspent inspections fee revenue restricted to support the inspection of new construction.

The net investment in capital assets represent 81 percent of net assets at September 30, 2021, as compared to 125 percent at September 30, 2020. These assets are comprised of land, buildings, improvements, equipment, furniture, and vehicles, net of accumulated depreciation, and the outstanding related debt used to purchase the assets. The assigned fund balance of \$20,605,388 represents resources available for spending at September 30, 2021. The District currently has \$0 fund balance unassigned by the Board.

**Summary of Revenues, Expenses and Changes in Net Assets
For the Years Ended September 30, 2021 and September 30, 2020**

Revenues:	<u>2021</u>	<u>2020</u>
General Revenues		
Ad Valorem Taxes	\$42,755,907	\$39,774,303
Program Revenues		
Grants	670,881	514,324
Charges for Services	3,394,527	2,307,075
Miscellaneous		
Impact Fees	69,729	83,973
Investment Earnings	65,364	372,372
Gain (Loss) on Disposition of		
Capital Assets	300,103	35,514
Other financial assistance – CARES Act	---	1,000,000
Reinstatement of deferred revenue (Sale of Yarberry Lane property)	(2,889,872)	---
Other	<u>233,396</u>	<u>233,516</u>
Total Revenues	<u>44,600,035</u>	<u>44,321,077</u>
Expenses:		
Public Safety–Fire/ Rescue Service	<u>33,193,176</u>	<u>41,925,469</u>
Increase (Decrease) in Net Position	11,406,859	2,395,608
Net Position-Beginning of Year	<u>25,511,294</u>	<u>23,115,686</u>
Net Position-End of Year	<u>\$36,918,153</u>	<u>\$25,511,294</u>

The assessed value of the property within the North Naples Service Delivery Area increased 5.8 percent for the 2020-2021 fiscal year as compared to the prior year's assessed value while maintaining the millage rate of 1.000 mils, resulting in an increase in Ad Valorem tax revenues of \$2,216,952. The property values in the North Naples Service Delivery Area decreased by 25 percent during the fiscal years 2007-2012, resulting in a decrease in Ad Valorem revenue. However, property values have since increased between 2012 and 2021 and have now exceeded the previous high point in value during FYE 9-30-07.

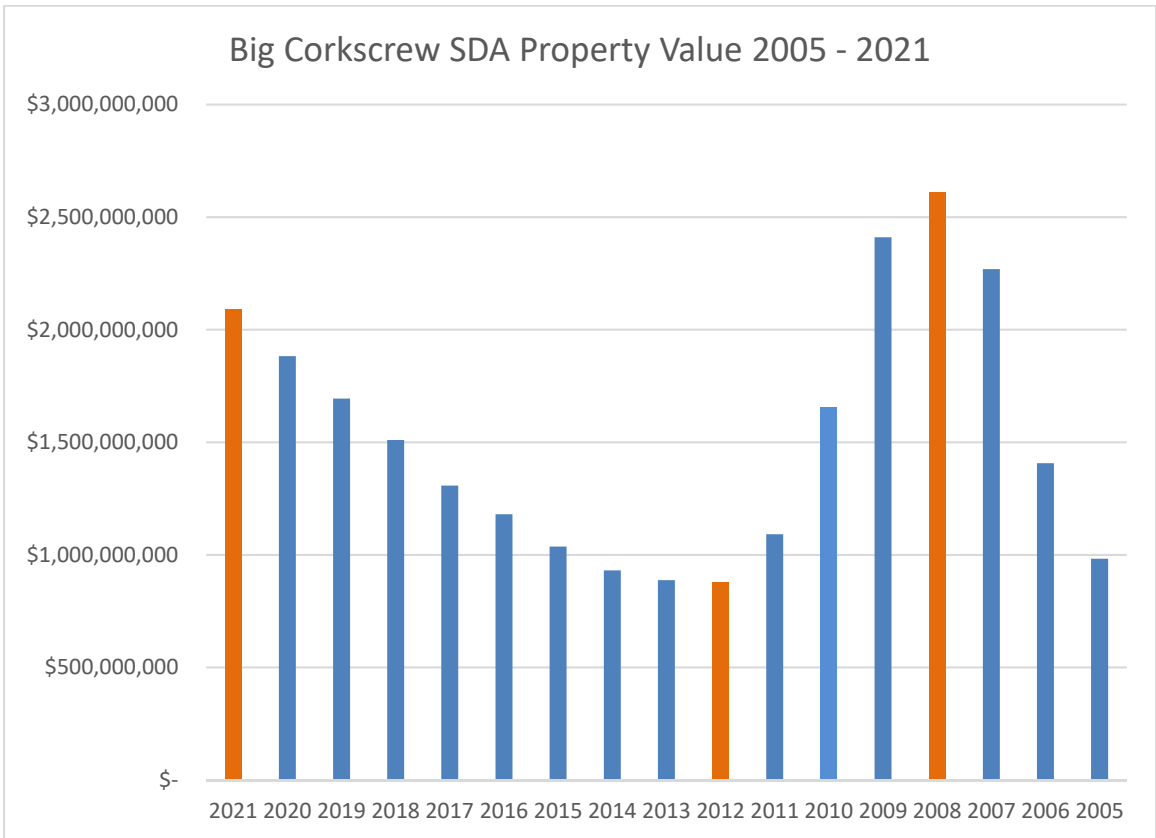
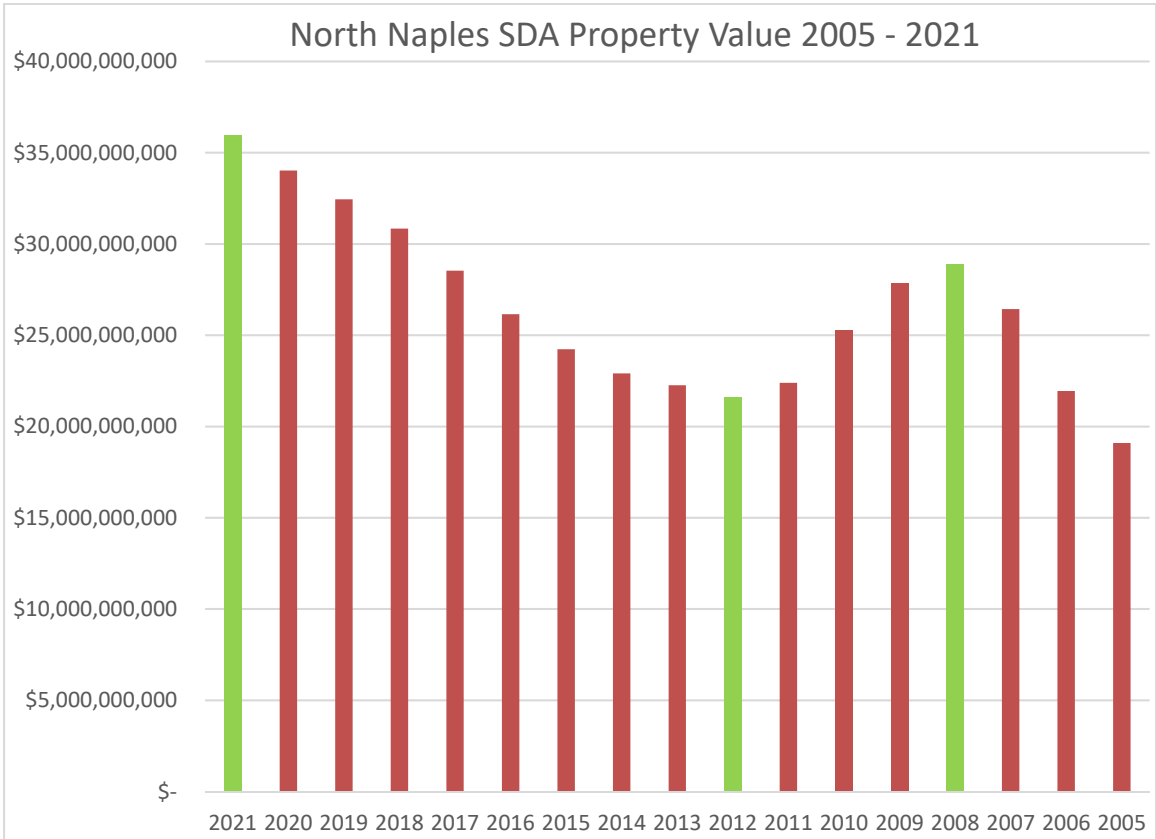
The Board adopted a millage rate of 1.000 mils in the North Naples Service Delivery Area taxing unit, or \$1.00 for every \$1,000 of taxable property value. This millage rate was 3.15 percent more than the rolled back rate (the taxing rate necessary to generate the same Ad Valorem revenue as was generated during the 2019-2020 fiscal year) of .9695.

The assessed value of the property within the Big Corkscrew Island Service Delivery Area increased 11.0 percent for the 2020-2021 fiscal year as compared to the prior year's assessed value, resulting in an increase in Ad Valorem tax revenues of \$764,652. The property values in the Big Corkscrew Island Service Delivery Area decreased by 66 percent during the fiscal years 2007-2012, resulting in a decrease in Ad Valorem revenue. Although property values have increased between 2012 and 2021, property value in the Big Corkscrew Island Service Delivery Area is still 20 percent lower in FYE 9-30-21 than it was in FYE 9-30-07.

The Board adopted a millage rate of 3.75 mils in the Big Corkscrew Island Service Delivery Area taxing unit, or \$3.75 for every \$1,000 of taxable property value. This millage rate was 11.20 percent more than the rolled back rate (the taxing rate necessary to generate the same Ad Valorem revenue as was generated during the 2019-2020 fiscal year) of 3.6193.

Prior to the 2007-2008 fiscal year, the increase in Ad Valorem revenue resulting from the increase in property value was sufficient to provide adequate funds to support operational, capital and reserve financial requirements in the District without increasing the millage rate. While property values have been on the increase over the last few years, the increases have not been sufficient to prevent the use of reserves to fund capital purchases.

The following chart identifies the change in appraised property values in the District by service delivery area and the millage rate maintained by the District.



Fund Balance – Governmental Fund Financial Statements

The Board of Fire Commissioners’ directive is to utilize the fund balance and cash reserves of the General Fund to fund capital purchases and improvements, declared emergency situations, and to maintain the District’s financial position. During the 2018-2019 fiscal year, the District received reimbursement of \$843,685 from FEMA for many of the Hurricane Irma expenses incurred. During the 2019-2020 fiscal year, the District received \$1,085,818 in reimbursements associated with the COVID-19 pandemic response. Receipt of these reimbursement funds have been used to replenish the District’s General Fund reserves. At September 30, 2021, the District had General Fund reserves totaling \$20,624,735. This includes the non-spendable amount of \$19,347 restricted for prepaid expenses, and \$20,605,388 for assigned reserves.

Assigned reserves have been established and maintained in accordance with anticipated future needs of the District, including operating expenses for the first quarter of the fiscal year prior to the receipt of Ad Valorem revenue, expenditures associated with declared emergencies, and the replacement of capital assets. Additionally, increases in health insurance, and other personnel and operating expenses that require funds to be set aside, or assigned, to prepare for the funding of future expenditures. The following General Fund Assigned Reserves were approved for the fiscal year ended September 30, 2021:

<u>Non Spendable Fund Balance</u>	<u>Amount</u>
General Fund Prepaid Expenses	<u>\$ 19,347</u>
<u>Assigned Fund Balance</u>	<u>Amount</u>
Operating Reserve – 1 st Quarter (Oct-Dec)	\$ 10,450,482
Emergency Reserve	8,662,235
Health Insurance Claim Reserve	457,671
Roof Replacement	785,000
Fire Apparatus	<u>250,000</u>
Total Assigned Reserves	<u>\$ 20,605,388</u>
<u>Unassigned Fund Balance</u>	<u>Amount</u>
General Fund – Unassigned	<u>\$ 0</u>
Total General Fund Reserves	<u>\$20,624,735</u>

Impact Fees

With the creation of the North Collier Fire Control and Rescue District in January 2015, an impact fee study was performed to establish impact fee rates for the new District. However, that study was not completed and new rates were not adopted until October 1, 2016. Prior year impact fee assessments were based on a structure’s square footage. The new rate structure bases fees on structure usage classifications and the methodology utilizes population rather than emergency call volume. These rates using the population-based methodology were updated annually prior to October 1st of each year. However, the impact of the change in methodology overall resulted in a decrease in impact fee receipts. Total annual impact fee receipts decreased 66 percent from fiscal year 2015-2016 to 2019-2020 (from \$2,674,309 to \$911,074). At the September 24, 2020 Board of Fire Commissioners meeting, the District approved a new impact fee rate structure

methodology based on an incident-based approach for the demand component rather than a population-based approach per the impact fee study produced on August 24, 2020. These new rates per the new rate structure became effective January 1, 2021 via Resolution 20-022. Total annual impact fee receipts for the current fiscal year totaled \$820,350, which was actually (9.96%) less than the prior year. This is primarily attributable to the timing of impact-fee eligible projects being paid to the District versus the change in fee structure. The District still anticipates overall impact fee receipts to increase over the next few years. Total Impact Fee Fund expenses for the 20-21 fiscal year were \$73,611, consisting of Collier County collection fees and the annual debt service payment for land purchased in the Big Corkscrew Service Delivery Area. On March 24, 2021, the District approved the sale of the “Yarberry Lane” property as surplus land for \$3,505,000. Of the \$3,152,700 net proceeds received, \$2,889,872 was classified as impact fee deferred revenue while \$262,828 was classified as general fund proceeds from disposition of capital assets revenue.

Inspection Fees

Inspection fee revenue for the year ended September 30, 2021 was \$2,640,180 representing an increase of \$830,794 or 45.9 percent as compared to inspection fee revenue in the prior fiscal year (2020). In June of 2014, the District terminated its Interlocal Agreement with the Fire Code Official’s office to provide fire plan review services and assumed the responsibility for those plan reviews. As a result, \$1,124,203 of the fund’s revenue was attributable to plan review fees. The Inspection Fee Fund had sufficient revenue in the 2020-2021 fiscal year to support all functions associated with new construction inspections and plan reviews and had excess revenues over expenditures by \$614,811 during the fiscal year. This increase is primarily attributable to growth momentum in commercial, multi-family construction and similar developments coming into our District. The timing and driver of this growth is also namely attributable to the COVID pandemic. Many companies and families relocated to southwest Florida, and especially Collier County. There were various construction delays, material and supply-chain constraints during the 2019-2020 fiscal year, which resulted in many of the projects being implemented in the 2020-2021 fiscal year. Overall, the Board continues to monitor the volume of new construction projects and the fees necessary to support the associated costs of this growth.

Budgetary Highlights

Budget versus actual comparisons are reported in the required supplementary information other than management’s discussion and analysis on pages 84 through 96 and are reflected by taxing subunit (service delivery area).

The amendments to General Fund revenue were necessary to reflect an increase due to a higher amount of receipts during the fiscal year for capital asset proceeds (\$277,000) and training fees (\$10,800), which was included in the original combined budget but not included in the individual NNSDA and BCSDA budgets. By these amendments, General Fund revenue was increased by \$287,800.

The amendments to the General Fund expenditures were a result of several factors. Budgeted capital outlay increased overall by \$539,174 which included reclassifications from capital to operating expenses in communication equipment (\$152,433), HazMat equipment (\$14,393) and computer equipment (\$144,000) and increasing fire apparatus by \$850,000. Budgeted operating expenses increased overall by \$310,826 due to the

aforementioned reclassifications from capital to operating expenses. Budgeted personal expenditures were increased by \$277,000 due to the annual PEHP contribution made in November, 2021 and accrued into FYE 9-30-21.

Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, improvements other than buildings, equipment, furniture and vehicles.

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

Capital Assets September 30

Capital Assets	<u>2021</u>	<u>2020</u>
Land	\$12,823,117	\$15,712,989
Construction in Progress	<u>2,513,755</u>	<u>1,319,431</u>
Total Capital Assets not Depreciated	15,336,872	17,032,420
Assets Held Under Capital Lease	5,328,917	4,266,045
Buildings	21,508,194	21,283,328
Office Equipment	1,542,088	1,546,311
Vehicles	8,669,169	8,476,780
Equipment & Machinery	<u>3,725,104</u>	<u>3,941,483</u>
Total Capital Assets Being Depreciated	<u>40,773,472</u>	<u>39,513,947</u>
Accumulated Depreciation		
Assets Held Under Capital Lease	(1,918,542)	(1,412,562)
Buildings	(10,000,434)	(9,186,739)
Office Equipment	(1,090,095)	(967,237)
Vehicles	(7,435,628)	(7,197,089)
Equipment & Machinery	<u>(2,805,266)</u>	<u>(3,090,173)</u>
Total Accumulated Depreciation	<u>(23,249,965)</u>	<u>(21,853,800)</u>
Total Capital Assets being Depreciated, Net	<u>17,523,507</u>	<u>17,660,147</u>
Capital Assets – Net of Depreciation	32,860,379	34,692,567
Less: Capital Lease/Note Payables	<u>(3,079,933)</u>	<u>(2,718,357)</u>
Net Assets Invested in Capital Assets Net of Related Debt	<u>\$29,780,446</u>	<u>\$31,974,210</u>

Significant capital asset purchases made during the fiscal year ended September 30, 2021 include:

1. Building improvements (General Fund) totaling \$240,616 including the Taylor Rd. site (including the NCFR shop), Station 40, Station 42, Station 43, Station 44, Station 45, Station 46, Station 42, Station 10 and “Sun Century” site.
2. Vehicles (non-capital lease) totaling \$1,323,755 including one (1) Polaris Ranger ATV, Pumper (46) refurbishment, Pierce Heavy Rescue unit and a progress payment on the new District Fire Boat (considered Construction in Progress).
3. Fire and Rescue Equipment totaling \$1,555,314 including extrication equipment, an air purification system, fire training programs, (37) new Philips Tempus monitors (33 being a capital lease purchase), HazMat equipment, etc.
4. Other equipment totaling \$50,991 (computer servers, backup server and a hydraulic drop trailer).
5. No capital impact fee eligible expenditures were made during the fiscal year ended September 30, 2021.

For additional information on the District’s capital assets, see Note E on pages 39 and 40.

Debt Administration

As of September 30, 2021, the District had long term obligations of \$17,244,237, as compared to \$34,386,353 at September 30, 2020, a decrease of \$17,142,116 or (49.9) percent. The decrease is largely due to the slight increase in the net OPEB obligation (\$750,645) offset with major decreases in the net Pension Liability of the FPT (Firefighter Pension Trust) and FRS (Florida Retirement System). Additionally, the District added a capital lease for the purchase of (33) heart monitor during the fiscal year ended September 30, 2021. That debt consists of:

1. Compensated absences (accrued vacation liability) in the amount of \$2,417,328, as compared to \$2,335,073 at September 30, 2020.
2. Net OPEB obligation of \$10,730,786 as compared to \$9,980,141 at September 30, 2020, representing post-employment health insurance obligations pursuant to GASB No. 75.
3. Capital lease for fire apparatus, radio equipment, staff vehicles and heart monitor equipment identified above in the total amount of \$2,964,933. This includes the lease to purchase agreement for the three fire engines and one ladder truck was entered into on January 15, 2016, the lease to purchase agreement for one velocity ladder truck was entered into on May 1, 2017, the lease to purchase agreement for radio equipment which was entered into on May 20, 2019, the lease to purchase agreement for six (6) Chevrolet staff vehicles which was entered into on December 12, 2019 and the least to purchase agreement for (33) tempus pro heart monitors which was entered into on December 28, 2020.
4. Note payable for the purchase of station in the amount of \$115,000.
5. Pension liability (FRS) in the amount of \$1,486,928 (see Note F).
6. Pension liability (HIS) in the amount of \$1,749,993 (see Note F).
7. Pension “asset” (Ch. 175) in the amount of (\$2,220,733) (see Note F).

Economic Facts and Next Year's Budget Millage Rates

The following factors were being taken into consideration when the fiscal year ending September 30, 2022 budget was prepared:

1. Appraised taxable property values *increased* by \$1,392,028,612, or 3.8 percent for tax year 2021 (FY 2022) in the North Naples service delivery area as compared to an increase of 5.8 percent in 2020. In the Big Corkscrew service delivery area, taxable property values *increased* by \$259,539,484, or 12.4 percent for tax year 2021 (FY 2022), similar to the increase of 11 percent in 2020.
2. The Board adopted a millage rate of 1.000 mils in the North Naples service delivery area and 3.75 mils in the Big Corkscrew service delivery area for the fiscal year ending September 30, 2022. The Board believes the increase in valuation (at the same millage rate) is necessary to compensate for future capital funding, personnel growth, and unknown, disaster-related expenditures. The Board has expressed the desire to continue to move towards one unified taxing rate District wide. However, the alternative addition of a non-ad valorem fire fee assessment was not approved by local voters as of the November 2017 elections. Funding mechanisms and millage caps will be analyzed and reviewed by the District on a regular basis to ensure adequate funding.
3. The Board approved and has budgeted the usage of General Fund reserves totaling \$1,131,833 to balance the budget. This is attributed to various projects and purchases that the District was not able to make during the past few fiscal years and is anticipating to complete some of these projects in this budget year.
4. Although appearing to be through the majority of affects due to the COVID-19 pandemic, the District will continue to monitor the overall cost to respond and will continue to research all avenues for Federal, State, and local funding to reimburse expenditures.

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: Ben Van Klinger, Chief Financial Officer, North Collier Fire Control & Rescue District, 1885 Veterans Park Drive, Naples, FL 34109, 239-597-1322, e-mail: bvanklinger@northcollierfire.com.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF NET POSITION
September 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 12,947,420
Restricted cash and cash equivalents	5,178,575
Investments	10,175,383
Due from other governments	1,057,647
Other receivables, net	71,317
Other assets	<u>19,347</u>
Total current assets	<u>29,449,689</u>
Noncurrent assets:	
Capital assets:	
Land	12,823,117
Construction in progress	1,300,898
Equipment in transit	1,212,857
Depreciable buildings, equipment, and vehicles (net of \$23,249,965 accumulated depreciation)	<u>17,523,507</u>
Total noncurrent assets	<u>32,860,379</u>
TOTAL ASSETS	<u>62,310,068</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>15,168,042</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	2,631,130
Contract deposits	7,500
Unearned revenue	5,406,693
Current portion of long-term obligations	<u>818,812</u>
Total current liabilities	8,864,135
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	<u>16,425,423</u>
TOTAL LIABILITIES	<u>25,289,558</u>
DEFERRED INFLOWS OF RESOURCES	<u>15,270,399</u>
NET POSITION	
Net investment in capital assets	29,780,446
Restricted	779,631
Unrestricted (deficit)	<u>6,358,076</u>
TOTAL NET POSITION	<u>\$ 36,918,153</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

	<u>Governmental Activities</u>
EXPENSES	
Governmental Activities	
Public Safety - Fire Protection	
Personnel services	\$ 23,808,668
Operating expenses	7,198,009
Depreciation	2,085,276
Interest and fiscal charges	<u>101,223</u>
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	33,193,176
 PROGRAM REVENUES	
Charges for services	3,394,527
Operating grants and contributions	<u>670,881</u>
NET PROGRAM EXPENSES	<u>29,127,768</u>
 GENERAL REVENUES	
Ad Valorem taxes	42,755,907
Impact fees	69,729
Interest	65,364
Gain on disposition of capital assets	300,103
Reinstatement of unearned revenue - impact fees	(2,889,872)
Other	<u>233,396</u>
TOTAL GENERAL REVENUES	<u>40,534,627</u>
 INCREASE IN NET POSITION	 11,406,859
 NET POSITION - Beginning of the year	 <u>25,511,294</u>
NET POSITION - End of the year	<u>\$ 36,918,153</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2021

	General Fund	Impact Fee Fund	Inspection Fee Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,947,420	\$ -	\$ -	\$ 12,947,420
Restricted cash and cash equivalents	-	4,542,046	636,529	5,178,575
Investments	9,466,103	709,280	-	10,175,383
Due from other governments	736,180	123,936	197,531	1,057,647
Due from other funds	40	16,733	-	16,773
Other receivables, net	71,317	-	-	71,317
Prepaid expenses	19,347	-	-	19,347
TOTAL ASSETS	\$ 23,240,407	\$ 5,391,995	\$ 834,060	\$ 29,466,462
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued expenses	\$ 2,574,882	\$ 1,859	\$ 54,389	\$ 2,631,130
Retainage payable	-	-	-	-
Due to other funds	16,733	-	40	16,773
Contract deposits	7,500	-	-	7,500
Unearned revenue	16,557	5,390,136	-	5,406,693
TOTAL LIABILITIES	2,615,672	5,391,995	54,429	8,062,096
FUND BALANCE				
Nonspendable	19,347	-	-	19,347
Restricted	-	-	779,631	779,631
Assigned	20,605,388	-	-	20,605,388
Unassigned	-	-	-	-
TOTAL FUND BALANCE	20,624,735	-	779,631	21,404,366
TOTAL LIABILITIES AND FUND BALANCE	\$ 23,240,407	\$ 5,391,995	\$ 834,060	\$ 29,466,462

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2021

	<u>Amount</u>	
Total fund balance of governmental funds	\$ 21,404,366	
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land	12,823,117	
Construction in progress	1,300,898	
Equipment in transit	<u>1,212,857</u>	
		15,336,872
Governmental capital assets being depreciated:		
Building, equipment and vehicles	40,773,472	
Less accumulated depreciation	<u>(23,249,965)</u>	
		17,523,507
Deferred outflows and deferred inflows related to pensions are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows - Net OPEB Liability	1,401,552	
Deferred outflows - FRS/HIS	1,872,126	
Deferred outflows - FPT	<u>11,894,364</u>	
		15,168,042
Deferred inflows - Net OPEB Liability	(1,885,947)	
Deferred inflows - FRS/HIS	(8,298,746)	
Deferred inflows - FPT	<u>(5,085,706)</u>	
		(15,270,399)
Long-term obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net OPEB liability	(10,730,786)	
Net pension liability - FRS	(1,486,928)	
Net pension liability - HIS	(1,749,993)	
Net pension liability - FPT	2,220,733	
Capital leases	(2,964,933)	
Note payable	(115,000)	
Compensated absences	<u>(2,417,328)</u>	
		(17,244,235)
Elimination of interfund amounts:		
Due to other funds	(16,773)	
Due from other funds	<u>16,773</u>	
		<u>-</u>
Total net position of governmental activities	<u>\$ 36,918,153</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2021

	General Fund	Impact Fee Fund	Inspection Fee Fund	Total Governmental Funds
REVENUES				
Ad Valorem taxes	\$ 42,755,907	\$ -	\$ -	\$ 42,755,907
Intergovernmental revenue:				
State firefighter supplement	56,643	-	-	56,643
Federal grants	595,438	-	-	595,438
Other intergovernmental	18,800	-	-	18,800
Charges for services:				
Inspection fees and other	755,435	-	1,514,889	2,270,324
Plan review fees	-	-	1,124,203	1,124,203
Impact fees	-	69,729	-	69,729
Miscellaneous:				
Interest	60,394	3,882	1,088	65,364
Other	233,396	-	-	233,396
TOTAL REVENUES	<u>44,476,013</u>	<u>73,611</u>	<u>2,640,180</u>	<u>47,189,804</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	34,093,661	-	1,913,563	36,007,224
Operating expenditures	7,072,040	14,163	111,806	7,198,009
Capital outlay	3,170,677	-	-	3,170,677
Debt service:				
Principal reduction	687,498	57,500	-	744,998
Interest and fiscal charges	99,275	1,948	-	101,223
TOTAL EXPENDITURES	<u>45,123,151</u>	<u>73,611</u>	<u>2,025,369</u>	<u>47,222,131</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(647,138)</u>	<u>-</u>	<u>614,811</u>	<u>(32,327)</u>
OTHER FINANCING SOURCES AND USES				
Proceeds from capital lease	1,106,574	-	-	1,106,574
Proceeds from disposition of capital assets	327,820	-	-	327,820
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	<u>1,434,394</u>	<u>-</u>	<u>-</u>	<u>1,434,394</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	787,256	-	614,811	1,402,067
FUND BALANCE - Beginning of the year	<u>19,837,479</u>	<u>-</u>	<u>164,820</u>	<u>20,002,299</u>
FUND BALANCE - End of the year	<u>\$ 20,624,735</u>	<u>\$ -</u>	<u>\$ 779,631</u>	<u>\$ 21,404,366</u>

The accompanying notes are an integral part of this statement.

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES**

Year Ended September 30, 2021

	<u>Amount</u>	
Net change (revenues and other financing sources over (under) expenditures and other financing uses) in fund balance - total governmental funds	\$ 1,402,067	
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. In the Statement of Activities, however, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The loss on disposition of capital assets decreases the net position.		
Plus: expenditures for capital assets	3,170,677	
Less: proceeds on disposition of capital assets	(327,820)	
Plus: gain on disposition of capital assets	300,103	
Less: current year depreciation	(2,085,276)	
Less: reinstate (replenish) impact fee fund - sale of Yarberry land	<u>(2,889,872)</u>	
		(1,832,188)
The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.		
Borrowings (proceeds from issuance):		
Less: capital lease - heart monitors	<u>(1,106,574)</u>	
		(1,106,574)
Repayments (principal retirement):		
Plus: capital leases	687,498	
Plus: note payable	<u>57,500</u>	
		744,998
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
(Increase) decrease in Net OPEB liability	(750,645)	
(Increase) decrease in net pension liability - FRS	7,916,491	
(Increase) decrease in net pension liability - HIS	(13,565)	
(Increase) decrease in net pension liability - FPT	10,433,669	
(Increase) decrease in compensated absences	(82,255)	
Increase (decrease) in deferred outflows - OPEB	62,597	
(Increase) decrease in deferred inflows - OPEB	340,163	
Increase (decrease) in deferred outflows - FRS/HIS	(1,746,542)	
(Increase) decrease in deferred inflows - FRS/HIS	(4,622,575)	
Increase (decrease) in deferred outflows - FPT	620,449	
(Increase) decrease in deferred inflows - FPT	<u>40,769</u>	
		<u>12,198,556</u>
Increase in net position of governmental activities	<u>\$ 11,406,859</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF FIDUCIARY NET
POSITION - FIDUCIARY FUND
September 30, 2021

	Firefighters' Pension Trust Fund
	<u> </u>
ASSETS	
Investments, at fair value:	
Cash and cash equivalents - money market	\$ 1,470,008
Equity securities	93,494,715
Fixed income mutual funds - international	6,474,522
U.S. Government bonds	9,716,593
Corporate bonds	9,271,786
Real estate	7,393,361
	<u>127,820,985</u>
Prepaid expenses	1,346
Due from other governments - State	-
Due from District	888,111
Due from employees	-
Due from securities sold	142,026
Accrued investment income	131,399
	<u>128,983,867</u>
TOTAL ASSETS	
	<u>128,983,867</u>
LIABILITIES	
Accounts payable	99,472
Due for securities purchased	386,713
	<u>486,185</u>
TOTAL LIABILITIES	
	<u>486,185</u>
NET POSITION	
Restricted for DROP benefits	1,670,783
Restricted for defined pension benefits	126,826,899
	<u>128,497,682</u>
TOTAL NET POSITION	
	<u>\$ 128,497,682</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUND
Year Ended September 30, 2021

	Firefighters' Pension Trust Fund
	<u> </u>
ADDITIONS	
Contributions:	
Employer	\$ 3,606,617
Plan members - employees	1,342,040
Buybacks	26,421
State of Florida, insurance premiums excise tax	<u>1,891,478</u>
Total contributions	<u>6,866,556</u>
Investment income:	
Net appreciation (depreciation) including realized gains/losses	18,588,552
Interest and dividends	<u>2,985,821</u>
	21,574,373
Less: investment expenses	<u>(368,892)</u>
Net investment income (loss)	21,205,481
Other income	<u>17,354</u>
TOTAL ADDITIONS	<u>28,089,391</u>
DEDUCTIONS	
Benefits paid	1,157,454
DROP distributions	131,723
Refund of contributions	23,468
Administrative expenses	<u>105,739</u>
TOTAL DEDUCTIONS	<u>1,418,384</u>
NET INCREASE IN NET POSITION	26,671,007
NET POSITION - BEGINNING	<u>101,826,675</u>
NET POSITION - ENDING	<u>\$ 128,497,682</u>

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

North Collier Fire Control and Rescue District (the "District") is an independent special taxing district located in Collier County, Florida. On January 1, 2015, the North Collier Fire Control and Rescue District was officially formed by merging the North Naples Fire Control and Rescue District and the Big Corkscrew Island Fire Control and Rescue District. On February 6, 2014, the two Districts entered into an Interlocal Agreement to merge. Each Board adopted a resolution identifying their intent to initiate the voluntary merger process pursuant to Florida Statute Chapter 189.074. The two Districts created a proposed Joint Merger Plan which was adopted by both Boards and ultimately put before the voters of each District by referendum. On November 4, 2014, voters from both districts approved the referendum to merge the two districts into one. On June 10, 2015, the Governor signed into legislation the official enabling act of the new District via Laws of Florida (LOF) Chapter 2015-191. The merger is intended to ensure the best possible emergency response times, operational efficiencies and ensure long term sustainability of the combined District. There was no impairment of capital assets as the result of the merger, which was effective as of January 1, 2015 and no significant accounting adjustment other than to combine the assets, liabilities and net position/fund balance at January 1, 2015 of both Districts. The District has the general and special powers prescribed by Florida Statute Chapters 189, 191 and 633.15. The District is governed by a five (5) member elected Board of Commissioners. Commissioners serve on a staggered four (4) year term basis.

The North Collier Fire Control and Rescue District provides fire control and protection services, fire safety, inspections, code enforcement, fire hydrant maintenance, firefighter training, and crash and fire rescue services as well as basic and advanced life support services. The District serves a portion of Collier County, Florida. In providing these services, the District operates and maintains ten (10) stations and the related equipment and employs approximately 266 full-time professional firefighters and administrative staff.

During the year ended September 30, 2009, the North Naples Fire Control and Rescue District entered into a joint venture agreement with Florida SouthWestern State College (FSW) for the operation of the North Collier Fire Training Center (NCFTC) to educate and train students as State Certified Firefighters. The North Collier Fire Control and Rescue District is now licensed to operate the NCFTC and FSW is the program coordinator. The District provides the training room and training

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Organization, continued

facilities for the NCFTC. FSW, as program coordinator, is responsible for the operations of the NCFTC including but not limited to the screening and enrolling of students and for screening and engaging instructors. Therefore, the activities of the NCFTC are not included in the District's basic financial statements.

Reporting Entity

The District adheres to Governmental Accounting Standards Board (GASB) 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 Omnibus - An Amendment of GASB Statements No. 14 and No. 34" (GASB 61).

This Statement requires 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 or included in the District's basic financial statements.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. Fiduciary funds are properly not included in the government-wide financial statements. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the pension fund financial statements. Under the accrual basis of accounting, revenues, expenses,

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement Number 33, "Accounting and Financial Reporting for Nonexchange Transactions" (GASB 33).

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

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

Program revenues are considered to be revenues generated by services performed and/or by fees charged such as inspection fees, burn permits, and hydrant tests.

Fund Financial Statements

The District adheres to GASB Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54). Essentially, the implementation resulted in adoption of a fund balance policy and reclassification of the components within fund balance.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Financial Statements, continued

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 net position, 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 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 fiduciary fund financial statement includes financial information for the Firefighters' Pension Trust Fund. The fiduciary fund represents assets held by the District in a custodial capacity for the benefit of other individuals.

Governmental Funds

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. 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 thereafter to pay liabilities of the current period.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds, continued

In accordance with the District's enabling documents, separate budgets within the General Fund are maintained for the North Naples (NN) Service Delivery Area and the Big Corkscrew Island (BCI) Service Delivery Area. Separate budgets are required for each service delivery area until such time as when one consistent millage rate is adopted for both service delivery areas. As such, separate service delivery area budget vs. actual comparison statements are included in the required supplementary information and a combining schedule is included in the other information section as the District must ultimately maintain and report a single General Fund.

Fiduciary Fund

The Pension Trust Fund accounts for the activities of the Firefighters' Pension Trust (FPT) Fund, which accumulates resources for the pension benefit payments to qualified firefighters.

The net position of this fund is not considered to be part of the net position of the District and is not available to the District's creditors.

Measurement Focus and Basis of Accounting

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

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

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 interest on investments, and intergovernmental revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

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

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

Non-current Government Assets/Liabilities

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

Major Funds

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District (including both service delivery areas), except those required to be accounted for in another fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Major Funds, continued

The Impact Fee Fund (the District has one combined Impact Fee Fund) consists of fees imposed and collected by Collier County based on new construction within each service delivery area of the District. The fees are restricted and can only be used for certain capital expenditures associated with growth within the District.

Non-Major Fund

The District reports the following non-major fund:

The Inspection Fee Fund is used by the District to account for the receipt and expenditures of its Inspection and Plan Review Fee Programs. Fees are charged for the inspection of new building construction and for fire code plan review. The fees are collected by Collier County and are remitted to the District. This fund also includes fee per interlocal agreement whereby the District performs inspections for another independent fire district.

Fiduciary Fund

The Fiduciary Fund is excluded from the government-wide financial statements because the resources of those funds are not available to support the District's programs. The only type of fiduciary fund the District maintains is a Firefighters' Pension Trust Fund, under Florida Statute Chapter 175, which accounts for retirement assets held by the Plan that are payable to qualified firefighters upon retirement.

Budgetary Information

The District has elected to report budgetary comparisons of its major funds and its non-major fund as required supplementary information (RSI).

Investments

The District adheres to the requirements of 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.

Investments, including restricted investments, consist of certificates of deposit, U.S. Government securities, corporate debt and equity securities, and securities of government agencies unconditionally guaranteed by the U.S. Government.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

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

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$5,000 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 their estimated fair market 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 in accordance with GASB 34.

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

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

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

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

<u>Capital Asset</u>	<u>Years</u>
Buildings	15-30
Capital Assets acquired under Capital Lease	6-10
Office Equipment	3-30
Vehicles	3-10
Equipment and Machinery	3-15

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting

The District adopted separate annual General Fund budgets for each of the two (2) service delivery areas within the District's General Fund.

The District adopted annual budgets for the Special Revenue Funds, including the Impact Fee Fund and the Inspection Fee Fund.

No budget was adopted or required to be adopted for the Firefighters' Pension Trust Fund.

The District follows these procedures in establishing budgetary data for the General Fund, the Impact Fee Fund, and the Inspection Fee 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 citizen comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget amounts, as shown in these basic 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, continued

Several budget amendments were approved by the Board of Commissioners during the year ended September 30, 2021. Budgeted revenues and expenditures were increased (decreased) as follows:

	<u>Amount</u>
General fund - NN SDA	\$ 973,767
General fund - BCI SDA	<u>684,728</u>
Total General Fund	<u>\$ 1,658,495</u>
Impact fee fund	<u>\$ 853,218</u>
Inspection fee fund	<u>\$ 763,514</u>

Impact Fees/Deferred Revenue

The District levies an impact fee on new construction within the District. The intent of the fee is for growth within the District to pay for capital improvements needed due to the growth. The fee is imposed and collected by Collier County and remitted to the District which accounts for impact fees collected by service delivery area. The fee is refundable if not expended by the District within six (6) years from the date of collection. The District, therefore, records this fee as restricted cash and as unearned revenue until the date of expenditure, at which time it is recognized as revenue and charged to capital outlay in the fund financial statements and capital assets in the government-wide financial statements.

Net Position

In the government-wide financial statements, net position is identified as restricted when there are externally imposed constraints as to its use, such as through debt covenants, by grantors, or by law.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Balances

The governmental fund financial statements the District maintains include nonspendable, restricted, 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.

Restricted fund balances are those that are restricted by a third party such as inspection fees. Restricted fund balances can only be spent for the stipulated purposes.

The District's assigned fund balances are a result of official action of the District's Board. The District's intent is to maintain a minimum assigned fund balance level of three (3) months of budgeted total expenditures. The assigned fund balance includes the District's operational and capital reserves as well as its disaster reserve. 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.

Due To/From Other Funds

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

Due From Other Governments

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

Indirect Costs

Expenses are allocated between service delivery areas on the same line item based upon a Board approved cost allocation plan. For the year ended September 30, 2021, the costs were allocated on a percentage basis of 87.04% to NN SDA and 12.96% to BCI SDA.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated Absences

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

Encumbrances

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

Management Estimates

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

Interfund Transactions

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Pensions

In the government-wide Statement of Net Position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Pension Fund (FPF), 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. Investments are reported at fair value for the FPF.

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

Deferred Outflows/Inflows of Resources

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reclassifications

Certain amounts in the financial statements have been reclassified to conform with the current presentation. These reclassifications had no effect on the results of operations or fund equity.

Subsequent Events

Subsequent events have been evaluated through May 13, 2022, which is the date the basic financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the primary government (exclusive of the Firefighters' Pension Trust Fund) were \$18,125,995 of which \$5,178,575 was restricted at September 30, 2021. Total cash and cash equivalents included cash on hand of \$1,300 at September 30, 2021.

Deposits

The District's deposit policy (exclusive of the Firefighters' Pension Fund) allows deposits to be held in demand deposit and money market accounts and is consistent with Florida Statutes, Chapter 218.415(17). All District depositories are institutions designated as qualified depositories by the State Treasurer at September 30, 2021.

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021**

NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED

Deposits, continued

Deposits consist of the following at September 30, 2021:

<u>District</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
<u>Unrestricted</u>		
<u>General Fund</u>		
Depository Accounts	\$ 12,858,641	\$ 13,246,546
Money Market	88,779	88,779
Total General Fund	<u>\$ 12,947,420</u>	<u>\$ 13,335,325</u>
<u>Restricted</u>		
<u>General Fund</u>		
Depository Accounts	\$ -	\$ -
<u>Special Revenue Funds</u>		
Impact Fee		
Depository Accounts	\$ 4,542,046	\$ 4,542,555
Inspection Fee		
Depository Accounts	636,529	636,529
Total Special Revenue Funds	<u>5,178,575</u>	<u>5,179,084</u>
Total Restricted Funds	<u>\$ 5,178,575</u>	<u>\$ 5,179,084</u>

The District's deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act (Florida Statute 280) of the State of Florida. Bank balances approximate market value.

The District held no other types of deposits during the year ended September 30, 2021.

NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED

Restricted Cash and Equivalents

The following is a brief description of the restrictions on cash and cash equivalents:

The Impact Fee account is used to account for the deposit of impact fees received by both service delivery areas and are restricted for certain capital asset acquisition associated with growth within the District. Impact fees are collected by Collier County for the District pursuant to County ordinance and District resolution.

The Inspection Fee account is used to account for inspection fees collected for performing new construction fire inspections within the District. Such revenue is restricted for inspection service related costs.

NOTE C - INVESTMENTS

District

Florida Statutes and the District's investment policy authorize investments in the Florida Fixed Income Trust (FL FIT). Specifically, the District's investment policy is consistent with Florida Statutes, Chapter 218.415(17). At September 30, 2021, the District's investments in the FL FIT-Cash Pool (CP) consist of the following:

	<u>Cost Basis</u>	<u>Fair Value (NAV)/ Carrying Amount</u>
<u>General Fund - NN</u>		
Florida Fixed Income Trust		
FL FIT - Cash Pool (CP)	\$ 7,457,701	\$ 7,457,701
<u>General Fund - BCI</u>		
Florida Fixed Income Trust		
FL FIT - Cash Pool (CP)	2,008,402	2,008,402
	<u>\$ 9,466,103</u>	<u>\$ 9,466,103</u>
<u>Impact Fee Fund</u>		
Florida Fixed Income Trust		
FL FIT - Cash Pool (CP)	\$ 709,280	\$ 709,280
Total investments	<u>\$ 10,175,383</u>	<u>\$ 10,175,383</u>

The Florida Fixed Income Trust (FL FIT) Cash Pool (CP) was established in accordance with Florida Statute 163.01 to provide local and state government entities access to diversified, high credit quality strategies for their cash reserves. The Florida Fixed Income Trust (FL FIT) Cash Pool is a floating net asset value (NAV) pool, managed to dollar-in/dollar-out and provides same day liquidity for participants.

NOTE C - INVESTMENTS, CONTINUED

District, continued

The Florida Fixed Income Trust (FL FIT) Cash Pool (CP) is an external 2a7-like investment pool, which is self administered. The Florida Fixed Income Trust (FL FIT) Cash Pool (CP) is not categorized as it is not evidenced by securities that exist in physical or book entry form. The Florida Fixed Income Trust (FL FIT) Cash Pool are stated at a net asset value (NAV) which approximates fair value, NAV = \$1.00. These investments are subject to the risk that the market value of an investment, collateral protecting a deposit or securities underlying an investment will decline and lose value.

FL FIT is not required to register (and has not registered) with the SEC; however, the fund is an external investment pool that has historically adopted operating procedures consistent with those required by Florida Statutes.

The District's investment in the Florida Fixed Income Trust (FL FIT) Cash Pool (CP) represented approximately less than 1% of the Fund's total investments.

At September 30, 2021, the Cash Pool's investments consisted of the following: 62% with commercial paper; 17% with institutional money market deposits and mutual funds; and 21% with certificates of deposit.

These short-term investments are stated at fair value. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

The District adheres to GASB Statement No. 79 and where the Fund meets the criteria to make GASB Statement No. 31 which requires the following disclosures related to its FL FIT Cash Pool investment:

Limitation on Participant Contributions and Withdrawals: FL FIT-Cash Pool has no limitations or restrictions on participant withdrawals, does not charge liquidity fees, and has not put in place a redemption gate. Each participant has the ability to withdraw 100 percent of its account balance any business day that the Investment Advisor is open for trading. The Investment Advisor is open for trading, and the funds will settle on the trading date for trades placed prior to 2:00 PM Eastern Time, and trade date plus one business day (T+1) for trades placed after 2:00 PM Eastern Time.

NOTE C - INVESTMENTS, CONTINUED

District, continued

Investment Income, Unrealized Gains/Losses, and Realized Gains/Losses: FL FIT-Cash Pool follows industry practice and records security transactions on a trade date basis. Dividend and interest income is recognized on an accrual basis. Net investment income is distributed to participants at least monthly. Unrealized and realized gains and losses, if any, are distributed to participants on a daily and monthly basis. Distributions to participants are recorded on the ex-dividend date.

Valuation: Fair value of the investments in the FL FIT-Cash Pool is determined on a daily basis. Fair value increases and decreases are included in the change in unrealized gains and losses during the period. Net realized gains and losses on sales of securities are computed based on specific identification. Mutual fund securities are recorded at fair value as determined by using net position value as furnished by a pricing service and the number of shares owned.

Redemption Gates: Per the Administrator there are no redemption gates.

Liquidity Fees: Per the Administrator there are no liquidity fees.

Redemption Fees: As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Fair Value: The carrying value of the investments held by the District approximate fair value. However, it is the opinion of the management of Florida Fixed Income Trust (FL FIT) it is exempt from GASB Statement No.72 financial hierarchy disclosures.

Foreign Currency Risk: Florida Fixed Income Trust (FL FIT) Cash Pool was not exposed to foreign currency risk.

Securities Lending: Florida Fixed Income Trust (FL FIT) Cash Pool did not participate in securities lending program during the period October 1, 2020 through September 30, 2021.

Florida Fixed Income Trust (FL FIT) Cash Pool does provide separate audited financial statements for the year ended June 30, 2021.

NOTE C - INVESTMENTS, CONTINUED

District, continued

At September 30, 2021, the District reported Florida Fixed Income Trust (FL FIT) Cash Pool investments of \$10,175,383. The Florida Fixed Income Trust (FL FIT) Cash Pool carried a credit rating of AAAs/S1 by Fitch Rating and had a dollar weighted average days to maturity (WAM) of 79 days at September 30, 2021. The Cash Pool 's current dollar weighted average days to maturity to final (WAL) was 104 days at September 30, 2021. The Cash Pool's duration is as follows: expected target duration 0-5 years, effective duration of 22 years. Rule 2a7 allows funds to use a constant of \$1.00 per share. The fund is not currently rated.

Firefighters' Pension Plan - Investments

Investments held in the Firefighters' Pension Trust Fund (the "Plan") totaled \$127,820,985 (including \$1,470,008 in cash and cash equivalents, \$6,474,522 in mutual funds, \$93,494,715 in equity securities, \$18,988,379 in fixed income securities, and \$7,393,361 in real estate) at September 30, 2021. Such investments are administered in accordance with Firefighters' Pension Board policy. This policy provides for investments in cash and cash equivalents, money markets, mutual funds, equities, treasury notes, federal agency guaranteed securities, corporate bonds, notes and/or equities and real estate.

The Firefighters' Pension Trust Fund accounts for resources held to fund the respective firefighter employee pension benefits.

The Firefighters' Pension Trust Fund investments were held by a financial and investment institution and are subject to certain insurances up to limits specific to the trustee/custodian institution and retirement trust funds. These assets are subject to loss of principal.

Investment Authorization:

The Plan's investment policy is determined by the Plan's Board of Trustees. The policy has been designed by the Board to conduct the operations of the Plan in a manner so that the assets will provide the pension and other benefits provided under applicable laws. As such, the policy is designed by the Board to maximize the Plan's asset value, while assuming risk that is consistent with the Board's risk tolerance. The Trustees are authorized to acquire and retain every kind of property (real, personal or mixed) and every kind of investment specifically including, but not by way of limitation, money markets, mutual funds, bonds, debentures, stocks (preferred or

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Investment Authorization, continued:

common) and other corporate obligations. Investments are carried at fair value and/or NAV at September 30, 2021. Interest and dividend revenues are recorded as earned. Purchases and sales of investments are recorded on the trade-date basis.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in fiduciary net position along with gains and losses realized on sales of investments.

Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported (loss of principal).

Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 80% (at market) of the Plan's total asset value. The equity position in any one company shall not exceed 5% of the Plan's total assets at market. Investments in stock of foreign companies shall be limited to 35% of the value of the Plan's total assets at market.

The fixed income portfolio shall be comprised of securities with a quality rating of investment grade or higher by a major rating service. Except for Treasury and Agency obligations, the debt portion of the Plan shall contain no more than 10% of a given issuer irrespective of the number of differing issues.

The current target allocation at September 30, 2021, of these investments at market is as follows:

<u>Authorized Investments</u>	<u>Investment Policy -Target Allocation %</u>	<u>Long Term Expected Real Rate Return %</u>
Domestic Equities	35-55%	7.5%
Fixed Income	15-40%	2.5%
TIPS	0-10%	Not Available
Real Estate	0-15%	4.5%
International Equities	10-25%	8.5%
International Fixed Income	0-10%	3.5%
Global Tactical Asset Allocation	0-15%	3.5%
Cash and Cash Equivalents	Minimal	Minimal

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

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 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 Plan's fixed income investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investment by maturity at September 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate bonds	\$ 9,271,786	\$ 848,000	\$ 2,797,104	\$ 3,778,892	\$ 1,847,790
Mutual funds - Int'l	6,474,522	332,144	969,883	679,177	4,493,318
U.S. Agencies	6,535,466	-	2,966	86,040	6,446,460
U.S. Treasuries	3,181,127	-	149,492	899,509	2,132,126
	<u>\$ 25,462,901</u>	<u>\$ 1,180,144</u>	<u>\$ 3,919,445</u>	<u>\$ 5,443,618</u>	<u>\$ 14,919,694</u>

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 Plan's investment policy utilizes portfolio diversification in an effort to mitigate this risk.

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Credit Risk, continued:

The following table discloses credit rating by fixed income investment type at September 30, 2021, if applicable:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Quality rating of credit risk debt securities		
A	\$ 1,556,475	1.22%
A1	260,843	0.20%
A2	1,361,582	1.07%
A3	2,189,478	1.71%
AA	988,660	0.77%
Aa1	58,438	0.05%
Aa2	166,499	0.13%
Aa3	136,681	0.11%
AAA	6,071,751	4.75%
B	163,805	0.13%
Ba1	29,787	0.02%
Baa1	2,462,988	1.93%
Baa2	1,533,765	1.20%
Baa3	896,784	0.70%
BB	396,888	0.31%
BBB	1,733,877	1.36%
Unrated government securities*	<u>5,454,600</u>	<u>4.27%</u>
Total credit risk debt securities	<u>\$ 25,462,901</u>	<u>19.92%</u>

* Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

Concentration of Credit Risk:

The investment policy of the Plan contains limitations on the amount that can be invested in any one equity issuer as well as maximum portfolio allocation percentages. There were no individual equity investments that represented 5% or more of Plan net position at September 30, 2021. In addition, the Plan contains limitations on the amount that can be invested in any one debt issuer, except for the debt securities issued by the U.S. Government. There were no investments in non-U.S. Government debt securities that represented 10% or more of Plan net position at September 30, 2021.

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Custodial Credit Risk:

This 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. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name.

Foreign Currency Risk:

This is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. The Plan's primary exposure to foreign currency risk is derived from its direct investments in international equity and fixed income mutual funds. The Plan owns shares in international equity and international bond funds. In accordance with the Plan's investment policy statement, the US equity and fixed income separate account managers may invest in individual securities designated as foreign as part of the normal course of the investment process. The individual foreign securities may be American Depository Receipts, or NYSE common stock, both transacted in US dollars, or foreign ordinary securities transacted in foreign currency. The investment policy limits the foreign investments to no more than 35% of the Plan's investment balance in equities and no more than 10% in fixed income. As of September 30, 2021, the Plan's exposure to foreign currency risk related to foreign equity funds and bonds is approximately 23% of the portfolio.

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Fair Value Measurements:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy as established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market as follows:

Level 1 - Inputs to the valuation methodology are based upon quoted prices for identical assets in active markets.

Level 2 - Inputs to the valuation methodology are based upon observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Inputs to the valuation methodology are based upon unobservable inputs.

Following is a description of the valuation methodologies used for asset measured at fair value.

Common stock: Valued at the closing price reported on the New York Stock Exchange.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value 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 flows approach that maximizes observable inputs, such

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Fair Value Measurements, continued:

as current yield of similar instruments, but included adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Real estate: Valued at the net asset value of shares held by the Plan at year end. The Plan has investments in private market real estate investments for which no liquid public market exists.

Money market funds: Valued at the floating net asset value (NAV) of shares held by the Plan at year end.

The following table presents the Plan's fair value hierarchy for investments at fair value as of September 30, 2021:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Equity securities:				
Common stocks	\$ 28,213,370	\$ 28,213,370	\$ -	\$ -
Foreign stocks	2,791,218	2,791,218	-	-
Domestic equity mutual funds	43,552,745	-	43,552,745	-
International equity mutual funds	18,937,382	-	18,937,382	-
REIT	-	-	-	-
Total equity securities	93,494,715	31,004,588	62,490,127	-
Debt securities				
U.S. treasury securities	3,181,127	3,181,127	-	-
U.S. agency securities	6,535,466	-	6,535,466	-
Corporate bonds	9,271,786	-	9,271,786	-
Fixed income mutual funds -int'l	6,474,522	-	6,474,522	-
Total debt securities	25,462,901	3,181,127	22,281,774	-
Total investments by fair value	118,957,616	\$ 34,185,715	\$ 84,771,901	\$ -
<u>Investments measured at the net asset value (NAV)</u> *				
Real estate fund	7,393,361			
Money market funds (exempt)	1,470,008			
Total investments	\$ 127,820,985			

* As required by GAAP, certain investments have not been classified in the fair value hierarchy. The fair value amounts presented in the previous table are intended to permit reconciliation for the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Fair Value Measurements, continued:

The following table summarizes investment for which fair value is measured using the net asset value per share practical expedient, including their relate unfunded commitments and redemption restrictions:

Investments measured at the NAV

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible</u>	<u>Redemption Notice Period</u>
Real estate fund	\$ 7,393,361	\$ -	Quarterly	90 Days

Real estate fund: The fund is an open-ended real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemption must be received by the fund 90 days prior to quarter end.

NOTE D - DUE TO/FROM OTHER FUNDS

Interfund receivables and payables at September 30, 2021, are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
Impact Fee Fund	\$ -	\$ 16,733
Inspection Fee Fund	40	-
Total General Fund	<u>40</u>	<u>16,733</u>
Special Revenue Funds:		
Impact Fee Fund		
General Fund	16,733	-
Inspection Fee fund	-	-
Inspection Fee Fund		
General Fund	-	40
Impact Fee Fund	-	-
Total Special Revenue Funds	<u>16,733</u>	<u>40</u>
Total	<u>\$ 16,773</u>	<u>\$ 16,773</u>

Interfund receivables and payables were eliminated for presentation purposes in the Statement of Net Position at September 30, 2021.

NORTH COLLIER FIRE CONTROL AND RESCUE 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 October 1 2020	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30 2021
Capital Assets Not Being Depreciated:					
Land	\$ 15,712,989	\$ -	\$ (2,889,872)	\$ -	\$ 12,823,117
Construction in progress	1,319,431	-	(18,533)	-	1,300,898
Equipment in Transit	<u>-</u>	<u>1,212,857</u>	<u>-</u>	<u>-</u>	<u>1,212,857</u>
Total Capital Assets Not Being Depreciated	<u>17,032,420</u>	<u>1,212,857</u>	<u>(2,908,405)</u>	<u>-</u>	<u>15,336,872</u>
Capital Assets Being Depreciated:					
Assets held under capital lease	4,266,045	1,106,574	(43,702)	-	5,328,917
Buildings	21,283,328	224,866	-	-	21,508,194
Office equipment	1,546,311	50,991	(55,214)	-	1,542,088
Vehicles	8,476,780	294,685	(102,296)	-	8,669,169
Equipment & machinery	<u>3,941,483</u>	<u>280,704</u>	<u>(497,083)</u>	<u>-</u>	<u>3,725,104</u>
Total Capital Assets Being Depreciated	<u>39,513,947</u>	<u>1,957,820</u>	<u>(698,295)</u>	<u>-</u>	<u>40,773,472</u>
Less Accumulated Depreciation:					
Assets held under capital lease	(1,412,562)	(549,682)	43,702	-	(1,918,542)
Buildings	(9,186,739)	(813,695)	-	-	(10,000,434)
Office equipment	(967,237)	(178,072)	55,214	-	(1,090,095)
Vehicles	(7,197,089)	(334,457)	95,918	-	(7,435,628)
Equipment & machinery	<u>(3,090,173)</u>	<u>(209,370)</u>	<u>494,277</u>	<u>-</u>	<u>(2,805,266)</u>
Total Accumulated Depreciation	<u>(21,853,800)</u>	<u>(2,085,276)</u>	<u>689,111</u>	<u>-</u>	<u>(23,249,965)</u>
Total Capital Assets being Depreciated, Net	<u>17,660,147</u>	<u>(127,456)</u>	<u>(9,184)</u>	<u>-</u>	<u>17,523,507</u>
Capital Assets, Net	<u>\$ 34,692,567</u>	<u>\$ 1,085,401</u>	<u>\$ (2,917,589)</u>	<u>\$ -</u>	32,860,379
				Related Debt	<u>(3,079,933)</u>
				Net investment in capital assets	<u>\$ 29,780,446</u>

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE E - CAPITAL ASSETS ACTIVITY, CONTINUED

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

	<u>Amount</u>
General Government	
Total Depreciation Expense	<u>\$2,085,276</u>

The District has capital assets held under capital leases with a total cost of \$5,328,917 at September 30, 2021. The capital assets held under capital lease has accumulated depreciation of \$1,918,542 and depreciation expense of \$549,682 (included in total depreciation expense) for the year ended September 30, 2021.

NOTE F - LONG-TERM OBLIGATIONS

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

	Balance October 1 2020	Additions	Retirements And Adjustments	Balance September 30 2021	Amounts Due Within One Year
Net OPEB Liability	\$ 9,980,141	\$ 750,645	\$ -	\$ 10,730,786	\$ -
Net Pension Liability - FRS	9,403,419	-	(7,916,491)	1,486,928	-
Net Pension Liability - HIS	1,736,428	13,565	-	1,749,993	-
Net Pension Liability - FPT	8,212,936	-	(10,433,669)	(2,220,733)	-
Capital Leases	2,545,857	1,106,574	(687,498)	2,964,933	761,312
Note Payable - Station	172,500	-	(57,500)	115,000	57,500
Compensated Absences	2,335,073	82,255	-	2,417,328	-
	<u>\$34,386,354</u>	<u>\$ 1,953,039</u>	<u>\$(19,095,158)</u>	<u>\$17,244,235</u>	<u>\$ 818,812</u>

The following is a summary of long-term obligations at September 30, 2021:

	<u>Amount</u>
Net OPEB liability - actuarially determined - GASB No. 75	\$ 10,730,786
Net pension liability - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	1,486,928
Net pension liability - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	1,749,993
Net pension liability - Firefighters' Pension Trust (FPT) plan. This amount is actuarially determined through calculation based upon the audited financial statements of the FPT Plan.	(2,220,733)

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE F - LONG-TERM OBLIGATIONS, CONTINUED

	<u>Amount</u>
\$1,106,574 capital lease payable dated December 28, 2020, for heart monitor equipment to a financial institution over a 60 month period beginning December 28,2020 and ending December 28, 2025 in equal monthly payments of \$19,347 at 1.9%	947,210
\$445,486 capital lease payable dated May 20, 2019, for radio equipment to a financial institution over a 7 year period ending June 1, 2026 in equal annual payments of \$77,900 at a 5.2% fixed interest rate.	334,252
\$207,812 capital lease payable dated December 12, 2019, for six staff vehicles to a financial institution over a 5 year period ending December 31, 2024 in equal monthly payments of \$3,918 at a 5.14% fixed interest rate.	137,136
\$2,546,268 capital lease payable dated January 15, 2016 for one (1) ladder truck and three (3) pumper trucks payable to a financial institution in ten (10) annual payments of \$295,233 ending December 14, 2025 including interest at 2.822%.	1,358,975
\$888,147 capital lease payable beginning May 1, 2018 for a ladder truck payable to a financial institution in five (5) annual payments of \$192,494 ending May 1, 2022 including interest at 2.74%.	187,360
\$1,150,000 note payable dated January 15, 2003 for BCI Station to a financial institution over a 20 year period ending November 1, 2022 in equal annual principal payments on November 1 of \$57,500 plus accrued interest at a variable rate of 120% of the 5 year treasury rate. The note is collateralized by Impact Fees. Interest rate at September 30, 2021 was .42732%.	115,000
Non-current portion of compensated absences. Employees of the District are entitled to paid vacation based on length of service and job classification. (Combined SDA)	<u>2,417,328</u>
	17,244,235
Less Current Portion	<u>(818,812)</u>
Long-Term Portion	<u>\$ 16,425,423</u>

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

Years Ending September 30	Capital Leases Payable Principal (1)	Capital Leases Payable Principal (1)	Capital Leases Payable Principal (1)	Capital Leases Payable Principal (1)	Capital Leases Payable Principal (1)	Note Payable Principal (2)	Total Principal
2022	\$ 216,047	\$ 60,099	\$ 40,925	\$ 256,881	\$ 187,360	\$ 57,500	\$ 818,812
2023	220,188	63,299	43,079	264,131	-	57,500	648,197
2024	224,408	66,671	45,346	271,585	-	-	608,010
2025	228,709	70,221	7,786	279,249	-	-	585,965
2026	57,858	73,962	-	287,129	-	-	418,949
	<u>\$ 947,210</u>	<u>\$ 334,252</u>	<u>\$ 137,136</u>	<u>\$ 1,358,975</u>	<u>\$ 187,360</u>	<u>\$ 115,000</u>	3,079,933
							Net OPEB Liability 10,730,786
							Net Pension Liability - FRS 1,486,928
							Net Pension Liability - HIS 1,749,993
							Net Pension Liability - FPT (2,220,733)
							Compensated absences 2,417,328
							<u>Total long-term debt \$ 17,244,235</u>

(1) Debt service paid through General Fund

(2) Debt service paid through Impact Fee Fund

Interest expense for the year ended September 30, 2021, was \$101,223 including interest expense on capital leases of \$99,275.

NOTE G - RETIREMENT PLANS

The following three retirement plans have been established by the District:

- Plan 1 - Florida Retirement System (FRS) including HIS
- Plan 2 - Firefighters' Pension Trust Fund (Florida Statute 175)
- Plan 3 - 401(a) Plan

Employee participation in a specific plan is based on the respective employee's original hire date.

General Information about the Florida Retirement System

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS except those already participating in Plan 2. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans (Pension and HIS Plans) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information dated June 30, 2021, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

NOTE G - RETIREMENT PLANS, CONTINUED

General Information about the Florida Retirement System, continued

The District's total FRS and HIS pension expense (credit) was (\$634,472) for the year ended September 30, 2021 and is recorded in the government-wide financial statements. Total District actual FRS and HIS retirement contribution expenditures were \$899,337, \$833,435 and \$954,512 for the years ended September 30, 2021, 2020 and 2019, respectively. The District contributed 100% of the required contributions.

FRS Pension Plan

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

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

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

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

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>%Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Senior Management Service Class	2.00
Elected Officers' Class	3.00

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2021 were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	10.00	10.82
Florida Retirement System, Senior Management Service	3.00	27.29	29.01
Florida Retirement System, Special Risk	3.00	24.45	25.89
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	16.98	18.34
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	49.18	51.42

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/21 - 6/30/22.

* As defined by the Plan.

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan. At September 30, 2021, the District reported an FRS pension liability of \$1,486,928 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At September 30, 2021, the District's proportionate share was .019684338 percent, which was a decrease of .002011784 percent from its proportionate share measure as of September 30, 2020.

For the year ended September 30, 2021, the District recognized FRS pension expense (credit) of (\$596,404). In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 254,862	\$ -
Change of assumptions	1,017,431	-
Net difference between projected and actual earnings on pension plan investments	-	5,187,520
Changes in proportion and differences between District contributions and proportionate share of contributions	93,723	2,535,745
District contributions subsequent to the measurement date	<u>211,807</u>	<u>-</u>
Total	<u>\$ 1,577,823</u>	<u>\$ 7,723,265</u>

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

The deferred outflows of resources related to the FRS pension, totaling \$211,807 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 5.7 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2022	\$ (1,545,758)
2023	(1,545,758)
2024	(1,545,758)
2025	(1,545,758)
2026	(248,878)
Thereafter	<u>74,661</u>
Total	<u>\$ (6,357,249)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2020
Measurement date	June 30, 2021
Inflation	2.40 percent
Real payroll growth	0.85 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.80 percent, net of pension plan investment expense, including inflation
Actuarial cost method	Individual entry age

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

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

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

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	<u>3.7%</u>	5.7%	5.4%	8.4%
Total	<u>100.0%</u>			
Assumed inflation - Mean			2.4%	1.2%

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

Money-weighted Rate of Return. The annual money-weighted rate of return on FRS Pension Plan investments for the year ended June 30, 2021 was 30.41%.

Discount Rate. The discount rate used to measure the total pension liability was 6.80 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80 percent which was reduced from 6.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease <u>(5.80%)</u>	Current Discount Rate <u>(6.80%)</u>	1% Increase <u>(7.80%)</u>
District's proportionate share of the net pension liability	<u>\$ 6,649,642</u>	<u>\$ 1,486,928</u>	<u>\$ (2,828,522)</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report (FRS "CAFR") dated June 30, 2021.

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

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

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

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions in the Pension Plan.

NOTE G - RETIREMENT PLANS, CONTINUED

HIS Plan

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

Benefits Provided. For the year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the year ended September 30, 2021, the contribution rate ranged between 1.66 percent and 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2021, the District reported a HIS liability of \$1,749,993 for its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability was used to calculate the net pension liability determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net HIS liability was based on the District's 2020-21 fiscal

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE G - RETIREMENT PLANS, CONTINUED

HIS Plan, continued

year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At September 30, 2021, the District's proportionate share was .014266437 percent, which was an increase of .000044888 percent from its proportionate share measured as of September 30, 2020.

For the fiscal year ended September 30, 2021, the District recognized HIS expense (credit) of (\$38,068). In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 58,559	\$ 733
Change of assumptions	137,509	72,104
Net difference between projected and actual earnings on HIS pension plan investments	1,824	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	73,997	502,644
District contributions subsequent to the measurement date	<u>22,414</u>	<u>-</u>
Total	<u>\$ 294,303</u>	<u>\$ 575,481</u>

The deferred outflows of resources related to HIS, totaling \$22,414 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 6.4 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2022	\$ (56,103)
2023	(56,103)
2024	(56,103)
2025	(56,103)
2026	(56,559)
Thereafter	<u>(22,621)</u>
Total	<u>\$ (303,592)</u>

NOTE G - RETIREMENT PLANS, CONTINUED

HIS Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Real Payroll Growth	0.85 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.16 percent
Actuarial Cost Method	Individual entry age

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

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

Discount Rate. The discount rate used to measure the total HIS liability was decreased from 2.21 % to 2.16%. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 2.16 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
District's proportionate share of the net HIS liability	<u>\$ 2,023,161</u>	<u>\$ 1,749,993</u>	<u>\$ 1,526,193</u>

NOTE G - RETIREMENT PLANS, CONTINUED

HIS Plan, continued

Pension Plan Fiduciary Net Position. Detailed information about the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report (FRS "CAFR") dated June 30, 2021.

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

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

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

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions to the HIS plan.

FRS - Defined Contribution Pension Plan

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

FRS - Defined Contribution Pension Plan, continued

are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2020-21 fiscal year were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	10.00	10.82
Florida Retirement System, Senior Management Service	3.00	27.29	29.01
Florida Retirement System, Special Risk	3.00	24.45	25.89
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	16.98	18.34
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	49.18	51.42

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/21 - 6/30/22.

* As defined by the Plan.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

NOTE G - RETIREMENT PLANS, CONTINUED

FRS - Defined Contribution Pension Plan, continued

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

The District's Investment Plan pension expense included within the FRS expense totaled \$113,943 for the year ended September 30, 2021.

Payables to the Investment Plan. At September 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan.

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund

The following brief description of the North Collier Fire Control and Rescue District Firefighters' Pension Plan (originally known as the North Naples Firefighters' Pension Plan) (the "Plan") is provided for general information purposes only. The Plan's name changed effective January 1, 2015 with the District's merger. Participants should refer to the Plan agreement for a more complete description of the Plan. On July 11, 1996, under the authority of Florida Statute 175 and Laws of Florida, Chapter 95-338, the District's Board of Commissioners passed Resolutions 96-004 and 96-005, providing for the establishment and funding of a single employer defined benefit retirement plan and trust for newly hired fire suppression personnel effective January 1, 1996. The resolutions establish that certified firefighters hired on or after January 1, 1996 are to become participants in the District's Firefighters' Pension Trust (FPT) Fund. The Plan is totally administered, including all investment management, by a third party administrator and the Plan's appointed 5 member Pension Board of Trustees.

Effective October 1, 2011, employee participants were required to contribute 3% (similar to FRS) of compensation (an increase from .5% of compensation) per Resolution 11-031. Effective January 1, 2019, employee participants are required to contribute 8.48% of their compensation to the Plan.

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

Effective January 1, 2015, employees of the Big Corkscrew Island (BCI) Fire District merged with those of North Naples Fire District. As such, five employees of BCI joined Plan 2, the Firefighters' Pension Trust Fund.

During the year ended September 30, 2015, the District adopted Governmental Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions" (GASB 68). As such, the Plan's beginning net position was restated and the net pension liability was recorded in the government-wide financial statements.

During the years ended September 30, 2021, 2020, and 2019 there were employee contributions in the amount of \$1,342,040, \$1,257,090, and \$1,027,420, respectively, to the Plan. The employer contributed 100% of its required contributions, as well as those required contributions of the participating firefighters (0.5% pick-up).

The Plan provides for full-time firefighting personnel to become eligible to participate in the Plan immediately upon hire. Under District resolution 96-005, the District elected to pay the 0.5% (1% prior to December 9, 2004) employee required contribution on behalf of the employee. Effective December 9, 2004, the employee contribution was reduced to 0.5% (employee pick up). Effective July 1, 2001 (per resolution 01-01), benefits under the Plan vest after six years of creditable service. Employees who elect normal retirement at or after age 55 with 6 years of creditable service, or 25 years of service regardless of age, are entitled to a retirement benefit. Effective October 1, 2011, required employee contributions increased to 3% of compensation. Employees may elect early retirement after 6 years of creditable service with a reduction in benefit not to exceed 3% for each year before normal retirement. The Plan also includes certain disability and death benefits.

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

Contributions - Contributions to the Plan are derived from three sources: the Plan's participants are required to contribute to the Plan in the amount of 3% of their covered wages and pursuant to resolution 11-031 the District has elected to increase the affected employees' salary by 0.5% (employer pick-up), State funds (fire [hazard] insurance premium excise tax per Florida Statute Chapter 175) and employer (remaining amount necessary to meet actuarial requirement). For the period from January 1, 1996 through September 30, 1996, no employer contributions were required. Employer contributions were required beginning October 1, 1996. The State contributions under Chapter 175 began in June 1997. This revenue is based on property hazard insurance premium excise tax paid within the District and is applied up to an approved "frozen" limit of \$1,746,716. The District (employer) is required to fund the difference each year between the total contributions from all other sources for the year and the total cost for the year pursuant to the most recent actuarial valuation of the Plan. The total cost for any year equals total normal cost plus the additional amounts sufficient to amortize the unfunded past service liability over a 30 year period commencing the first year of the Plan's inception.

Effective January 1, 2019, Resolution 18-031 was adopted, which implemented and increase in the benefit multiplier to 3.53% for all years of service for all active members and an increase in the member contribution rate to 8.48% (3.0% prior to January 1, 2019). The District shall pay 0.5% of the member contributions.

Pursuant to Florida law, the District is ultimately responsible for making sure the Plan remains actuarially sound. Therefore, each year, the District must contribute an amount determined by the Board in conjunction with their actuary to be sufficient, along with the participant's contribution and the State contribution, to fund the benefits under the Plan. The employer's contribution will vary from year to year.

Pursuant to Chapter 175, Florida Statutes, the District imposed a 1.85% excise tax on property hazard insurance premiums paid to insure real or personal property within the District. The proceeds of this tax are contributed to this Plan as are of the District's contribution.

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

Pursuant to the actuarial study dated October 1, 2020 for the year ended September 30, 2021, the District's contribution (District only) requirement was 33.02% of the actuarially determined covered payroll. Actual District contributions to the Plan for the years ended September 30, 2021, 2020 and 2019, were \$3,606,617, (including District contributions of \$3,334,201 and application of unearned revenue of \$272,416) \$2,306,381 (includes cash of \$2,041,502 and application of unearned revenue of \$264,879), and \$2,769,139, respectively. The State contributions (excise tax) for the years ended September 30, 2021, 2020 and 2019 were \$1,891,478, \$1,805,743, and \$1,874,326, respectively. Employees contributed (3% prior to January 1, 2019 and 8.48% after December 31, 2018) \$1,342,040, \$1,257,090 and \$1,027,420 to the Plan for the years ended September 30, 2021, 2020 and 2019, respectively. At September 30, 2021, the Plan's total net position was restricted for retiree benefits.

Payables to the Pension Plan. At September 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions payable to the pension plan.

Pension Benefits - Effective July 1, 2001, employees with 6 or more years of service are entitled to monthly pension benefits, beginning at the earlier of age 55 with 6 years of credited service or 25 years credited service regardless of age. Benefit is equal to 3.53% of their average final compensation (AFC) times credited service prior to October 1, 2013 plus 3% of average final compensation times credited service on and after October 1, 2013. AFC means the average of the highest five (5) years within the last ten (10) years of service. Maximum benefit is 100% of AFC. The Plan permits early retirement with 6 years (10 years prior to July 2, 2001) of credited service. Members hired after December 31, 2014 must have 10 years of credited service to qualify for early retirement. Employees may elect to receive their pension benefits in the form of a 10 year certain and life annuity. If employees terminate before rendering 10 years of credited service, they forfeit the right to receive the portion of their accumulated Plan benefits.

All retirement benefits are annually increased for cost of living at 3%.

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund,
continued

Death and Disability Benefits - Upon the death of any vested member, whether or not still in active employment, a survivor benefit is payable to the beneficiary starting when the member would have reached retirement age. The benefit is equal to the vested pension benefit and is payable for 10 years. The Minimum line of duty death benefit is 50% of the participant's salary, which is payable either to the participant's spouse or minor children. This line of duty death benefit is payable to the spouse for life, or to age 18 for the children.

Effective July 1, 2019 and in accordance with Chapter 2019-21, Laws of Florida, the Plan must consider a firefighter to have died in the line of duty if he or she dies as a result of cancer or circumstances that arise out of the treatment of cancer.

Employees who become totally disabled receive the greater of the accrued pension benefit or 25% of AFC, if non-service incurred, or 42% of AFC, if active service incurred. Effective December 9, 2004, the active service related benefit was increased to 65%.

Effective July 1, 2019 and in accordance with Chapter 2019-21, Laws of Florida, the Plan must consider a firefighter totally and permanently disabled in the line of duty if he or she meets the Plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer.

Supplemental Benefits - Effective December 31, 2004, each service and disability retiree and their joint pensioners or beneficiaries and vested terminated members shall receive a supplemental payment to be used as a health insurance subsidy payment. The amount shall be five dollars (\$5) for each full year of credited service for life. The maximum monthly supplement is one hundred fifty dollars (\$150) and the minimum thirty dollars (\$30).

DROP - Effective December 12, 2013, Resolution 13-034 was adopted, which established a Deferred Retirement Option Plan ("DROP"). An "eligible participant" of the pension plan, which is defined as an individual currently on full-time work status, may elect to participate in the DROP on the first day of the month coincident with or

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

next following either, attainment of age fifty-five (55) and the completion of ten (10) years of credited service, or the completion of twenty-five (25) years of credited service, which date shall constitute the "initial date of eligibility". An eligible participant electing to participate in DROP must complete and execute such forms as may be required by the District and supplied by the Board of Trustees not less than thirty (30) days prior to entering the DROP. The forms shall include, but not limited to, an irrevocable letter of resignation effective no later than the conclusion of the maximum period of DROP participation. Election into the DROP is irrevocable provided there shall be no minimum period of participation; however in the event of a voluntary termination prior to the maximum period, any DROP participant termination prior to such maximum DROP period shall submit a written notice at least thirty (30) days prior to such early termination of DROP participation.

An eligible participant may elect to participate in the DROP only once. After commencement of participation in DROP, a participant shall no longer earn, accrue or purchase additional service credits towards retirement benefits or later enhancements to the firefighters' pension plan.

Upon the effective date of an eligible participant's participation in DROP, all contributions by and on behalf of the participant to the plan shall be discontinued. For all plan purposes, service and vesting credits of an eligible participant electing DROP shall be fixed as of the effective date of commencement of DROP participation. Any services as a firefighter after entry into DROP shall not be used for calculation or determination of benefits payable by the pension plan. The average final compensation of a participant, as defined in this plan shall be determined as of the effective date of commencement of DROP participation and other subsequent earnings shall not be used for calculation or determination of benefits payable by the pension plan.

Income Recognition - Interest income is recorded on the accrual basis. Investments are reported at market value. Short-term investments are reported at cost, which approximates market value.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' age at entry to the Plan and are based upon the current starting salary for firefighters at entry level. Benefits payable under all circumstances, retirement, death, disability and termination of employment, are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of October 1, 2020 were (a) life expectancy of participants - MP 2018 (combined healthy, sex distinct) Mortality Table was used, (b) retirement age assumptions (the assumed average retirement age was 55), (c) annual investment return of 7.0% (net of fees) and (d) the rate of inflation at 2.5%. The actuarial valuation reflected assumed average rates of return of 7.0% (net of fees). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan terminated, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actual money-weighted rate of return on Plan assets was 20.28%.

Payment of Benefits - Benefit payments to participants are recorded upon distribution. The District contributed 100% of the required contributions. A summary of certain Plan details and trend information is included below.

A copy of the Plan and Plan audit as of and for September 30, 2021 can be obtained by writing to the District at 1885 Veterans Park Drive, Naples, Florida 34109-0492, or by calling (239) 597-3222.

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

The following is a summary of the Single-Employer Defined Benefit Pension Plan (Florida Statutes Chapter #175), including funding policies, contribution methods, benefit provisions and trend information:

	Firefighters' Pension Trust Fund - Plan 2
Year established and governing authority	District Resolution 96- 004 (July 11, 1996)
Governing body	Board of Trustees of Plan
Determination of contribution requirements:	Actuarially determined
Employer (District)	Amount required in excess of Member and applicable State contributions needed in order to pay current costs and amortize any unfunded past service cost over 30 years
Plan members	3.0% of covered payroll - prior to 1/1/19 8.48% of covered payroll - after 12/31/18
Funding of administrative costs:	Employer
Period required to vest	10 years
Annual salary increase	Graduated Scale based on Credited Service (see below)
Post retirement benefit increase	Cost of living increase of 3% each year
Eligibility for distribution (Normal retirement)	Earlier of 55 with 6 years of credited service or 25 years credited service regardless of age
Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Early retirement	Yes
Assumed inflation	2.5%
Actuarial assumption/method changes since prior valuation:	
Actuarial Cost Method	Entry Age Normal actuarial cost method. Prior valuations utilized Frozen
Amortization Method	Level Dollar Amount, Closed
Remaining Amortization Period	27 years (as of 10/1/17)
Net-of-Fees Investment Return	7.00%
Annual Salary Increase	Flat 6% per year to graduated scale (9% per year for first 10 years & 3% per year for 10+ years)
Actuarial valuation date	October 1, 2020
Measurement date	September 30, 2021
Actuarial Experience Study	August 6, 2019

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

Net Pension Liability of the Fund - The components of the actuarially determined net pension liability of the District at September 30, 2021 were as follows:

	<u>Amount</u>
Total pension liability	\$ 126,276,949
Plan fiduciary net position	<u>(128,497,682)</u>
District's net pension liability	<u>\$ (2,220,733)</u>
Plan fiduciary net position as a percentage of the total pension liability	101.76%

The total pension liability was determined by an actuarial valuation as of October 1, 2020 and updated to the measurement date of September 30, 2021 using certain actuarial assumptions, the most significant of which were 7.0 percent for the investment rate of return (net of fees), 3.0-9.0 percent for projected salary increases and 2.5 percent for inflation.

Mortality rates were based on the MP-2018 Combined Healthy Mortality Table. Disabled lives are set forward two years for females and set back four years for males.

The Plan's policy with regards to the allocation of invested assets is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The investment policy was last amended in February 2014. The following table summarizes the Board's adopted allocation policy and the long-term expected real rates of return for each major asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equities	45%	56.15%	7.5%
International equities	15%	17.00%	8.5%
Global broad market fixed income	15%	13.59%	2.5%
International fixed income	5%	6.33%	3.5%
Global Tactical Asset Allocation	10%	0.00%	3.5%
Real estate	10%	5.78%	4.5%
Cash and cash equivalents	<u>minimal</u>	<u>1.15%</u>	not available
* annual arithmetic return	<u>100%</u>	<u>100%</u>	

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

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

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan participant contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the participant rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of Return Sensitivity. The sensitivity of the net pension liability to changes in the discount rate was measured as follows. The net pension liability of the District was calculated using the discount rate of 7.0 percent. It was also calculated using a discount rate that was 1-percentage-point lower (6.0 percent) and 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Net pension liability (asset)	\$ 17,536,811	\$ (2,220,733)	\$ (18,239,020)

Deferred Inflows/Outflows of Resources Related to Pensions

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

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund,
continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,794,273	\$ 3,378,425
Change of assumptions	2,729,650	929,520
Net difference between projected and actual earnings on plan investments	-	777,761
Contributions subsequent to the measurement date	<u>5,370,441</u>	<u>-</u>
	<u>\$ 11,894,364</u>	<u>\$ 5,085,706</u>

For the year ended September 30, 2021, the District recognized pension expense of \$4,563,061 related to this Plan.

The deferred outflows of resources related to the pension, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

<u>Years Ending September 30</u>	<u>Amount</u>
2022	\$ (358,893)
2023	324,575
2024	531,679
2025	360,413
2026	395,495
Thereafter	<u>184,948</u>
Total	<u>\$ 1,438,217</u>

Memberships of the Plan consisted of the following at October 1, 2020:

	<u>Firefighters' Pension Trust Fund - Plan 2</u>
Active plan members	168
Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	<u>13</u>
Total	<u>206</u>
Number of participating employers	<u>1</u>
Number of participating state agencies	<u>1</u>

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund,
continued

The following is a schedule of changes in net pension liability for the fiscal year ended September 30, 2021:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2020	\$ 110,312,027	\$ 102,099,091	\$ 8,212,936
Changes for the fiscal year:			
Service cost	5,665,633	-	5,665,633
Interest	8,303,136	-	8,303,136
Differences between expected and actual experience	(213,161)	-	(213,161)
Changes of assumptions	3,495,537	-	3,495,537
Changes in benefit terms	-	-	-
Adjustment*	-	-	-
Contributions - Employer	-	3,334,200	(3,334,200)
Contributions - State	-	1,891,478	(1,891,478)
Contributions - Employee	-	1,342,041	(1,342,041)
Contributions - Buy Back	26,420	26,420	-
Net investment income	-	21,221,034	(21,221,034)
Benefit payments, including refunds of employee contributions	(1,312,643)	(1,312,643)	-
Administrative expense	-	(103,939)	103,939
Net changes	15,964,922	26,398,591	(10,433,669)
Balances at September 30, 2021	\$ 126,276,949	\$ 128,497,682	\$ (2,220,733)

Annual Pension Cost, Net Pension Obligation and Reserves

Current year annual pension costs for the Firefighters' Pension Trust Fund are shown in the trend information provided. The Firefighters' Pension Trust Fund had a net unfunded actuarial accrued liability (asset) at October 1, 2021 of (\$719,422).

The Plan assets are legally reserved for the payment of the respective plan member benefits within the Plan. There are no assets legally restricted for plan benefits other than these assets within the Plan. The Firefighters' Pension Trust Fund held certain investments at year end.

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund,
continued

Trend Information

Firefighters' Pension Trust Fund							
Fiscal Year	Total (1) Required Annual Pension Contribution	Contributions		State Frozen Contribution	Actual Contribution	Percentage Contributed	Net Pension Obligation (NPO)
	District Required (2) Contribution	State Required Contribution					
2021	\$ 5,225,679	\$ 3,606,617	\$ 1,891,478	\$ 1,746,716	\$ 5,225,679	100%	-
2020	\$ 4,112,124	\$ 2,306,381	\$ 1,805,743	\$ 1,746,716	\$ 4,112,124	100%	-
2019	\$ 4,643,465	\$ 2,769,139	\$ 1,874,326	\$ 1,746,716	\$ 5,180,761	112%	-
2018	\$ 4,732,018	\$ 2,990,030	\$ 1,741,988	\$ 1,746,716	\$ 4,732,018	100%	-
2017	\$ 4,302,560	\$ 2,933,393	\$ 1,369,167	\$ 1,746,716	\$ 4,302,560	100%	-
2016	\$ 3,146,984	\$ 1,735,437	\$ 1,411,547	\$ 1,746,716	\$ 3,146,984	100%	-
2015	\$ 2,594,733	\$ 1,107,133	\$ 1,487,600	\$ 1,746,716	\$ 2,594,733	100%	-
2014	\$ 2,896,024	\$ 1,518,926	\$ 1,377,098	\$ 1,746,716	\$ 2,896,024	100%	-
2013	\$ 3,386,733	\$ 2,127,828	\$ 1,314,064	\$ 1,746,716	\$ 3,441,892	102%	-
2012	\$ 3,283,811	\$ 2,166,246	\$ 1,214,214	\$ 1,746,716	\$ 3,380,454	103%	-
2011	\$ 3,473,598	\$ 2,333,799	\$ 1,139,799	\$ 1,746,716	\$ 3,626,125	104%	-
2010	\$ 3,190,997	\$ 2,170,443	\$ 1,020,554	\$ 1,746,716	\$ 3,200,901	100%	-
2009	\$ 2,796,158	\$ 1,756,228	\$ 1,039,931	\$ 1,746,716	\$ 3,079,738	110%	-
2008	\$ 2,211,933	\$ 1,009,715	\$ 1,485,798	\$ 1,485,798	\$ 2,495,513	113%	-

- (1) The District considers its annual pension cost to be its actuarially determined required annual pension contribution including the employer and state contribution. Fy 2018 required contribution reduced by \$0 excess State money reserve.
- (2) For 2021 the District contributions include application of \$0 of prepaid contributions.

Pension Trust Required Supplementary Information

Schedule of Funding Progress Firefighters' Pension Trust Fund:

Actuarial Valuation Date	Actuarial Value of Assets ** (AVA) (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded Actuarial Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as
						a % of Covered Payroll (b-a)/c
10/01/21	\$ 128,642,432	\$ 127,923,010	\$ (719,422)	100.6%	\$ 15,825,800	-4.5%
10/01/20	\$ 102,099,091	\$ 111,187,786	\$ 9,088,695	91.8%	\$ 14,829,151	61.3%
10/01/19	\$ 88,893,030	\$ 98,664,952	\$ 9,771,922	90.1%	\$ 14,434,146	67.7%
10/01/18	\$ 80,928,687	\$ 84,102,348	\$ 3,173,661	96.2%	\$ 13,739,853	23.1%
10/01/17	\$ 70,747,813	\$ 73,738,012	\$ 2,990,199	95.9%	\$ 13,771,976	21.7%
10/01/16	\$ 58,512,948	\$ 61,707,055	\$ 3,194,107	94.8%	\$ 11,890,295	26.9%
10/01/15	\$ 51,534,195	\$ 51,541,750	\$ 7,555	100.0%	\$ 9,671,942	0.1%
10/01/14	\$ 49,189,571	\$ 47,467,581	\$ (1,721,990)	103.6%	\$ 8,770,495	-19.6%
10/01/13	\$ 42,143,137	\$ 41,366,768	\$ (776,369)	101.9%	\$ 9,092,235	-8.5%
10/01/12	\$ 33,983,491	\$ 33,924,855	\$ (58,636)	100.2%	\$ 8,254,150	-0.7%
10/01/11	\$ 26,196,164	\$ 26,153,965	\$ (42,199)	100.2%	\$ 8,291,830	-0.5%
10/01/10	\$ 22,990,534	\$ 23,284,830	\$ 294,296	98.7%	\$ 7,737,940	3.8%
10/01/09	\$ 17,833,111	\$ 18,108,267	\$ 275,156	98.5%	\$ 7,522,834	3.7%
10/01/08	\$ 16,719,426	\$ 16,890,153	\$ 170,727	99.0%	\$ 7,082,194	2.4%

** reflected by actuary as Plan Fiduciary Net Position

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund, continued

	<u>Firefighters' Pension Trust Fund</u>
Valuation date	10/01/20
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Mortality table	MP-2018 Combined Healthy
Remaining amortization period	27 years (as of 10/1/17)
Actuarial asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate	7.0% (net of fees)
Projected salary increase	Graduated based on Service (9% per year for first 10 years & (3% per year for 10 or more years)
Inflation	2.5%
Post retirement cost of living adjustment	3%
Measurement date	September 30, 2021

Changes of Assumptions

Member contribution rate changed effective January 1, 2019 from 3% to 8.48%.
 District still pays .5% of member contribution.

Benefit changes effective January 1, 2019:

 Increased benefit multiplier to 3.53% for all years of service.

Effective July 1, 2019, the Plan must consider a firefighter permanently and totally disabled if diagnosed with cancer per Laws of Florida, Chapter 2019-21.

For the year ended September 30, 2021, the following changes to assumptions occurred: 1) investment rate changed from 7.2% to 7.0%.

NOTE G - RETIREMENT PLANS, CONTINUED

Plan 3 - Plan Description and Provisions - 401(a)

The Board of Fire Commissioners established the 401(a) Plan for the general employees and elected officials who are ineligible to participate in the Florida Retirement System. The Plan was effective on January 1, 2013. At September 30, 2021, the Plan had two (2) active participants.

The Plan allows for employer contributions. Amounts contributed by the employer correspond to the percentage of contributions by class, established for participants of the Florida Retirement System. Employee contributions are prohibited.

Employer contributions are 100% vested after completion of one year of service. A year of service is based on an employee completing at least 1,000 hours of service during a plan year.

Total District contributions to the Plan for the years ended September 30, 2021, 2020 and 2019 were \$2,556, \$7,956 and \$1,098, respectively.

NOTE H - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

The District formally established two (2) OPEB Plans to provide its retirees the opportunity to obtain insurance (medical, dental and life) benefits. All retired full-time employees are eligible for OPEB benefits if actively employed by the District immediately before retirement. As such, active employees with at least twenty five (25) years of service as of September 30, 2010 were allowed to elect to remain in the Defined Benefit Plan or to enter the Post Employment Health Plan (PEHP), a defined contribution Plan. The defined benefit Plan provides a \$5,000 life insurance benefit fully paid by the District. All retirees and Early Retirement Incentive Program (ERIP) participants, who were eligible, remained in the Defined Benefit Plan. All other active employees at that time, September 30, 2010, as well as future employees entered the PEHP. Retirees under the PEHP Plan are responsible for the full cost of coverage.

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

The benefits are provided both with and without contractual or labor agreements. The benefits may require contribution from the retirees, depending on certain specified criteria and, in particular, length of creditable employment. The District finances the benefits on a pay-as-you-go basis and recognizes expenditures at the time the premiums are due for both Plans.

Effective January 1, 2015, all active employees of the merged District are covered with the same post retirement health benefits.

Effective May 1, 2017 the District offered a post-employment health insurance supplementation for eligible retirees who have completed fifteen (15) years of service including three (3) years as a Chief Officer. Under this plan, the District shall contribute 100% toward the cost of the retiree's participation in the District's health insurance program for the retiree and qualifying spouse/dependent until the employee reaches the age of 65 or is eligible for Medicare, whichever occurs first. This benefit is provided in lieu of contributions to the PEHP.

Defined Benefit Plan

Specifically, the Defined Benefit Plan provides that the District will pay a portion of medical and dental premiums for retirees depending on their years of credited service starting with the completion of fifteen (15) years of credited service. As such, the District pays 50% of the employee's premium and 25% of the spouse's premium at completion of 15 years of service progressing to 100% of the employee's premium and 100% of the spouse's premium upon completion of 25 years of service for certain employees based on final rank at date of retirement. The retiree can buy dependent coverage as part of the Plan. The District also pays the premium associated with a \$5,000 life insurance benefit.

During fiscal years 2009 and 2010, the District offered two (2) separate Early Retirement Incentive Programs (ERIP) to a number of active employees. A portion of the programs includes full payment of premiums associated with medical, dental, vision and life insurance coverage, including dependent coverage for a period of 3 years. After the 3 year period ends, the ERIP participants receive the Defined Benefit Plan benefits they had been eligible for at termination. During the year ended September 30, 2014, the District paid the final amounts due on the ERIP Plans. Note that the projected premiums for the dental and life benefits were assumed to cover the entire cost of the program.

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

Post Employment Health Plan (PEHP)

The PEHP is a defined contribution plan administered by the District.

All employees who did not elect to remain in the Defined Benefit Plan, and all future active employees are participants in the PEHP.

Originally participants in the PEHP had \$7,000 deposited on their behalf into an account on the 20th anniversary of their date of hire and on each subsequent anniversary. Additionally, those participants having over 20 years of credited service at their date of retirement also received a \$30,000 deposit on their behalf at date of separation. Effective October 1, 2012, the Plan was changed to limit District total contributions to \$50,000 per employee.

Effective October 1, 2015, participants in the PEHP will have funds (\$1,500 for collective bargaining members and \$2,500 for non-bargaining members) deposited into a trust account following the 5th anniversary of their date of hire and on each subsequent year. Additionally, those participants having over 20 years of credited service at their date of retirement will receive a maximum contribution ranging from \$37,000 to \$50,000 depending on length of service.

The PEHP is designed to offer similar benefits to those offered under the Defined Benefit Plan.

The District, as part of the PEHP, entered a group variable annuity contract. As such, the PEHP Plan's asset custodian and third party administrator is the insurance company through which the annuity is contracted.

General - Funding Policy

The District paid \$271,583 for retiree's and ERIP participants' health care premiums as part of the Defined Benefit Plan on a pay-as-you-go basis for the year ended September 30, 2021.

The District also contributed \$380,500 to the PEHP Plan for the year ended September 30, 2021.

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

Post Employment Health Plan (PEHP), continued

General - Funding Policy, Continued

No separate trust has been established for either Plan. No separate financial statement is issued for either OPEB Plan. All required disclosures are presented herein. The District obtained an actuarial valuation for its defined benefit OPEB Plan to measure the current year's subsidies and project these subsidies into the future, making an allocation of that cost to different years. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Plan Description - Defined Benefit

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

All retired full-time employees are eligible for OPEB benefits if actively employed by the District immediately before retirement. As of September 30, 2021, there were forty (40) retirees eligible to receive benefits. At September 30, 2021 there were two hundred sixty six (266) active District employees. The benefits are provided both with contractual or labor agreements.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

Actuarial Methods and Assumptions, continued

At September 30, 2021, the District's Net OPEB Liability of \$10,730,786 was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2020 using the alternate measurement method. OPEB expense for the year ended September 30, 2021 was \$833,121. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

The following simplifying assumptions were made:

Mortality - Life expectancies were based on MP2018 Mortality Tables for Males and Females projected 10 years.

Annual healthcare cost trend using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions with an initial rate of 8.00% per year trending to 4.00% by 2073.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits paid.

Amortization Period: Rolling 20 year amortization

Amortization Method: level percentage of payroll

The discount rate was 2.14 (for 2021) 3.58% (for 2020) (4.18% for 2019) (3.64% for 2018) and was based on the 20 Year Municipal Bond Rate with AA/Aa2 or higher.

Measurement Date	September 30, 2020
Valuation Date	September 30, 2020
Entry age normal cost method was used.	
Inflation Rate	2.50%
Salary Increases	6.00%
Discount Rate	2.14%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	56

The FRS salary scale was used

Participation percentage: 50%

The actuarial assumptions used in the valuation reported for September 30, 2020 were based on results of an actuarial experience study performed for the FRS Retirement Plan for July 1, 2018.

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

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

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

Changes in the Net OPEB Liability

	<u>Amount</u>
Balance at September 30, 2020	\$ 9,980,141
Changes for the Year:	
Service Cost	663,293
Interest Cost on Total OPEB Liability	372,430
Change in Benefit Terms	-
Difference Between Expected and Actual Experience	165,655
Changes in Assumptions	34,233
Benefit Payments	<u>(484,966)</u>
Net Changes	<u>750,645</u>
Balance at September 30, 2021	<u>\$ 10,730,786</u>

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

	1% Decrease	Current Rate	1% Increase
	<u>1.14%</u>	<u>2.14%</u>	<u>3.14%</u>
Net OPEB Liability	\$ 12,096,120	\$ 10,730,786	\$ 9,588,329

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

	1% Decrease	Trend Rate	1% Increase
	<u>3.00-6.50%</u>	<u>4.00-7.50%</u>	<u>5.00-8.50%</u>
Net OPEB Liability	\$ 9,401,208	\$ 10,730,786	\$ 12,342,791

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

Changes in the Net OPEB Liability, continued

For the year ended September 30, 2021, the District recognized OPEB expense credit of \$833,121. At September 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources*</u>	<u>Deferred Inflows of Resources*</u>
Differences Between Expected and Actual Experience	\$ 425,774	\$ -
Changes in Assumptions	490,542	1,885,947
Employer contribution subsequent to measurement date	<u>485,236</u>	<u>-</u>
Total	<u>\$ 1,401,552</u>	<u>\$ 1,885,947</u>

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

Year Ended September 30:	<u>Amount</u>
2022	\$ (205,802)
2023	(205,802)
2024	(205,802)
2025	(205,799)
2026	(128,286)
Thereafter	<u>(18,140)</u>
Total	<u>\$ (969,631)</u>

Changes in Assumptions:

- Decreased discount rate from 3.58% to 2.14%
- Healthcare costs and premiums, healthcare cost trends and salary increases, retirement, termination and disability rates

NOTE I - RISK MANAGEMENT

During the year ended September 30, 2021, the District provided health benefits as follows:

The District continued the use of a high deductible health plan offered to employees and retirees of the District. The District does not offer vision coverage to the employees of the District. The District offers a HSA plan for its employees or FSA plan for employees older than 65. The District contributes \$5,000 for those eligible participants who have met the family deductible and \$3,000 for those eligible participants who have to meet the individual deductible to the HSA plan annually.

Participants may also elect to contribute to the respective plan on a pre-tax basis. HSA amounts that are not utilized by the year end are carried over and are the property of the participant per IRS regulation.

The District's HSA contributions for the year ended September 30, 2021 were \$1,169,956.

The District incurred \$6,131,407 in health related claims, third party administration costs, disability, premiums and reinsurance premiums including HSA contributions (noted above) and workers compensation insurance during the year ended September 30, 2021, for the self-insurance and fully-funded insurance programs.

It is the policy of the District to purchase third party commercial insurance for other remaining forms of potential risks to which it is exposed. The District's risk management activities are reported in the General Fund. No accrual has been recorded for claims and incidents not reported to the insurer. The District paid \$502,752 for building, auto and other liability insurances for the year ended September 30, 2021. The District had no significant reductions in insurance coverage from the prior year. Reported claims have not exceeded the insurance coverage for the years ended September 30, 2011 through September 30, 2021.

NOTE J - 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

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021**

NOTE J - PROPERTY TAXES, CONTINUED

of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related record keeping of all property taxes is performed for the District by the Collier County Tax Collector. No accrual for the property tax levy becoming due in November 2021 is included in the accompanying basic financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. As of September 30, 2021, \$286,886 was recorded in the General Fund and was due from the Collier County Tax Collector to the District for ad valorem taxes and excess fees, and interest.

Important dates in the property tax cycle are as follows:

Assessment roll certified	July 1
Millage resolution approved	No later than 93 days following certification of assessment roll.
Taxes due and payable (Levy date)	November/with various discount provisions through March 31.
Property taxes payable - maximum discount (4 percent)	30 days after levy date
Beginning of fiscal year for which taxes have been levied	October 1
Due date	March 31
Taxes become delinquent (lien date)	April 1
Tax certificates sold by the Collier 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 \$1.00 per \$1,000 (1.0 mills) of the 2020 net taxable value of real property located within the North Naples Service Delivery Area.

For the year ended September 30, 2021, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$3.75 per \$1,000 (3.75 mills) of the 2020 net taxable value of real property located within the Big Corkscrew Island Service Delivery Area.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE K - IMPACT FEE FUND ACTIVITY

During the year ended September 30, 2021, the Impact Fee Fund had the following activity:

	<u>Amount</u>
Unearned revenue, October 1, 2020	\$ 1,608,974
Impact fee receipts	820,350
Impact fee refund (sale of property-Yarberry)	2,889,872
Due from other Governments	123,936
Due from the General Fund	16,733
Interest and other income	3,882
Operating expenses	(14,163)
Principal reduction	(57,500)
Loan interest	(1,948)
Capital outlay	-
Transfers in (out)	<u>-</u>
Unearned revenue, September 30, 2021	<u>\$ 5,390,136</u>

On March 24, 2021, the District approved the sale of the Yarberry Lane property as surplus land for \$3,505,000. Since this property was originally purchased with impact fees, the original purchase price of \$2,889,872 was reinstated (refunded) to the Impact Fee Fund upon the sale's closing.

NOTE L - FUND BALANCE/NET POSITION ALLOCATIONS

Fund Balance/Net Position were allocated for the following purposes at September 30, 2021:

<u>Nonspendable - General Fund</u>	<u>NN Amount</u>	<u>BCI Amount</u>	<u>Total Amount</u>
Nonspendable fund balance - General Fund prepaid expenses	<u>\$ 19,347</u>	<u>\$ -</u>	<u>\$ 19,347</u>
<u>Assigned fund balance - General Fund</u>	<u>NN Amount</u>	<u>BCI Amount</u>	<u>Total Amount</u>
General Fund - Expenses - Oct - Dec	\$ 9,082,622	\$ 1,367,860	\$ 10,450,482
General Fund - Emergency reserve	5,578,977	3,083,258	8,662,235
General Fund - Health insurance claim reserve	398,357	59,314	457,671
General Fund - Roof replacement	683,264	101,736	785,000
General Fund - Fire apparatus	<u>217,600</u>	<u>32,400</u>	<u>250,000</u>
 Total General Fund	 <u>\$ 15,960,820</u>	 <u>\$ 4,644,568</u>	 <u>\$ 20,605,388</u>

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE L - FUND BALANCE/NET POSITION ALLOCATIONS, CONTINUED

<u>Unassigned - General Fund</u>	<u>NN Amount</u>	<u>BCI Amount</u>	<u>Total Amount</u>
General Fund	\$ -	\$ -	\$ -
			<u>Total Amount</u>
<u>Restricted Fund Balance/Net Position - Inspection Fee Fund</u>			<u>\$ 779,631</u>
Inspection Fee Fund			

NOTE M - LEASED VEHICLES

On October 13, 2016, the District leased thirty one (31) vehicles under a sixty (60) month operating lease agreement beginning March 2017. The terms and payment varies for each vehicle. The minimum annual lease payments are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2022	\$ 127,918
2023	86,445
2024	86,445
2025	86,445
2026	46,142
	<u>\$ 433,395</u>

Lease expense for the year ended September 30, 2021 was \$122,555.

NOTE N - COMMITMENTS AND CONTINGENCIES

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

NOTE O - DEFICIT UNRESTRICTED NET POSITION (NET ASSETS)

During the year ended September 30, 2021, the District's unrestricted net position (net assets) balance was a balance of \$4,510,934, due substantially to recording the reduced current year actuarially determined net pension liability of \$3,236,921. The

NOTE O - DEFICIT UNRESTRICTED NET POSITION (NET ASSETS), CONTINUED

District's total available fund balance at September 30, 2021 remains approximately equal to five (5) months of actual expenditures. However, the Board assigned available fund balance of \$20,605,388 to fund operations for the first quarter of the subsequent fiscal year.

During the year ended September 30, 2020, the District's unrestricted net position (net assets) balance was a deficit of \$(6,627,736), due substantially to recording the current year actuarially determined net pension liability of \$19,352,783. The District's total available fund balance at September 30, 2020 remains approximately equal to four (4) months of actual expenditures. However, the Board assigned available fund balance of \$18,673,395 to fund operations for the first quarter of the subsequent fiscal year.

NOTE P - COVID 19

In early March 2020, the World Health Organization classified the coronavirus outbreak "COVID-19" as a global pandemic, and it, unfortunately, continues to spread. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, have been severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. On April 1, 2020, Florida Governor, Ron DeSantis ordered all Floridians to stay home, to lock down the State against the Coronavirus. Certain governmental activity was cancelled and/or severely limited.

The District has adapted its operations to accommodate the current environment. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to instability in financial markets. Management is actively monitoring the local situation on its financial condition, liquidity, operations, donors, industry, and workforce. Given the daily evolution of COVID-19 and the global and local responses to curb its spread, the District is not able to estimate the future effects of COVID-19 on its results of operation, financial condition, or liquidity for fiscal year 2021-22.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

Page 81 of 111

NOTE Q - SUBSEQUENT EVENT

On May 12, 2022, the District received an insurance award determination for roof repairs at Fire Stations 12, 44, 45 and 46 due to damage caused by Hurricane Irma on September 10, 2017. The total award (replacement cost) was \$1,587,911. The net amount to be paid to the District (net of award depreciation, prior insurance payments and professional fees) is \$911,157.

**COMBINING FINANCIAL STATEMENTS
BY SERVICE DELIVERY AREA**

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
COMBINING BALANCE SHEET - GENERAL FUND - BY SERVICE
DELIVERY AREA
September 30, 2021

	North Naples Service Delivery Area	Big Corkscrew Island Service Delivery Area	Eliminations	Total General Fund
ASSETS				
Cash and cash equivalents	\$ 9,904,606	\$ 3,042,814	\$ -	\$ 12,947,420
Restricted cash and cash equivalents	-	-	-	-
Investments	7,457,701	2,008,402	-	9,466,103
Due from other governments	684,282	51,898	-	736,180
Due from other funds	458,586	-	(458,546)	40
Other receivables, net	71,317	-	-	71,317
Prepaid expenses	19,347	-	-	19,347
TOTAL ASSETS	\$ 18,595,839	\$ 5,103,114	\$ (458,546)	\$ 23,240,407
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued expenses	\$ 2,574,882	\$ -	\$ -	\$ 2,574,882
Retainage payable	-	-	-	-
Due to other funds	16,733	458,546	(458,546)	16,733
Contract deposits	7,500	-	-	7,500
Unearned revenue	16,557	-	-	16,557
TOTAL LIABILITIES	2,615,672	458,546	(458,546)	2,615,672
FUND BALANCE				
Nonspendable	19,347	-	-	19,347
Restricted	-	-	-	-
Assigned	15,960,820	4,644,568	-	20,605,388
Unassigned	-	-	-	-
TOTAL FUND BALANCE	15,980,167	4,644,568	-	20,624,735
TOTAL LIABILITIES AND FUND BALANCE	\$ 18,595,839	\$ 5,103,114	\$ (458,546)	\$ 23,240,407

The accompanying notes are an integral part of this statement.

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - GENERAL FUND -
 BY SERVICE DELIVERY AREA
 Year Ended September 30, 2021**

	General Fund		
	North Naples Service Delivery Area	Big Corkscrew Island Service Delivery Area	Total General Fund
REVENUES			
Ad Valorem taxes	\$ 35,149,802	\$ 7,606,105	\$ 42,755,907
Intergovernmental revenue:			
State firefighter supplement	56,643	-	56,643
Federal grants	595,438	-	595,438
Other Intergovernmental	18,800	-	18,800
Charges for services	755,435	-	755,435
Miscellaneous:			
Interest	44,632	15,762	60,394
Other	211,222	22,174	233,396
TOTAL REVENUES	36,831,972	7,644,041	44,476,013
EXPENDITURES			
Current			
Public safety			
Personnel services	29,675,123	4,418,538	34,093,661
Operating expenditures	6,099,920	972,120	7,072,040
Capital outlay	2,759,756	410,921	3,170,677
Debt service:			
Principal reduction	598,398	89,100	687,498
Interest and fiscal charges	86,409	12,866	99,275
Reserves	-	-	-
TOTAL EXPENDITURES	39,219,606	5,903,545	45,123,151
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,387,634)	1,740,496	(647,138)
OTHER FINANCING SOURCES AND (USES)			
Proceeds from capital lease	1,106,574	-	1,106,574
Proceeds from disposition of capital assets	327,820	-	327,820
Transfer in	-	-	-
Transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	1,434,394	-	1,434,394
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(953,240)	1,740,496	787,256
FUND BALANCE - Beginning	16,933,407	2,904,072	19,837,479
FUND BALANCE - Ending	\$ 15,980,167	\$ 4,644,568	\$ 20,624,735

The accompanying notes are an integral part of this statement.

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

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT - NN
Year Ended September 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 34,187,222	\$ 34,187,222	\$ 35,149,802	\$ 962,580
Intergovernmental revenue:				
State firefighter supplement	62,669	62,669	56,643	(6,026)
Federal grants	212,741	212,741	595,438	382,697
Other Intergovernmental	24,000	24,000	18,800	(5,200)
Charges for services	454,696	464,096	755,435	291,339
Miscellaneous:				
Interest	258,000	258,000	44,632	(213,368)
Other	190,915	190,915	211,222	20,307
Subtotal - revenues	35,390,243	35,399,643	36,831,972	1,432,329
Cash brought forward	16,210,141	16,933,407	-	(16,933,407)
TOTAL REVENUES	51,600,384	52,333,050	36,831,972	(15,501,078)
EXPENDITURES				
Current				
Public safety				
Personnel services	29,984,513	30,225,614	29,675,123	550,491
Operating expenditures	6,220,636	6,491,180	6,099,920	391,260
Capital outlay	2,292,196	2,761,492	2,759,756	1,736
Debt service:				
Principal reduction	459,687	598,398	598,398	-
Interest and fiscal charges	73,560	86,409	86,409	-
Reserves	13,538,176	13,379,442	-	13,379,442
TOTAL EXPENDITURES	52,568,768	53,542,535	39,219,606	14,322,929
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(968,384)	(1,209,485)	(2,387,634)	(1,178,149)
OTHER FINANCING SOURCES AND (USES)				
Proceeds from capital lease	963,162	963,162	1,106,574	143,412
Proceeds from disposition of capital assets	5,222	246,323	327,820	81,497
Transfer in	-	-	-	-
Transfer out	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	968,384	1,209,485	1,434,394	224,909
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(953,240)	\$ (953,240)
FUND BALANCE - Beginning			16,933,407	
FUND BALANCE - Ending			15,980,167	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - DETAILED STATEMENT - NN
Year Ended September 30, 2021

	General Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 34,187,222	\$ 34,187,222	\$ 35,149,802	\$ 962,580
Intergovernmental revenue:				
State firefighter supplement	62,669	62,669	56,643	(6,026)
Federal grants	212,741	212,741	595,438	382,697
Other Intergovernmental	24,000	24,000	18,800	(5,200)
Charges for services	454,696	464,096	755,435	291,339
Miscellaneous:				
Interest	258,000	258,000	44,632	(213,368)
Other	190,915	190,915	211,222	20,307
Subtotal - revenues	35,390,243	35,399,643	36,831,972	1,432,329
Cash brought forward	16,210,141	16,933,407	-	(16,933,407)
TOTAL REVENUES	51,600,384	52,333,050	36,831,972	(15,501,078)
EXPENDITURES				
Current				
Public safety				
Personnel services:				
Salaries				
Firefighters & Admin.	16,947,744	16,947,744	16,390,728	557,016
Commissioners	26,112	26,112	26,112	-
Overtime	704,728	704,728	1,010,129	(305,401)
Vacation pay	156,672	156,672	122,120	34,552
Sick leave	719,071	719,071	701,610	17,461
Professional/Incentives and holiday pay	750,399	750,399	818,442	(68,043)
Payroll taxes				
Social Security	1,457,218	1,457,218	1,420,735	36,483
Benefits				
Retirement	3,476,550	3,476,550	3,545,144	(68,594)
Health insurance (including HSA)	4,733,710	4,733,710	4,323,887	409,823
Disability insurance	89,275	89,275	68,108	21,167
Unemployment	-	-	3,718	(3,718)
Workers compensation	695,670	695,670	692,716	2,954
Medical clinic/employee physicals	213,438	213,438	213,616	(178)
Post employment health plan (PEHP)	8,704	249,805	331,187	(81,382)
Retirement recognition	5,222	5,222	6,871	(1,649)
Subtotal - Personnel services	29,984,513	30,225,614	29,675,123	550,491

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - DETAILED STATEMENT - NN (CONTINUED)
Year Ended September 30, 2021

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating expenditures:				
Insurance	441,992	441,992	437,595	4,397
Uniforms	132,105	132,105	125,231	6,874
Communications	33,615	166,293	158,472	7,821
Telephone	355,558	355,558	328,600	26,958
Utilities	229,786	229,786	231,429	(1,643)
Maintenance				
Vehicle	439,204	439,204	424,987	14,217
Equipment	70,555	70,555	9,664	60,891
Computer	608,170	733,508	817,083	(83,575)
Hydrant	65,280	65,280	64,385	895
Building	457,455	457,455	498,450	(40,995)
Supplies				
Office	52,224	52,224	51,732	492
Protective gear	391,010	391,010	363,521	27,489
Station	62,669	62,669	61,289	1,380
Emergency medical	156,454	156,454	221,042	(64,588)
Enterprise Lease/Rental	135,956	135,956	122,555	13,401
Equipment				
Office	26,982	26,982	47,538	(20,556)
Fire	258,302	258,302	193,233	65,069
Shop	27,679	27,679	42,599	(14,920)
Warehouse/logistics	4,352	4,352	4,357	(5)
Professional and other fees				
Legal and professional	577,075	577,075	325,286	251,789
Property appraiser fees	263,529	263,529	260,004	3,525
Tax collector fees	689,744	689,744	700,188	(10,444)
Accounting	56,576	56,576	50,744	5,832
Miscellaneous				
Travel	77,683	77,683	24,342	53,341
Public information officer	23,675	23,675	18,837	4,838
Fuel and oil	245,888	245,888	210,653	35,235
Legal advertisements	8,356	8,356	12,295	(3,939)
Dues and subscriptions	9,731	9,731	11,612	(1,881)
CERT team	8,704	8,704	6,039	2,665
Dive team	10,817	10,817	10,484	333
Fire prevention	18,583	18,583	22,720	(4,137)
Training	178,819	178,819	118,580	60,239
Hazardous materials	17,643	17,643	31,321	(13,678)
Technical rescue	63,662	76,190	67,428	8,762
Boat team	12,186	12,186	3,963	8,223
K-9 search and rescue	-	-	-	-
Honor guard	-	-	-	-
OPS	-	-	-	-
Peer fitness	-	-	-	-
Bad Debt Expense	-	-	-	-
Miscellaneous	8,617	8,617	21,662	(13,045)
Operational Reserves				
Contingency	-	-	-	-
Subtotal - Operating expenditures	6,220,636	6,491,180	6,099,920	391,260

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - DETAILED STATEMENT - NN (CONTINUED)
Year Ended September 30, 2021

	General Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
Capital outlay:				
Land	-	-	-	-
Station improvements	279,564	279,564	209,432	70,132
Fire & rescue equipment	138,394	138,394	107,440	30,954
Protective gear	-	-	-	-
Medical equipment	1,199,823	1,199,823	1,157,624	42,199
Station equipment	-	-	-	-
Communication equipment	132,678	-	-	-
Office equipment	-	-	-	-
Computers	199,322	73,984	31,361	42,623
TRT	11,315	11,315	9,144	2,171
Vehicle purchase	30,464	17,936	1,152,196	(1,134,260)
Shop equipment	11,315	11,315	13,021	(1,706)
Hazardous materials equipment	6,441	6,441	7,295	(854)
DRT - HazMat Equipment	-	-	72,243	(72,243)
Fire apparatus	282,880	1,022,720	-	1,022,720
Dive equipment	-	-	-	-
Subtotal - Capital outlay	2,292,196	2,761,492	2,759,756	1,736
Debt service:				
Principal reduction	459,687	598,398	598,398	-
Interest and fiscal charges	73,560	86,409	86,409	-
Subtotal - Debt service	533,247	684,807	684,807	-
Reserves:				
Reserves	13,538,176	13,379,442	-	13,379,442
TOTAL EXPENDITURES	52,568,768	53,542,535	39,219,606	14,322,929
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(968,384)	(1,209,485)	(2,387,634)	(1,178,149)
OTHER FINANCING SOURCES AND (USES)				
Proceeds from capital lease	963,162	963,162	1,106,574	143,412
Proceeds from disposition of capital assets	5,222	246,323	327,820	81,497
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	968,384	1,209,485	1,434,394	224,909
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(953,240)	\$ (953,240)
FUND BALANCE - Beginning			16,933,407	
FUND BALANCE - Ending			<u>\$ 15,980,167</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT - BCI
Year Ended September 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 7,445,069	\$ 7,445,069	\$ 7,606,105	\$ 161,036
Intergovernmental revenue:				
State firefighter supplement	9,331	9,331	-	(9,331)
Federal grants	31,677	31,677	-	(31,677)
Other intergovernmental	-	-	-	-
Charges for services	67,704	69,104	-	(69,104)
Miscellaneous:				
Interest	51,600	51,600	15,762	(35,838)
Other	38,693	38,693	22,174	(16,519)
Subtotal - revenues	7,644,074	7,645,474	7,644,041	(1,433)
Cash brought forward	2,256,643	2,904,072	-	(2,904,072)
TOTAL REVENUES	9,900,717	10,549,546	7,644,041	(2,905,505)
EXPENDITURES				
Current				
Public safety				
Personnel services	4,464,607	4,500,506	4,418,538	81,968
Operating expenditures	988,170	1,028,452	972,120	56,332
Capital outlay	341,300	411,178	410,921	257
Debt service:				
Principal reduction	68,446	89,100	89,100	-
Interest and fiscal charges	10,953	12,866	12,866	-
Reserves	4,171,431	4,687,533	-	4,687,533
TOTAL EXPENDITURES	10,044,907	10,729,635	5,903,545	4,826,090
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(144,190)	(180,089)	1,740,496	1,920,585
OTHER FINANCING SOURCES AND USES				
Proceeds from capital lease	143,412	143,412	-	(143,412)
Proceeds from disposition of capital assets	778	36,677	-	(36,677)
Transfer in / (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	144,190	180,089	-	(180,089)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	1,740,496	\$ 1,740,496
FUND BALANCE - Beginning			2,904,072	
FUND BALANCE - Ending			\$ 4,644,568	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - DETAILED STATEMENT - BCI
Year Ended September 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 7,445,069	\$ 7,445,069	\$ 7,606,105	\$ 161,036
Intergovernmental revenue:				
State firefighter supplement	9,331	9,331	-	(9,331)
Federal grants	31,677	31,677	-	(31,677)
Other intergovernmental	-	-	-	-
Charges for services	67,704	69,104	-	(69,104)
Miscellaneous:				
Interest	51,600	51,600	15,762	(35,838)
Other	38,693	38,693	22,174	(16,519)
Subtotal - revenues	7,644,074	7,645,474	7,644,041	(1,433)
Cash brought forward	2,256,643	2,904,072	-	(2,904,072)
TOTAL REVENUES	9,900,717	10,549,546	7,644,041	(2,905,505)
EXPENDITURES				
Current				
Public safety				
Personnel services:				
Salaries				
Firefighters & Admin.	2,523,469	2,523,469	2,440,531	82,938
Salaries - harmonization	-	-	-	-
Commissioners	3,888	3,888	3,888	-
Overtime	104,933	104,933	150,405	(45,472)
Vacation pay	23,328	23,328	18,183	5,145
Sick leave	107,068	107,068	104,468	2,600
Incentives and holiday pay	111,733	111,733	121,864	(10,131)
Payroll taxes				
Social Security	216,975	216,975	211,543	5,432
Benefits				
Retirement	517,647	517,647	527,861	(10,214)
Health insurance	704,836	704,836	643,814	61,022
Disability insurance	13,293	13,293	10,141	3,152
Benefits harmonization	-	-	-	-
Unemployment	-	-	554	(554)
Workers compensation	103,583	103,583	103,143	440
Medical clinic/employee physicals	31,780	31,780	31,807	(27)
Post employment health plan (PEHP)	1,296	37,195	49,313	(12,118)
Retirement recognition	778	778	1,023	(245)
Subtotal - Personnel services	4,464,607	4,500,506	4,418,538	81,968

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - DETAILED STATEMENT - BCI (CONTINUED)
Year Ended September 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating expenditures:				
Insurance	65,811	65,811	65,157	654
Uniforms	19,670	19,670	18,647	1,023
Communications	5,005	24,760	23,596	1,164
Telephone	52,942	52,942	48,928	4,014
Utilities	34,214	34,214	34,459	(245)
Maintenance				
Vehicle	65,396	65,396	63,279	2,117
Equipment	10,505	10,505	1,439	9,066
Computer	90,555	109,217	121,661	(12,444)
Hydrant	9,720	9,720	9,587	133
Building	68,113	68,113	74,218	(6,105)
Supplies				
Office	7,776	7,776	7,703	73
Protective gear	58,220	58,220	54,127	4,093
Station	9,331	9,331	9,062	269
Emergency medical	23,296	23,296	33,759	(10,463)
Enterprise Lease/Rental	20,244	20,244	18,248	1,996
Equipment				
Office	4,018	4,018	7,078	(3,060)
Fire	38,460	38,460	27,926	10,534
Shop	4,121	4,121	6,407	(2,286)
Warehouse/logistics	648	648	649	(1)
Professional and other fees				
Legal and professional	85,925	85,925	48,434	37,491
Property appraiser fees	48,975	48,975	54,582	(5,607)
Tax collector fees	154,901	154,901	152,249	2,652
Accounting	8,424	8,424	7,556	868
Miscellaneous				
Travel	11,567	11,567	3,624	7,943
Public information officer	3,525	3,525	2,805	720
Public education officer	-	-	-	-
Fuel and oil	36,612	36,612	31,366	5,246
Legal advertisements	1,244	1,244	1,831	(587)
Dues and subscriptions	1,449	1,449	1,729	(280)
CERT team	1,296	1,296	899	397
Dive team	1,611	1,611	1,561	50
Fire prevention	2,767	2,767	3,383	(616)
Training	26,626	26,626	17,656	8,970
Hazardous materials	2,627	2,627	4,664	(2,037)
Technical rescue	9,479	11,344	10,040	1,304
Boat team	1,814	1,814	590	1,224
K-9 search and rescue	-	-	-	-
Miscellaneous	1,283	1,283	3,221	(1,938)
Operational Reserves				
Contingency	-	-	-	-
Subtotal - Operating expenditures	<u>988,170</u>	<u>1,028,452</u>	<u>972,120</u>	<u>56,332</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - DETAILED STATEMENT - BCI (CONTINUED)
Year Ended September 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Capital outlay:				
Land	-	-	-	-
Station improvements	41,626	41,626	31,184	10,442
Fire & rescue equipment	20,606	20,606	15,998	4,608
Protective gear	-	-	-	-
Medical equipment	178,650	178,650	172,367	6,283
Station equipment	-	-	-	-
Communication equipment	19,755	-	-	-
Computers	29,678	11,016	4,670	6,346
TRT	1,685	1,685	1,362	323
Hazardous material equipment	959	959	1,086	(127)
DRT - HazMat Equipment	-	-	10,757	(10,757)
Vehicle purchase	4,536	2,671	2,974	(303)
Fire apparatus	42,120	152,280	168,584	(16,304)
Shop equipment	1,685	1,685	1,939	(254)
Dive equipment	-	-	-	-
Subtotal - Capital outlay	<u>341,300</u>	<u>411,178</u>	<u>410,921</u>	<u>257</u>
Debt service:				
Principal reduction	68,446	89,100	89,100	-
Interest and fiscal charges	10,953	12,866	12,866	-
Subtotal - Debt service	<u>79,399</u>	<u>101,966</u>	<u>101,966</u>	<u>-</u>
Reserves:				
Reserves	<u>4,171,431</u>	<u>4,687,533</u>	<u>-</u>	<u>4,687,533</u>
TOTAL EXPENDITURES	<u>10,044,907</u>	<u>10,729,635</u>	<u>5,903,545</u>	<u>4,826,090</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(144,190)</u>	<u>(180,089)</u>	<u>1,740,496</u>	<u>1,920,585</u>
OTHER FINANCING SOURCES AND (USES)				
Proceeds from capital lease	143,412	143,412	-	(143,412)
Proceeds from disposition of capital assets	778	36,677	-	(36,677)
Transfer in / (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>144,190</u>	<u>180,089</u>	<u>-</u>	<u>(180,089)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>1,740,496</u>	<u>\$ 1,740,496</u>
FUND BALANCE - Beginning			<u>2,904,072</u>	
FUND BALANCE - Ending			<u>\$ 4,644,568</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - COMBINED SERVICE DELIVERY AREAS -
BUDGET AND ACTUAL - IMPACT FEE FUND - SUMMARY STATEMENT
Year Ended September 30, 2021

	Impact Fee Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fees:				
Impact fees	\$ 1,000,000	\$ 70,337	\$ 69,729	\$ (608)
Impact Fees - Collected / Deferred	-	929,663	-	(929,663)
Miscellaneous:				
Interest	15,000	15,000	3,882	(11,118)
Transfer from General Fund	-	-	-	-
Other	-	-	-	-
Subtotal - revenues	1,015,000	1,015,000	73,611	(941,389)
Cash brought forward	755,756	1,608,974	-	(1,608,974)
TOTAL REVENUES	1,770,756	2,623,974	73,611	(2,550,363)
EXPENDITURES				
Current				
Public safety				
Operating expenditures	19,212	19,212	14,163	5,049
Capital outlay	-	-	-	-
Debt service:				
Principal	57,500	57,500	57,500	-
Interest and fiscal charges	8,625	8,625	1,948	6,677
Reserves	1,685,419	2,538,637	-	2,538,637
TOTAL EXPENDITURES	1,770,756	2,623,974	73,611	2,550,363
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES AND (USES)				
Transfers in (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning			-	
FUND BALANCE - Ending			\$ -	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - COMBINED SERVICE DELIVERY AREAS -
BUDGET AND ACTUAL - IMPACT FEE FUND - DETAILED STATEMENT
Year Ended September 30, 2021**

	Impact Fee Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fees:				
Impact fees	\$ 1,000,000	\$ 70,337	\$ 69,729	\$ (608)
Impact Fees - Collected / Deferred	-	929,663	-	(929,663)
Miscellaneous:				
Interest	15,000	15,000	3,882	(11,118)
Transfer from General Fund	-	-	-	-
Other	-	-	-	-
Subtotal - revenues	1,015,000	1,015,000	73,611	(941,389)
Cash brought forward	755,756	1,608,974	-	(1,608,974)
TOTAL REVENUES	<u>1,770,756</u>	<u>2,623,974</u>	<u>73,611</u>	<u>(2,550,363)</u>
EXPENDITURES				
Operating expenditures:				
Impact fee collection	14,212	14,212	14,163	49
Professional fees	5,000	5,000	-	5,000
Subtotal - Operating expenditures	19,212	19,212	14,163	5,049
Capital outlay:				
Preplanning	-	-	-	-
Construction in progress	-	-	-	-
Emergency signal-station #42	-	-	-	-
Temporary station lease	-	-	-	-
Subtotal - Capital outlay	-	-	-	-
Debt service:				
Principal	57,500	57,500	57,500	-
Interest and fiscal charges	8,625	8,625	1,948	6,677
Subtotal - Debt service	66,125	66,125	59,448	6,677
Reserves:	1,685,419	2,538,637	-	2,538,637
TOTAL EXPENDITURES	<u>1,770,756</u>	<u>2,623,974</u>	<u>73,611</u>	<u>2,550,363</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - Beginning			-	
FUND BALANCE - Ending			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

Page 94 of 111

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -COMBINED SERVICE DELIVERY AREA -
INSPECTION FEE FUND - SUMMARY STATEMENT
Year Ended September 30, 2021

	Inspection Fee Fund			
	Original	Final	Actual	Variance
	Budget	Budget		Favorable (Unfavorable)
REVENUES				
Charges for services				
Inspection fees	\$ 880,000	\$ 1,485,000	\$ 1,514,889	\$ 29,889
Plan review fees	1,150,000	1,150,000	1,124,203	(25,797)
Miscellaneous:				
Interest	5,000	1,000	1,088	88
Other	1,000	-	-	-
Subtotal - revenues	2,036,000	2,636,000	2,640,180	4,180
Cash brought forward	1,306	164,820	-	(164,820)
TOTAL REVENUES	<u>2,037,306</u>	<u>2,800,820</u>	<u>2,640,180</u>	<u>(160,640)</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	1,844,435	2,044,435	1,913,563	130,872
Operating expenditures	118,000	118,000	111,806	6,194
Capital outlay	-	-	-	-
Reserves	74,871	638,385	-	638,385
TOTAL EXPENDITURES	<u>2,037,306</u>	<u>2,800,820</u>	<u>2,025,369</u>	<u>775,451</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	614,811	<u>\$ 614,811</u>
FUND BALANCE - Beginning			<u>164,820</u>	
FUND BALANCE - Ending			<u>\$ 779,631</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - COMBINED SERVICE
DELIVERY AREA - INSPECTION FEE FUND - DETAILED STATEMENT
Year Ended September 30, 2021

	Inspection Fee Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
REVENUES				
Charges for services:				
Inspection fees	\$ 880,000	\$ 1,485,000	\$ 1,514,889	\$ 29,889
Plan review fees	1,150,000	1,150,000	1,124,203	(25,797)
Miscellaneous:				
Interest	5,000	1,000	1,088	88
Other	1,000	-	-	-
Subtotal - revenues	2,036,000	2,636,000	2,640,180	4,180
Cash brought forward	1,306	164,820	-	(164,820)
TOTAL REVENUES	2,037,306	2,800,820	2,640,180	(160,640)
EXPENDITURES				
Current				
Public safety				
Personnel services:				
Salaries				
Regular	1,137,271	1,337,271	1,223,783	113,488
Overtime	45,000	35,000	34,900	100
Sick leave	40,000	50,000	50,523	(523)
Vacation pay	-	-	-	-
Professional/Incentives and holiday pay	3,600	3,600	8,400	(4,800)
Payroll taxes				
Social Security	91,906	101,906	100,797	1,109
Benefits				
Retirement	144,998	164,998	163,089	1,909
Post employment health plan (PEHP)	-	-	-	-
Health insurance	313,448	283,448	281,220	2,228
Disability insurance	6,329	6,329	-	6,329
Medical clinic/employee physicals	15,202	15,202	-	15,202
Unemployment compensation	-	-	-	-
Workers compensation	46,681	46,681	50,851	(4,170)
Subtotal - Personnel services	1,844,435	2,044,435	1,913,563	130,872

The accompanying notes are an integral part of this statement.

Page 96 of 111

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - COMBINED SERVICE
DELIVERY AREA - INSPECTION FEE FUND - DETAILED STATEMENT (CONTINUED)
Year Ended September 30, 2021

	Inspection Fee Fund			
	Original	Final	Actual	Variance
	Budget	Budget		Favorable (Unfavorable)
Operating expenditures:				
Uniforms	\$ -	\$ -	\$ 1,415	\$ (1,415)
Telephone	-	-	-	-
Utilities	-	-	-	-
Rent	50,000	50,000	50,000	-
Maintenance				
Computer software & supplies	50,000	50,000	39,938	10,062
Hydrant	-	-	-	-
Supplies				
Office	-	-	135	(135)
Miscellaneous				
Dues & subscriptions	-	-	1,460	(1,460)
Fire prevention	-	-	6,967	(6,967)
Training	10,000	10,000	6,312	3,688
Travel	8,000	8,000	5,579	2,421
Subtotal - Operating expenditures	<u>118,000</u>	<u>118,000</u>	<u>111,806</u>	<u>6,194</u>
Capital outlay:				
Office facility	-	-	-	-
Vehicles	-	-	-	-
Subtotal - Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:				
Principal reduction	-	-	-	-
Interest and fiscal charges	-	-	-	-
Subtotal - Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reserves:	<u>74,871</u>	<u>638,385</u>	<u>-</u>	<u>638,385</u>
TOTAL EXPENDITURES	<u>2,037,306</u>	<u>2,800,820</u>	<u>2,025,369</u>	<u>775,451</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>614,811</u>	<u>\$ 614,811</u>
FUND BALANCE - Beginning			<u>164,820</u>	
FUND BALANCE - Ending			<u>\$ 779,631</u>	

The accompanying notes are an integral part of this statement.

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

Fiscal year ending September 30:	2021	2020	2019	2018
District's proportion of the net pension liability	0.019684338%	0.021696122%	0.027233351%	0.031414516%
District's proportionate share of the net pension liability	\$ 1,486,928	\$ 9,403,419	\$ 9,378,787	\$ 9,462,215
District's covered-employee payroll	\$ 5,145,270	\$ 4,887,399	\$ 5,436,629	\$ 5,753,921
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	28.90%	192.40%	172.51%	164.45%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%

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

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

	2021	2020	2019	2018
Contractually required contribution	\$ 845,377	\$ 775,095	\$ 887,696	\$ 912,380
Contributions in relation to the contractually required contribution	<u>845,377</u>	<u>775,095</u>	<u>887,696</u>	<u>912,380</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,145,270	\$ 4,887,399	\$ 5,436,629	\$ 5,753,921
Contributions as a percentage of covered-employee payroll	16.43%	15.86%	16.33%	15.86%

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

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

Note: Measurement date was June 30 within the respective fiscal year.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.038802719%	0.040983896%	0.038209683%	0.041592399%
\$ 11,477,584	\$ 10,348,466	\$ 4,935,293	\$ 2,537,748
\$ 6,933,311	\$ 6,745,995	\$ 6,326,722	\$ 6,293,887
165.54%	153.40%	78.01%	40.32%
83.89%	84.88%	92.00%	96.09%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,119,238	\$ 1,099,170	\$ 967,270	\$ 971,792
<u>1,119,238</u>	<u>1,099,170</u>	<u>967,270</u>	<u>971,792</u>
\$ -	\$ -	\$ -	\$ -
\$ 6,933,311	\$ 6,745,995	\$ 6,326,722	\$ 6,293,887
16.14%	16.29%	15.29%	15.44%

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

Fiscal year ending September 30:	2021	2020	2019	2018
District's proportion of the net pension liability	0.014266437%	0.014221549%	0.016634678%	0.019013168%
District's proportionate share of the net pension liability	\$ 1,749,993	\$ 1,736,428	\$ 1,861,254	\$ 2,012,375
District's covered-employee payroll	\$ 5,145,270	\$ 4,887,399	\$ 5,436,629	\$ 5,753,921
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.01%	35.53%	34.24%	34.97%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%

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

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

	2021	2020	2019	2018
Contractually required contribution	\$ 53,960	\$ 58,340	\$ 66,816	\$ 68,674
Contributions in relation to the contractually required contribution	53,960	58,340	66,816	68,674
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,145,270	\$ 4,887,399	\$ 5,436,629	\$ 5,753,921
Contributions as a percentage of covered-employee payroll	1.05%	1.19%	1.23%	1.19%

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

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

Note: Measurement date was June 30 within the respective fiscal year.

2017	2016	2015	2014
0.021233558%	0.021530658%	0.021138780%	0.021145042%
\$ 2,270,390	\$ 2,509,309	\$ 2,155,823	\$ 1,977,113
\$ 6,933,311	\$ 6,745,995	\$ 6,326,722	\$ 6,293,887
32.75%	37.20%	34.07%	31.41%
1.64%	0.97%	0.50%	0.99%

2017	2016	2015	2014
\$ 84,244	\$ 87,198	\$ 78,787	\$ 65,973
84,244	87,198	78,787	65,973
\$ -	\$ -	\$ -	\$ -
\$ 6,933,311	\$ 6,745,995	\$ 6,326,722	\$ 6,293,887
1.22%	1.29%	1.25%	1.05%

Changes of Assumptions

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

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments remained unchanged at 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate was decreased from 2.21% to 2.16% and was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018.

Florida Retirement System Pension Plan

There were changes in actuarial assumptions. As of June 30, 2021, the inflation rate assumption decreased to 2.40 percent from 2.60, the real payroll growth assumption was increased to .85 percent from .65, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained unchanged at 6.80 percent.

Health Insurance Subsidy Pension Plan

The municipal rate used to determine total pension liability decreased from 2.21 percent to 2.16 percent.

Pension Expense and Deferred Outflows/Inflows of Resources

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

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

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

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2021 was reduced from 5.9 to 5.7 years for FRS and was reduced from 7.2 years to 6.4 years for HIS.

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND
RELATED RATIOS GASB 75**

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

Net OPEB Liability	2021	2020	2019
Service Cost	\$ 663,293	\$ 557,861	\$ 684,930
Interest Cost on Total OPEB Liability	372,430	385,797	387,918
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	165,655	-	417,788
Changes in Assumptions	34,233	591,573	(2,363,827)
Benefit Payments	(484,966)	(449,043)	(406,464)
Net Change in net OPEB Liability	750,645	1,086,188	(1,279,655)
Net OPEB Liability - Beginning of Year	9,980,141	8,893,953	10,173,608
Net OPEB Liability - End of Year	<u>\$ 10,730,786</u>	<u>\$ 9,980,141</u>	<u>\$ 8,893,953</u>

Measurement Date 9/30/2020 9/30/2019 9/30/2018

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

Plan Fiduciary Net Position as of September 30:

	2021	2020	2019
Contributions - Employer (including PEHP)	\$ 484,966	\$ 449,043	\$ 406,464
Net Investment Income	-	-	-
Benefit Payments	(484,966)	(449,043)	(406,464)
Administrative Expense	-	-	-
Net Change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
Fiduciary Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Net OPEB Liability	10,730,786	9,980,141	8,893,953
Fiduciary Net Position as a % of Net OPEB Liability	0.00%	0.00%	0.00%

Covered-Employee Payroll *
Net OPEB Liability as a % of Payroll *

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

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

Notes to the Schedule:

Benefit Changes	None
Changes of Assumptions	The discount rate was changed as follows:
9/30/18	3.64%
9/30/19	4.18%
9/30/20	3.58%
9/30/21	2.14%

Population covered by Plan: 291

Also the assumptions changed for healthcare costs and premiums, healthcare cost trends and salary increases, retirement, termination and disability rates.

Plan has no specific trust established. \$0 assigned for OPEB.

	<u>2018</u>
\$	723,937
	326,072
	-
	-
	(620,125)
	<u>(373,760)</u>
	56,124
	<u>10,117,484</u>
\$	<u><u>10,173,608</u></u>

9/30/2017

	<u>2018</u>
\$	373,760
	-
	(373,760)
	<u>-</u>
	-
	-
\$	<u><u>-</u></u>

10,173,608
0.00%

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY AND
RELATED RATIOS (UNAUDITED) - FIREFIGHTERS' PENSION TRUST FUND**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PENSION LIABILITY:			
Net Change in Total Pension Liability	\$ 15,964,922	\$ 13,059,479	\$ 13,150,199
Total Pension Liability - Beginning of Year	<u>110,312,027</u>	<u>97,252,548</u>	<u>84,102,349</u>
Total Pension Liability - End of Year	<u>\$ 126,276,949</u>	<u>\$ 110,312,027</u>	<u>\$ 97,252,548</u>
	<u>2021</u>	<u>2020</u>	<u>2019</u>
PLAN FIDUCIARY NET POSITION:			
Net Change in Fiduciary Net Position	\$ 26,671,007	\$ 12,933,225	\$ 7,964,763
Fiduciary Net Position - Beginning of Year	<u>101,826,675</u>	<u>88,893,450</u>	<u>80,928,687</u>
Fiduciary Net Position - End of Year	<u>\$ 128,497,682</u>	<u>\$ 101,826,675</u>	<u>\$ 88,893,450</u>
NET PENSION LIABILITY - ENDING	<u>\$ (2,220,733)</u>	<u>\$ 8,485,352</u>	<u>\$ 8,359,098</u>
PLAN FIDUCIARY ENDING NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	101.76%	92.31%	91.40%
COVERED EMPLOYEE PAYROLL	\$ 15,825,800	\$ 14,829,151	\$ 14,434,146
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	-14.03%	57.22%	57.91%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is completed, information is presented for those years available.

The accompanying independent auditor's report should be read with these supplemental schedules.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 10,364,336	\$ 12,030,957	\$ 10,165,305	\$ 4,074,169
<u>73,738,012</u>	<u>61,707,055</u>	<u>51,541,750</u>	<u>47,467,581</u>
<u>\$ 84,102,348</u>	<u>\$ 73,738,012</u>	<u>\$ 61,707,055</u>	<u>\$ 51,541,750</u>

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 10,180,873	\$ 12,234,865	\$ 6,978,753	\$ 2,344,624
<u>70,747,813</u>	<u>58,512,948</u>	<u>51,534,195</u>	<u>49,189,571</u>
<u>\$ 80,928,686</u>	<u>\$ 70,747,813</u>	<u>\$ 58,512,948</u>	<u>\$ 51,534,195</u>

<u>\$ 3,173,662</u>	<u>\$ 2,990,199</u>	<u>\$ 3,194,107</u>	<u>\$ 7,555</u>
---------------------	---------------------	---------------------	-----------------

96.23%	95.94%	94.82%	99.99%
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\$ 13,739,853	\$ 13,771,976	\$ 11,890,295	\$ 9,674,942
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23.10%	21.71%	26.86%	0.08%
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The accompanying independent auditor's report should be read with these supplemental schedules.

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS (UNAUDITED) -
FIREFIGHTERS' PENSION TRUST FUND**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 3,606,617	\$ 2,306,381	\$ 2,769,139	\$ 2,990,030
Contributions in relation to the contractually required contribution	<u>3,606,617</u>	<u>2,306,381</u>	<u>2,769,139</u>	<u>2,990,030</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 15,825,800	\$ 14,829,151	\$ 14,434,146	\$ 13,739,853
Contributions as a percentage of covered-employee payroll	22.79%	15.55%	19.18%	21.76%

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

Note: Measurement date was September 30 within the respective fiscal year.

2017	2016	2015	2014
\$ 2,933,393	\$ 1,735,437	\$ 1,107,133	\$ 1,518,926
<u>2,933,393</u>	<u>1,735,437</u>	<u>1,107,133</u>	<u>1,518,926</u>
\$ -	\$ -	\$ -	\$ -
\$ 13,771,976	\$ 11,890,295	\$ 9,671,942	\$ 8,770,495
21.30%	14.60%	11.45%	17.32%

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF INVESTMENT RETURNS - (UNAUDITED)
FIREFIGHTERS' PENSION TRUST FUND**

<u>Year Ended September 30:</u>	<u>Annual Money- Weighted Rate of return net of investment expense</u>
2021	20.28%
2020	9.40%
2019	3.58%
2018	8.82%
2018	13.28%
2016	7.21%
2015	(0.68%)
2014	9.31%
2013	12.79%
2012	15.23%
2011	(2.12%)

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -
FIREFIGHTERS' PENSION TRUST FUND
September 30, 2021

	<u>Firefighters' Pension Trust Fund</u>
Valuation date	10/01/20
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Mortality table	MP-2018 Combined Healthy
Remaining amortization period	27 years (as of 10/1/17)
Actuarial asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate	7.0% (net of fees)
Projected salary increase	Graduated based on Service (9% per year for first 10 years & (3% per year for 10 or more years)
Inflation	2.5%
Post retirement cost of living adjustment	3%
Measurement date	September 30, 2021

Changes of Assumptions

Member contribution rate changed effective January 1, 2019 from 3% to 8.48%.
District still pays .5% of member contribution.

Benefit changes effective January 1, 2019:

 Increased benefit multiplier to 3.53% for all years of service.

Effective July 1, 2019, the Plan must consider a firefighter permanently and totally disabled if diagnosed with cancer per Laws of Florida, Chapter 2019-21.

For the year ended September 30, 2021, the following changes to assumptions occurred: 1) investment rate changed from 7.2% to 7.0%.

ADDITIONAL REPORTS



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 & Company, PA

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Affiliations

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

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

Board of Commissioners
 North Collier Fire Control and Rescue District
 1885 Veterans Park Drive
 Naples, Florida 34109-0492

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the basic financial statements of the governmental activities and each major and non-major fund of North Collier Fire Control and Rescue District (the "District") as of and for the 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 and have issued our report thereon dated May 13, 2022. Other auditors audited the financial statements of the District's Firefighters' Pension Trust Fund, as described in our report on the District's financial statements. This report does not include the results on the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or

INTEGRITY SERVICE EXPERIENCE

combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of This Report

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



TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 13, 2022



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 & Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

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

Board of Commissioners
 North Collier Fire Control and Rescue District
 1885 Veterans Park Drive
 Naples, Florida 34109-0492

We have examined North Collier Fire Control and Rescue District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for North Collier Fire Control and Rescue District's compliance with those requirements. Our responsibility is to express an opinion on North Collier Fire Control and Rescue District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about North Collier Fire Control and Rescue District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on North Collier Fire Control and Rescue District's compliance with specified requirements.

In our opinion, North Collier Fire Control and Rescue District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
 Fort Myers, Florida
 May 13, 2022

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INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Commissioners
 North Collier Fire Control and Rescue District
 1885 Veterans Park Drive
 Naples, Florida 34109-0492

We have audited the accompanying basic financial statements of North Collier Fire Control and Rescue District (the "District") as of and for the year ended September 30, 2021 and have issued our report thereon dated May 13, 2022.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated May 13, 2022, should be considered in conjunction with this report to management.

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

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

INTEGRITY SERVICE EXPERIENCE

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. 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(7), Rules of the Auditor General, we have applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a.
- Pursuant to Section 10.554(1)(i)5b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this District (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.
- Pursuant to Section 10.554(1)(i)6, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires an independent special district that imposes ad valorem taxes to disclose certain related unaudited data. See Exhibit 2.
- Pursuant to Section 10.554(1)8, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the District's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated May 13, 2022, included herein.

PRIOR YEAR COMMENTS:

There were no financially significant prior year comments.

CURRENT YEAR COMMENTS:

There were no financially significant comments noted.

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


TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 13, 2022

EXHIBIT 1



June 9, 2022

Auditor General's Office
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

We are pleased to note that the audit report for the fiscal year 2020/2021 for the North Collier Fire Control and Rescue District reflected no current or prior year comments which require management's response.

The Board of Fire Commissioners and management staff of the North Collier Fire Control & Rescue District maintain their commitment to create and maintain internal controls, and policy and procedures to insure accurate reporting, accountability and provide for the financial stability of the District.

Sincerely,

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT

1885 Veterans Park Drive Naples, FL 34109 ■ (239) 597-3222 ■ northcollierfire.com

FIRE CHIEF ELOY RICARDO

BOARD OF FIRE COMMISSIONERS

M. James Burke ■ Reginald Buxton ■ James A. Calamari ■ Norman E. Feder ■ J. Christopher Lombardo

EXHIBIT 2

**UNAUDITED
COMPLIANCE WITH REPORTING REQUIRED BY:**

Auditor General Rule 10.554(1)(i)6

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). 270 including 4 commissioners
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes). 19
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited) \$23,226,086
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE) \$ 864,784
- e. Each construction project with a total cost of at least \$65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes). N/A
- f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs.

actual at FYE). See attached page 3 -6.

Auditor General Rule 10.554(1)(i)7

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

- a. The millage rate or rates imposed by the district.
North Naples Service Delivery Area: 1.000
Big Corkscrew Service Delivery Area: 3.750
- b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. \$42,755,907
- c. The total amount of outstanding bonds issued by the district and terms of such bonds. N/A

Auditor General Rule 10.554(1)(i)8

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

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

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT - NN
Year Ended September 30, 2021

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad Valorem taxes	\$ 34,187,222	\$ 35,149,802	\$ 962,580
Intergovernmental revenue:			
State firefighter supplement	62,669	56,643	(6,026)
Federal grants	212,741	595,438	382,697
Other Intergovernmental	24,000	18,800	(5,200)
Charges for services	454,696	755,435	300,739
Miscellaneous:			
Interest	258,000	44,632	(213,368)
Other	190,915	211,222	20,307
Subtotal - revenues	35,390,243	36,831,972	1,441,729
Cash brought forward	16,210,141	-	(16,210,141)
TOTAL REVENUES	51,600,384	36,831,972	(14,768,412)
EXPENDITURES			
Current			
Public safety			
Personnel services	29,984,513	29,675,123	309,390
Operating expenditures	6,220,636	6,099,920	120,716
Capital outlay	2,292,196	2,759,756	(467,560)
Debt service:			-
Principal reduction	459,687	598,398	(138,711)
Interest and fiscal charges	73,560	86,409	(12,849)
Reserves	13,538,176	-	13,538,176
TOTAL EXPENDITURES	52,568,768	39,219,606	13,349,162
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(968,384)	(2,387,634)	(1,419,250)
OTHER FINANCING SOURCES AND (USES)			
Proceeds from capital lease	963,162	1,106,574	143,412
Proceeds from disposition of capital assets	5,222	327,820	322,598
Transfer in	-	-	-
Transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	968,384	1,434,394	466,010
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	(953,240)	\$ (953,240)
FUND BALANCE - Beginning		16,933,407	
FUND BALANCE - Ending		\$ 15,980,167	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT - BCI
Year Ended September 30, 2021

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad Valorem taxes	\$ 7,445,069	\$ 7,606,105	\$ 161,036
Intergovernmental revenue:			
State firefighter supplement	9,331	-	(9,331)
Federal grants	31,677	-	(31,677)
Other intergovernmental	-	-	-
Charges for services	67,704	-	(67,704)
Miscellaneous:			
Interest	51,600	15,762	(35,838)
Other	38,693	22,174	(16,519)
Subtotal - revenues	7,644,074	7,644,041	(33)
Cash brought forward	2,256,643	-	(2,256,643)
TOTAL REVENUES	9,900,717	7,644,041	(2,256,676)
EXPENDITURES			
Current			
Public safety			
Personnel services	4,464,607	4,418,538	46,069
Operating expenditures	988,170	972,120	16,050
Capital outlay	341,300	410,921	(69,621)
Debt service:			
Principal reduction	68,446	89,100	(20,654)
Interest and fiscal charges	10,953	12,866	(1,913)
Reserves	4,171,431	-	4,171,431
TOTAL EXPENDITURES	10,044,907	5,903,545	4,141,362
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(144,190)	1,740,496	1,884,686
OTHER FINANCING SOURCES AND USES			
Proceeds from capital lease	143,412	-	(143,412)
Proceeds from disposition of capital assets	778	-	(778)
Transfer in / (out)	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	144,190	-	(144,190)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	1,740,496	\$ 1,740,496
FUND BALANCE - Beginning		2,904,072	
FUND BALANCE - Ending		\$ 4,644,568	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - COMBINED SERVICE DELIVERY AREAS -
BUDGET AND ACTUAL - IMPACT FEE FUND - SUMMARY STATEMENT
Year Ended September 30, 2021

	Impact Fee Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Fees:			
Impact fees	\$ 1,000,000	\$ 69,729	\$ (930,271)
Impact Fees - Collected / Deferred	-	-	-
Miscellaneous:			
Interest	15,000	3,882	(11,118)
Transfer from General Fund	-	-	-
Other	-	-	-
Subtotal - revenues	1,015,000	73,611	(941,389)
Cash brought forward	755,756	-	(755,756)
TOTAL REVENUES	1,770,756	73,611	(1,697,145)
EXPENDITURES			
Current			
Public safety			
Operating expenditures	19,212	14,163	5,049
Capital outlay	-	-	-
Debt service:			
Principal	57,500	57,500	-
Interest and fiscal charges	8,625	1,948	6,677
Reserves	1,685,419	-	1,685,419
TOTAL EXPENDITURES	1,770,756	73,611	1,697,145
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES AND (USES)			
Transfers in (out)	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	-	\$ -
FUND BALANCE - Beginning		-	
FUND BALANCE - Ending		<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

Page 6

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -COMBINED SERVICE DELIVERY AREA -
INSPECTION FEE FUND - SUMMARY STATEMENT
Year Ended September 30, 2021

	Inspection Fee Fund		
	Original		Variance
	Budget	Actual	Favorable
	Budget	Actual	(Unfavorable)
REVENUES			
Charges for services			
Inspection fees	\$ 880,000	\$ 1,514,889	\$ 634,889
Plan review fees	1,150,000	1,124,203	(25,797)
Miscellaneous:			
Interest	5,000	1,088	(3,912)
Other	1,000	-	(1,000)
Subtotal - revenues	2,036,000	2,640,180	604,180
Cash brought forward	1,306	-	(1,306)
TOTAL REVENUES	2,037,306	2,640,180	602,874
EXPENDITURES			
Current			
Public safety			
Personnel services	1,844,435	1,913,563	(69,128)
Operating expenditures	118,000	111,806	6,194
Capital outlay	-	-	-
Reserves	74,871	-	74,871
TOTAL EXPENDITURES	2,037,306	2,025,369	11,937
EXCESS OF REVENUES			
OVER (UNDER) EXPENDITURES	\$ -	614,811	\$ 614,811
FUND BALANCE - Beginning		164,820	
FUND BALANCE - Ending		\$ 779,631	

The accompanying notes are an integral part of this statement.

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Ben Van Klingerren, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the North Collier Fire Control and Rescue District (NCFR), which is an independent special district of the State of Florida;
2. NCFR adopted Resolution No. 20-029 implementing an impact fee; and
3. NCFR has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.



 Ben Van Klingerren, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF COLLIER

SWORN TO AND SUBSCRIBED before me this 1st day of May, 2022.



 NOTARY PUBLIC
 Print Name Lori Freiburg

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

1/8/2024



Lori L. Freiburg
 NOTARY PUBLIC
 STATE OF FLORIDA
 Comm# GG945229
 Expires 1/8/2024