

FORT MYERS BEACH FIRE
CONTROL DISTRICT

SEPTEMBER 30, 2024

FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities of the Fort Myers Beach Fire Control District (the "District"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's net proportionate share of net pension liability- pension plan and health insurance subsidy plan, schedules of district contributions- pension plan and health insurance subsidy plan and schedule of changes in the total OPEB liability and related ratios to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information, continued

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated May 28, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in consideration the District's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

May 28, 2025

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

This discussion and analysis of the Fort Myers Beach Fire Control District (the "District") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the District's financial activities for the fiscal year ended September 30, 2024. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the District's financial position.

Financial Highlights

- At the close of the fiscal year the District's assets exceeded its liabilities, resulting in a net position of \$23,540,000.
- The District's total net position increased \$7,136,016 or 43.5%
- The District assigned/committed fund balance was 72.4% or \$17,188,398 of the District's total fund balance of \$23,734,245 at yearend. Additional information relating to fund balance can be found in Note I on page 36.
- Total revenues decreased \$3,302,234, or 15.9%, in comparison to the prior year. Substantial decrease in revenues is a result of the 40% decrease in property values resulting from Hurricane Ian.
- Total expenses decreased \$3,646,327 or 26.1%, in comparison to the prior year. Decrease in expenses attributed to the reduction in work force to compensate for the loss of Station 31 during Hurricane Ian.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 12 and 13) 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 12) presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. The District's capital assets (property, plant and equipment) are included in this statement and reported net of their accumulated depreciation.

The *Statement of Activities* (Page 13) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statements

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

Governmental fund financial statements (pages 14 and 16) are prepared on the modified accrual basis of accounting using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

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

Fiduciary Funds

The Fiduciary fund (pages 18 and 19) is used to account for resources held in the Retiree Insurance Trust (VEBA) for the benefit of retired District employees. The fiduciary fund is not reflected in the government-wide financial statements because the resources of the VEBA fund are not available to support the District's programs.

Notes to the Financial Statements

The notes to the financial statements explain in detail the data contained in the preceding statements and begin on page 20. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

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

The following is a condensed summary of net position for the primary government for fiscal years 2024 and 2023:

Fort Myers Beach Fire Control District
Summary of Net Position
September 30, 2024 and 2023

| | 2024 | 2023 |
|---|---------------|---------------|
| Assets: | | |
| Current and other assets | \$ 33,230,885 | \$ 22,271,661 |
| Capital assets, net | 15,893,328 | 11,955,539 |
| Total Assets | 49,124,213 | 34,227,200 |
| Deferred outflows of resources - pensions | 3,684,016 | 4,238,742 |
| Liabilities: | | |
| Current liabilities | 9,657,466 | 1,084,962 |
| Non-current Liabilities | 14,337,754 | 17,217,432 |
| Total liabilities | 23,995,220 | 18,302,394 |
| Deferred inflows of resources - pensions | 5,273,509 | 3,759,564 |
| Net position: | | |
| Net investment in capital assets | 15,272,541 | 11,191,530 |
| Unrestricted (deficit) | 8,267,459 | 5,212,454 |
| Total net position | \$ 23,540,000 | \$ 16,403,984 |

Current and other assets represent 67.6% of the total assets for fiscal year 2024. Current assets were comprised of cash and cash equivalents of \$26,718,553, investments of \$6,110,332, due from other governments of \$56,501, grants receivable of \$51,934, net receivables from ambulance transports and life safety fees of \$71,111, prepaid expenses of \$107,459 and deposits of \$114,995.

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

Government-Wide Financial Analysis, Continued

Capital assets, net of depreciation, was \$15,893,828. Capital assets are comprised of land, buildings, equipment, and vehicles, net of accumulated depreciation. Also included is Station 31 construction in progress. The unrestricted net position of \$8,267,459 represents available resources to be used at the District’s discretion.

The District has assigned \$17,188,398 of the General Fund fund balance for purposes such as disaster, equipment sustainment, building improvements, millage stabilization and firefighter presumptive illness benefits. On a Governmental fund-basis the District had a total – General Fund – fund balance of \$23,741,183.

Current liabilities at September 30, 2024 are comprised of accounts payable, accrued expenses, due to other governmental units and unearned revenue of \$9,496,640 and the current portion of long-term liabilities of \$160,826. Non-current liabilities are comprised of notes payable of \$473,694, a Net OPEB obligation of \$2,462,781, compensated absences of \$425,576, and net pension liability of \$10,988,936. Total liabilities increased \$5,692,826 or 31.1%, in comparison to the prior year. Additional information relating to long-term liabilities can be found in note F on pages 34-35.

The following schedule reports the revenues, expenses, and changes in net position for the District for fiscal years 2024 and 2023:

Fort Myers Beach Fire Control District
Summary of Revenues, Expenses and Changes in Net Position
Years ended September 30, 2024 and 2023

| Revenues: | 2024 | 2023 |
|--|---------------|---------------|
| General Revenues | | |
| Property taxes | \$ 9,035,060 | \$ 13,830,709 |
| Miscellaneous | | |
| Impact fees | 9,030 | 17,673 |
| Interest | 1,347,875 | 887,701 |
| Compensation for loss of assets | 38,929 | 2,869,951 |
| Gain on disposition of capital assets | - | 6,967 |
| Other | 80,667 | 99,747 |
| Program Revenues | | |
| Charges for services | | |
| Ambulance | 154,135 | 188,814 |
| Inspection fees | 829,945 | 596,555 |
| Grants and contributions | 5,942,742 | 2,242,500 |
| Total Revenues | 17,438,383 | 20,740,617 |
| Expenses: | | |
| Public Safety - Fire and Rescue Services | 10,302,367 | 13,948,694 |
| Increase in net position | 7,136,016 | 6,791,923 |
| Net Position - Beginning of the year | 16,403,984 | 9,612,061 |
| Net Position - End of the year | \$ 23,540,000 | \$ 16,403,984 |

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

Government-Wide Financial Analysis, Continued

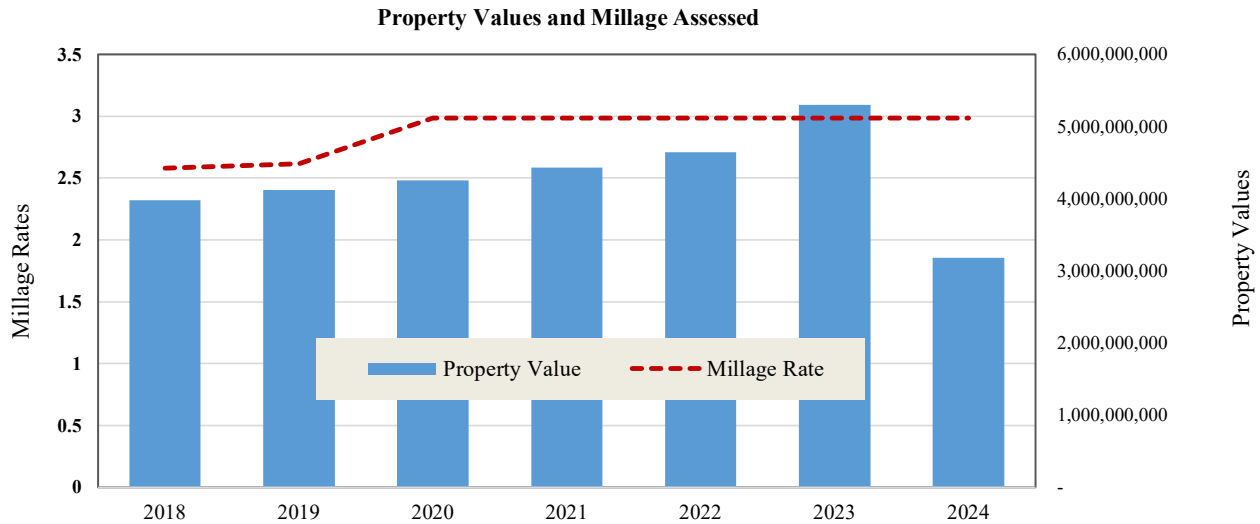
In comparison to the prior year:

- Total revenues decreased \$3,302,234, or 15.9%, in comparison to the prior year. The decrease in revenues is largely due to the 40% reduction in property values resulting from Hurricane Ian.
- Total expenses decreased \$3,646,327 or 26.1%, in comparison to the prior year. Decrease in expenses attributed to the reduction in work force to compensate for the loss of Station 31.
- Assessed property values decreased \$2,123,658,168 or 40.1%.
- Ad Valorem tax revenues decreased \$4,795,649 or 34.7%.
- Impact fee revenues decreased \$8,643 or 48.9%.

The District adopted a millage rate of 2.9851 mills per thousand, for the fifth consecutive year. Property taxes represent 78.6% of total revenue, exclusive of State assistance and grants totaling \$5,942,742.

The Florida State Legislature created a catastrophic fund to aid local governments impacted by Hurricane Ian and Nichole. The District received \$14 million of this fund as a grant; \$5 million to assist with the decline in Ad Valorem revenues and \$9 million to rebuild Station 31 which was lost during the storm.

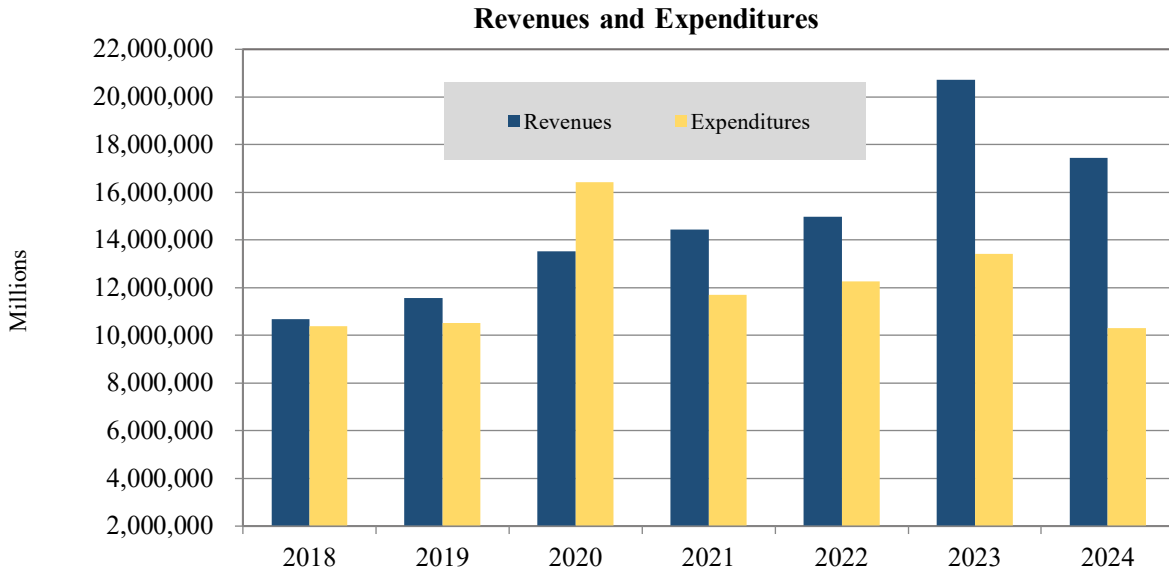
The following chart compares the change in property value and millage rates for the past seven years:



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

Government-Wide Financial Analysis, Continued

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



Budgetary Highlights

The following is a brief review of noteworthy budgeting changes from the original budget to the final budget for the General Fund (see supplementary information on pages 51-54). The final budget increased \$2,829,421 or 15.3% from the original budget. The increase to fund balance is a result of final accounting for the prior fiscal year and applied to the Station 31 Construction Project Reserve.

Budget versus actual comparisons are reported in the required supplementary information other than management discussion and analysis on pages 51-54.

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

Capital Assets

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

The following is a schedule of the District's capital assets as of September 30, 2024 and 2023:

| Fort Myers Beach Fire Control District | | |
|--|-------------------|-------------------|
| Capital Assets | | |
| September 30, 2024 and 2023 | | |
| CAPITAL ASSETS | 2024 | 2023 |
| Land | \$ 8,837,744 | \$ 5,437,744 |
| Construction in progress | 390,611 | 5,810 |
| Total Capital Assets not depreciated | 9,228,355 | 5,443,554 |
| Buildings | 6,598,505 | 6,312,430 |
| Vehicles | 3,340,229 | 3,340,229 |
| Equipment | 763,181 | 730,886 |
| Total Capital Assets being depreciated | 10,701,915 | 10,383,545 |
| ACCUMULATED DEPRECIATION | | |
| Buildings | (2,188,918) | (2,407,221) |
| Vehicles | (1,557,646) | (1,237,145) |
| Equipment | (289,878) | (227,194) |
| Total accumulated depreciation | (4,036,442) | (3,781,560) |
| CAPITAL ASSETS, NET | \$ 15,893,828 | \$ 11,955,539 |

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

- Property located at 1101 Shrimp Boat Lane at a total cost of \$3,400,000.
- Station 32 elevator at a cost of \$204,692.
- Headquarters generator and transfer switch at a cost of \$109,662.
- Station 32 roof at a cost of \$107,200.
- Headquarters roof at a cost of \$80,850.
- Station 32 and 33 transfer switches at a cost of \$74,031.
- Station 33 rear bay doors at a cost of \$53,630.

Additional information on the District's capital assets can be found in Note E on page 33.

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

Debt Administration

The District's outstanding debt is comprised of notes and leases payable, compensated absences, a net OPEB (other post-employment benefit) obligation for retiree health insurance and net pension liability. The following is a summary schedule of the District's outstanding debt at September 30, 2024 and 2023:

Fort Myers Beach Fire Control District
Debt Obligations
September 30, 2024 and 2023

| | 2024 | 2023 |
|--------------------------|---------------|---------------|
| Net pension liability | \$ 10,988,936 | \$ 13,106,198 |
| Notes and leases payable | 621,287 | 764,009 |
| Compensated Absences | 425,576 | 429,355 |
| Net OPEB obligation | 2,462,781 | 3,060,592 |
| Total outstanding debt | \$ 14,498,580 | \$ 17,360,154 |

Compensated absences decreased by \$3,779 or .9% in comparison to the prior year. This liability represents the total amount the District has due at the termination of all employees' employment as of September 30, 2024. Notes payable decreased by \$142,722 or 18.7% in comparison to the prior year. Net pension liability decreased by \$2,117,262 or 16.2% in comparison to the prior year. Net Other Post Employment Benefits (OPEB) decreased by \$597,811 or 19.5% in comparison to the prior year.

Additional information on the District's debt obligations can be found in Note F on pages 34-35.

Economic Factors and Next Year's Budget

The following factors were considered when next year's budget (2025-2026) was adopted:

- Property values within the District increased \$3,512,592 or 37% to \$4,642,975,363.
- The District adopted the millage rate of 2.8. This millage rate is a decrease of 6.2% from the prior year.
- The State of Florida provided financial assistance to augment the loss of Ad Valorem taxes and provide significant funding for the construction of Fire Station 31. This assistance allowed the District to continue funding operations and accelerate the Fire Station 31 construction project.
- The District anticipates selling the property located at 3043 Estero Boulevard, the site of the original Fire Station 31.
- The District continues to build reserves for the Headquarters construction project.
- Funding for additional firefighter/paramedics to staff the new station, planned for the last quarter of the fiscal year. Temporary housing is also considered, if needed, while additional operational staff cover the mid-island service area prior to opening the new station.
- The cost of personnel benefits, such as worker's compensation insurance, retirement contributions and medical insurance remain constant.
- The District will purchase a new fire engine to replace the engine lost during Hurricane Ian. This will be funded from insurance proceeds and a grant from the Federal Emergency Management Agency (FEMA).

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

Request for information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to: Fort Myers Beach Fire Control District, Jane Thompson, Director of Finance and Administrative Services, 17891 San Carlos Blvd, Fort Myers, Florida, 33931, phone (239) 590-4200.

BASIC
FINANCIAL STATEMENTS

Fort Myers Beach Fire Control District
Statement of Net Position
September 30, 2024

ASSETS

Current assets:

| | |
|--|-------------------|
| Cash and cash equivalents | \$ 18,096,459 |
| Cash and cash equivalents - restricted | 8,622,094 |
| Investments | 6,110,332 |
| Accounts receivable | 71,111 |
| Due from other governments | 56,501 |
| Grants receivable | 51,934 |
| Deposits | 114,995 |
| Prepaid expenses | 107,459 |
| Total current assets | <u>33,230,885</u> |

Noncurrent assets:

Capital assets:

| | |
|---|-------------------|
| Land | 8,837,744 |
| Construction in progress | 390,611 |
| Depreciable buildings, equipment, and vehicles (net of \$4,036,442 accumulated depreciation) | 6,665,473 |
| Total noncurrent asset | <u>15,893,828</u> |
| Total assets | <u>49,124,713</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|---|-------------------|
| Deferred outflows of pension resources | <u>3,684,016</u> |
| Total assets and deferred outflows of resources | <u>52,808,729</u> |

LIABILITIES

Current liabilities:

| | |
|--|------------------|
| Accounts payable | 177,893 |
| Accrued expenses | 570,141 |
| Due to other governments | 126,512 |
| Unearned revenue | 8,622,094 |
| Current portion of long-term obligations | 160,826 |
| Total current liabilities | <u>9,657,466</u> |

Noncurrent liabilities:

| | |
|---|-------------------|
| Noncurrent portion of long-term obligations | <u>14,337,754</u> |
| Total liabilities | <u>23,995,220</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|---|-------------------|
| Deferred inflows of pension resources | <u>5,273,509</u> |
| Total liabilities and deferred inflows of resources | <u>29,268,729</u> |

NET POSITION

| | |
|---|----------------------|
| Invested in capital assets, net of related debt | 15,272,541 |
| Unrestricted | 8,267,459 |
| Total net position | <u>\$ 23,540,000</u> |

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

Fort Myers Beach Fire Control District
Statement of Activities
For the fiscal year ended September 30, 2024

EXPENSES

| | |
|---|-------------------|
| Governmental Activities | |
| Public Safety - Fire Protection | |
| Personnel services | \$ 8,036,386 |
| Operating expenses | 1,699,860 |
| Depreciation | 536,355 |
| Loss on the disposition of capital assets | 5,810 |
| Interest and fiscal charges | 23,956 |
| Total program expenses | <u>10,302,367</u> |

PROGRAM REVENUES

| | |
|------------------------------------|------------------|
| Charges for services | |
| Ambulance | 154,135 |
| Inspection fees | 829,945 |
| Operating grants and contributions | 5,942,742 |
| Net program expenses | <u>3,375,545</u> |

GENERAL REVENUES

| | |
|---------------------------------|-------------------|
| Ad valorem taxes | 9,035,060 |
| Impact fees | 9,030 |
| Interest | 1,347,875 |
| Compensation for loss of assets | 38,929 |
| Other | 80,667 |
| Total general revenues | <u>10,511,561</u> |

CHANGE IN NET POSITION 7,136,016

NET POSITION - BEGINNING OF THE YEAR 16,403,984

NET POSTION - END OF THE YEAR \$ 23,540,000

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

Fort Myers Beach Fire Control District
Balance Sheet
September 30, 2024

| | General Fund | Capital Projects Fund | Total Governmental Funds |
|--|-------------------------|--------------------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 17,949,596 | \$ 146,863 | \$ 18,096,459 |
| Cash and cash equivalents - restricted | 4,767 | 8,617,327 | 8,622,094 |
| Investments | 6,110,332 | - | 6,110,332 |
| Accounts receivable | 71,111 | - | 71,111 |
| Due from other funds | 7,938 | - | 7,938 |
| Due from other governments | 56,501 | - | 56,501 |
| Grants receivable | 51,934 | - | 51,934 |
| Deposits | 114,995 | - | 114,995 |
| Prepaid expenses | 107,459 | - | 107,459 |
| Total assets | <u>\$ 24,474,633</u> | <u>\$ 8,764,190</u> | <u>\$ 33,238,823</u> |
| LIABILITIES & FUND BALANCE | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 153,328 | \$ 24,565 | \$ 177,893 |
| Accrued expenses | 570,141 | - | 570,141 |
| Due to other funds | - | 7,938 | 7,938 |
| Due to other governments | 5,214 | 121,298 | 126,512 |
| Unearned revenue | 4,767 | 8,617,327 | 8,622,094 |
| Total liabilities | <u>733,450</u> | <u>8,771,128</u> | <u>9,504,578</u> |
| FUND BALANCE | | | |
| Nonspendable | 107,459 | - | 107,459 |
| Assigned | 17,188,398 | - | 17,188,398 |
| Unassigned | 6,445,326 | (6,938) | 6,438,388 |
| Total fund balances | <u>23,741,183</u> | <u>(6,938)</u> | <u>23,734,245</u> |
| Total liabilities and fund balances | <u>\$ 24,474,633</u> | <u>\$ 8,764,190</u> | <u>\$ 33,238,823</u> |

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

Fort Myers Beach Fire Control District
Reconciliation of the Balance Sheet To the Statement of Net Position
September 30, 2024

Total fund balance for governmental funds \$ 23,734,245

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

| | | |
|---------------------------------------|--------------------|--------------|
| Capital assets not being depreciated: | | |
| Land | \$ 8,837,744 | |
| Construction in progress | <u>390,611</u> | \$ 9,228,355 |
| Capital assets being depreciated: | | |
| Building, equipment, and vehicles | 10,701,915 | |
| Less: Accumulated depreciation | <u>(4,036,442)</u> | 6,665,473 |

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

| | | |
|---------------------|------------------|-----------|
| VEBA assumptions | 357,352 | |
| OPEB assumptions | 580,495 | |
| Pension assumptions | <u>2,746,169</u> | 3,684,016 |

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

| | | |
|---------------------|--------------------|-------------|
| VEBA assumptions | (338,674) | |
| OPEB assumptions | (1,981,603) | |
| Pension assumptions | <u>(2,953,232)</u> | (5,273,509) |

Long-term liabilities are not due and payable in the current period and are therefore not reported on the balance sheet:

| | | |
|-----------------------------|--------------------|---------------------|
| Compensated absences | (425,576) | |
| Net pension liability - FRS | (9,153,638) | |
| Net pension liability - HIS | (1,835,298) | |
| Notes payable | (621,287) | |
| Net OPEB liability | <u>(2,462,781)</u> | <u>(14,498,580)</u> |

Net Position \$ 23,540,000

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

Fort Myers Beach Fire Control District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30, 2024

| | General Fund | Capital Projects Fund | Total Governmental Funds |
|--|-------------------------|--------------------------------------|---|
| REVENUES | | | |
| Ad Valorem taxes | \$ 9,035,060 | \$ - | \$ 9,035,060 |
| Intergovernmental revenue: | | | |
| Firefighters supplemental income | 21,720 | - | 21,720 |
| State and federal grants | 5,560,069 | 382,673 | 5,942,742 |
| Charges for services | | | |
| Ambulance transport | 154,135 | - | 154,135 |
| Inspection fees | 829,945 | - | 829,945 |
| Impact fees | 9,030 | - | 9,030 |
| Interest Income | 1,347,875 | - | 1,347,875 |
| Compensation for loss of assets | 38,929 | - | 38,929 |
| Other income: | | | |
| Miscellaneous | 58,947 | - | 58,947 |
| Total revenues | <u>17,055,710</u> | <u>382,673</u> | <u>17,438,383</u> |
| EXPENDITURES | | | |
| Public safety | | | |
| Personal services | 8,686,567 | - | 8,686,567 |
| Operating expenditures | 1,699,860 | - | 1,699,860 |
| Capital outlay | 4,089,843 | 390,611 | 4,480,454 |
| Debt Service | | | |
| Principal | 142,722 | - | 142,722 |
| Interest | 23,956 | - | 23,956 |
| Total expenditures | <u>14,642,948</u> | <u>390,611</u> | <u>15,033,559</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 2,412,762 | (7,938) | 2,404,824 |
| OTHER FINANCING SOURNCES (USES) | | | |
| Transfer (to)/from other funds | (1,000) | 1,000 | - |
| Total other financing sources (uses) | <u>(1,000)</u> | <u>1,000</u> | <u>-</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 2,411,762 | (6,938) | 2,404,824 |
| FUND BALANCE - OCTOBER 1, 2023 | <u>21,329,421</u> | <u>-</u> | <u>21,329,421</u> |
| FUND BALANCE - SEPTEMBER 30, 2024 | <u>\$ 23,741,183</u> | <u>\$ (6,938)</u> | <u>\$ 23,734,245</u> |

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

**Fort Myers Beach Fire Control District
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balance to the Statement of Activities
 For the fiscal year ended September 30, 2024**

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

| | | |
|---|----|-----------|
| Net change in fund balance for governmental funds | \$ | 2,404,824 |
|---|----|-----------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, gains and losses on the disposition of capital assets are recorded on the statement of activities but not in the statement of revenues expenditures and changes in net position.

| | | |
|---|----------------|-----------|
| Capital outlay expenditure | \$ 4,480,454 | |
| Less: depreciation expense | (536,355) | |
| Less: loss on disposition of capital assets | <u>(5,810)</u> | 3,938,289 |

| | |
|--|---------|
| The repayment of the principal of long-term debt is an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balance, but reduces long-term liabilities in the Statement of Net Position. | 142,722 |
|--|---------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.

| | | |
|---|--------------|----------------|
| Decrease in pension expense related to amortization of deferred inflows and deferred outflows | 496,401 | |
| Decrease in OPEB expense related to amortization of deferred inflows and deferred outflows | 150,001 | |
| Decrease in compensated absences | <u>3,779</u> | <u>650,181</u> |

| | | |
|--|-----------|------------------|
| Change in net position of governmental funds | <u>\$</u> | <u>7,136,016</u> |
|--|-----------|------------------|

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

Fort Myers Beach Fire Control District
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2024

| | <u>Retiree Insurance VEBA Plan</u> |
|--|--|
| ASSETS | |
| Cash and cash equivalents | \$ 88,921 |
| Investments, at fair value | |
| Domestic equities - common stock and options | 857,404 |
| Fixed income corporate bonds | 257,378 |
| Government and GSE bonds | <u>173,856</u> |
| Total assets | <u>1,377,559</u> |
| LIABILITIES & NET POSITION | |
| LIABILITIES | |
| Accounts payable and accrued expenses | <u>2,412</u> |
| Total liabilities | 2,412 |
| NET POSITION | |
| Held in trust for VEBA retiree health insurance benefits | <u>1,375,147</u> |
| Total net position | <u><u>\$ 1,375,147</u></u> |

Fort Myers Beach Fire Control District
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
September 30, 2024

| | <u>Retiree Insurance VEBA Plan</u> |
|---|--|
| ADDITIONS | |
| Employer Contributions | \$ 74,500 |
| Investment income: | |
| Net realized gain | 31,488 |
| Net unrealized gain/(loss) | 212,443 |
| Interest and dividends | 25,495 |
| | <u>269,426</u> |
| Less: investment expense | (9,091) |
| Net investment income | <u>260,335</u> |
| Total additions | <u>334,835</u> |
| DEDUCTIONS | |
| Benefits paid | 97,567 |
| Administrative expenses | 23,657 |
| Total deductions | <u>121,224</u> |
| CHANGE IN NET POSITION | 213,611 |
| NET POSITION - BEGINNING OF THE YEAR | <u>1,161,536</u> |
| NET POSITION - END OF THE YEAR | <u><u>\$ 1,375,147</u></u> |

Fort Myers Beach Fire Control District

Notes to Financial Statements

September 30, 2024

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Reporting Entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units." This statement requires the financial statements of the District (the primary government) to include its components 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 84, the retiree insurance trust fund (VEBA) of the District are reported as Fiduciary Fund Component Units. All changes in the plans must be approved by their respective Board of Trustees. The plans were created for the exclusive benefit of the District.

These statements require the basic financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, as amended, there are no component units required to be included. Therefore, no component units are included in the District's basic financial statements.

Government-wide and Fund Financial Statements

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

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

Government-wide and Fund Financial Statements, Continued

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operating activities or capital improvements of a particular function. Program revenues are considered to be revenues generated by services performed and/or by fees charged, such as inspection and ambulance fees, as well as operating and capital grants. Taxes and other revenue sources not properly included with program revenues are reported as general revenue.

The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year.

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

Fund financial statements for the District's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in aggregate for governmental funds. The District does not currently have any fiduciary funds. The District reports the following major funds in the government fund financial statements:

- The General Fund serves as the District's primary operating fund. It accounts for all financial resources not required to be reported in another fund. Revenue is derived primarily from property taxes and other governmental revenue, including any impact fees collected. The fund covers general operating expenditures, fixed charges, and capital outlay costs that are not allocated through other funds.
- The Capital Project Fund accounts for resources accumulated to fund capital projects, including the construction of Fire Station 31.

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

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

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

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

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

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

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

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

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

Net Position

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

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

Fund Balances

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources. The governmental fund financial statements the District maintains include nonspendable, restricted, committed, assigned and unassigned fund balances. Nonspendable fund balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, for example prepaid expenses.

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

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

Fund Balances, Continued

The District's restricted fund balance consists of amounts that can be spent only on specific purposes stipulated by constitutional provisions or enabling legislation or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed fund balance consists of amounts that can only be used for specific purposes pursuant to resolution of the District Board. Committed fund balance may be redirected by the District Board to other purposes as long as the original constraint is removed by a similar resolution. The resolution giving rise to the committed fund balance must be imposed by the end of the fiscal year.

The District's assigned fund balances are a result of the District's Board approval. The District's intent is to maintain a minimum assigned fund balance level of three (3) months of prior year total expenditures. The assigned fund balance will serve as the District's operational reserve to carry the District's operations from October 1 through December 31 of the subsequent fiscal year.

The Board's intent is to hold an assigned capital asset reserve for future capital asset needs as well as assigned fund balance amounts for disaster events (30 days all-out response). At September 30, 2024, fund balance is also assigned for a variety of specific items by District Board action. Any use of the assigned fund balance requires the District's Board approval.

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

Impact Fees

Through an interlocal agreement, the District levies an impact fee on new construction within the District. The intent of the fee is for growth within the District to pay for capital improvements needed due to the growth. The fee is collected by both Lee County and the Town of Fort Myers Beach and is remitted to the District. The fee is refundable if not expended by the District within twenty (20) years from the date of collection. The District, therefore, records this fee as restricted cash and as unearned revenue, in the general fund, until the date of expenditure, at which time it is recognized as revenue and charged to growth related debt service in the fund financial statements and debt reduction in the government-wide financial statements.

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

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

Investments

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

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

Capital Assets

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

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$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 acquisition value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than building, including curbs, gutters and drainage systems, are not capitalized, as the District generally does not acquire such assets. No debt-related interest expense is capitalized as part of capital assets.

Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies is capitalized when the related expenditure is incurred. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

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

| <u>Asset</u> | <u>Years</u> |
|--------------|--------------|
| Improvements | 20 - 40 |
| Vehicles | 5 - 20 |
| Equipment | 3 - 20 |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

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

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

In the government-wide Statement of Net Position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability, the net OPEB liability for the Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, and the total OPEB liability for the OPEB for those who retired on or before September 30, 2008 and the Implicit Subsidy of the District.

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

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

Deferred Outflows/Inflows of Resources

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

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

Deferred Outflows/Inflows of Resources, Continued

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The deferred amount on pensions and OPEB is reported only in the government-wide Statement of Net Position.

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

Budgetary Information

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

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

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

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

1. During the summer of each year, the District Fire Chief submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget amounts, as shown in these financial statements, are as originally adopted or as amended by the Board of Commissioners.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

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

Encumbrances

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

Management Estimates

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

Subsequent Events

Subsequent events have been evaluated through May 28, 2025, which is the date the basic financial statements were available to be issued. No events were identified that require disclosure or adjustment to the financial statements.

NOTE B - CASH AND CASH EQUIVALENTS

The District's deposit policy is in accordance with Florida Statute Chapter 218.415(17). At September 30, 2024, the District maintained deposits in checking accounts and money market savings accounts. These deposits were entirely covered during the year and at year-end by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute Chapter 280). District depositories are banks designated as qualified depositories by the State Treasurer. As of September 30, 2024, the carrying amount of the District's deposits including investments in the Local Government Surplus Funds Trust Fund- PRIME ("PRIME") administered by the Florida State Board of Administration ("SBA"), but exclusive of the Retiree Insurance Trust Fund VEBA was \$32,828,885, the bank balance was \$32,994,437 and cash on hand was \$300. Restricted cash consisted of \$8,622,094.

The Retiree Health Insurance Trust Fund Plan Voluntary Employee Benefit Association (VEBA) for those who retired on or after October 1, 2008, as later defined, held restricted cash and cash equivalents of \$88,921 (book and bank balance as well as deposits), at September 30, 2024, in a money market fund. This cash account is not subject to coverage under the Federal Depository Insurance (FDIC) or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute 280).

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE C - INVESTMENTS

District Investments

Florida Statutes and District policy authorize investments in PRIME, an external 2a7-like investment pool. The Fund is publicly traded and may lose principal. PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. PRIME has a Standard & Poor's rating of AAAM at September 30, 2024 and meets all of the necessary criteria to elect to measure all of the investments in PRIME at amortized cost. In terms of interest rate risk, PRIME had a weighted average days to maturity (WAM) of 39 days and a weighted average life (WAL) of 74 days at September 30, 2024. PRIME was not exposed to any foreign currency risk nor did it participate in a securities lending program during the period from October 1, 2023 through September 30, 2024. There are currently no limitations as to the frequency of redemptions; however, PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

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

At September 30, 2024, the District reported PRIME investments of \$14,869,930 at amortized cost.

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

Cash and cash equivalents and investments of the VEBA Plan totaled \$88,921 and \$1,288,638 respectively, at September 30, 2024. Such investments are controlled by the VEBA Plan's Board policy.

VEBA Plan Investment Authorization

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

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE C - INVESTMENTS, CONTINUED

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

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

| | <u>% Range</u> | <u>% Target</u> |
|-------------------------------|----------------|-----------------|
| Large cap domestic equity | 20-50% | 35.0% |
| Small/Mid Cap domestic equity | 5-20% | 12.5% |
| International equity | 5-20% | 12.5% |
| Convertibles | 5-20% | 10.0% |
| Intermediate fixed income | 15-30% | 20.0% |
| Short-term fixed income | 5-20% | 10.0% |
| | | <u>100%</u> |

VEBA Plan Interest Rate Risk

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

VEBA Plan Credit Risk

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

VEBA Plan Concentration of Credit Risk:

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represented 10% or more of the fund's fiduciary net position at September 30, 2024.

VEBA Plan Custodial Credit Risk:

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

VEBA Plan Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in the currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments. The VEBA Plan's exposure to foreign currency risk derives mainly from its investments in international equity funds. The VEBA Plan reports international equity funds at market value of \$198,349.

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE C - INVESTMENTS, CONTINUED

VEBA Plan Fair Value Measurements

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

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE C - INVESTMENTS, CONTINUED

VEBA Plan Fair Value Measurements, Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at September 30, 2024.

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

The following table sets forth by level, within the fair value hierarchy, the VEBA Plan's assets at fair value at September 30, 2024:

| <u>Asset Type</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------|---------------------|----------------|----------------|---------------------|
| Common stock | \$ 857,404 | \$ - | \$ - | \$ 857,404 |
| Corporate bonds | 257,378 | - | - | 257,378 |
| Government securities | 173,856 | - | - | 173,856 |
| Total at fair value | <u>\$ 1,288,638</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,288,638</u> |

NOTE D - RECEIVABLES, NET

Receivables, net consist of the following at September 30, 2024:

| | |
|---------------------------------------|-------------------|
| Ambulance Receivable and Other | <u>\$ 109,102</u> |
| Less: Allowance for Doubtful Accounts | <u>(60,700)</u> |
| Net Ambulance Receivables | 48,402 |
| Misc. Receivables | <u>22,709</u> |
| Receivables, Net | <u>\$ 71,111</u> |

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE E - CAPITAL ASSET ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2024:

| | Balance Oct. 1, 2023 | Additions | Deletions | Balance Sept. 30, 2024 |
|---|-------------------------|---------------------|-------------------|---------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 5,437,744 | \$ 3,400,000 | \$ - | \$ 8,837,744 |
| Construction in progress | 5,810 | 390,611 | (5,810) | 390,611 |
| Total capital assets not being depreciated: | <u>5,443,554</u> | <u>3,790,611</u> | <u>(5,810)</u> | <u>9,228,355</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 6,312,430 | 657,548 | (371,473) | 6,598,505 |
| Equipment | 730,886 | 32,295 | - | 763,181 |
| Vehicles | 3,340,229 | - | - | 3,340,229 |
| Total capital assets being depreciated: | <u>10,383,545</u> | <u>689,843</u> | <u>(371,473)</u> | <u>10,701,915</u> |
| Less: Accumulated depreciation | | | | |
| Buildings and improvements | (2,407,221) | (153,170) | 371,473 | (2,188,918) |
| Equipment | (227,194) | (62,684) | - | (289,878) |
| Vehicles | (1,237,145) | (320,501) | - | (1,557,646) |
| Total accumulated depreciation | <u>(3,871,560)</u> | <u>(536,355)</u> | <u>371,473</u> | <u>(4,036,442)</u> |
| Total capital assets being depreciated, net | <u>6,511,985</u> | <u>153,488</u> | <u>-</u> | <u>6,665,473</u> |
| Capital Assets, Net | <u>\$ 11,955,539</u> | <u>\$ 3,944,099</u> | <u>\$ (5,810)</u> | <u>\$ 15,893,828</u> |

Depreciation expense was charged to the following functions during the year ended September 30, 2024:

| | Amount |
|----------------------------|-------------------|
| General Government | <u>\$ 536,355</u> |
| Total depreciation expense | <u>\$ 536,355</u> |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE F - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2024:

| | Balance Oct. 1, 2023 | Additions | Deletions | Balance Sept. 30, 2024 | Due within one year |
|-----------------------------|-------------------------|---------------------|-----------------------|---------------------------|------------------------|
| Notes payable | \$ 764,009 | \$ - | \$ (142,722) | \$ 621,287 | \$ 147,593 |
| Compensated absences | 429,355 | 588,670 | (592,449) | 425,576 | 13,233.00 |
| Net pension liability - FRS | 10,775,198 | 1,939,801 | (3,561,361) | 9,153,638 | - |
| Net pension liability - HIS | 2,331,000 | 76,683 | (572,385) | 1,835,298 | - |
| Net OPEB liability | 3,060,592 | 341,956 | (939,767) | 2,462,781 | - |
| Total long term liabilities | <u>\$ 17,360,154</u> | <u>\$ 2,947,110</u> | <u>\$ (5,808,684)</u> | <u>\$ 14,498,580</u> | <u>\$ 160,826</u> |

Long-term liabilities are comprised of the following at September 30, 2024:

| | |
|--|----------------------|
| \$1,410,000 capital lease payable to a financial institution for the purchase of two fire trucks was entered into on September 27, 2018. The first payment of \$41,670 was due on December 27, 2018 and quarterly thereafter over ten years with an annual interest rate of 3.37%, with a final payment due September 27, 2028. The lease is collateralized by the respective fire trucks. | \$ 621,287 |
| Compensated absences, Employees of the District are entitled to paid leave based on length of service and job classification. | 425,576 |
| Net pension liability - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan. | 9,153,638 |
| Net pension liability - HIS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan. | 1,835,298 |
| Net OPEB liability. Cumulative difference between annual OPEB cost and District payments toward the cost of post employment benefits other than pensions since the implementation of GASB No. 75. | <u>2,462,781</u> |
| Total long-term liabilities | <u>\$ 14,498,580</u> |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE F - LONG-TERM LIABILITIES, CONTINUED

The annual debt service requirements at September 30, 2024, were as follows:

| Year Ending September 30, | Principal | Interest | Total |
|-----------------------------|----------------------|------------------|-------------------|
| 2025 | \$ 147,593 | \$ 19,085 | \$ 166,678 |
| 2026 | 152,630 | 14,048 | 166,678 |
| 2027 | 157,839 | 8,839 | 166,678 |
| 2028 | 163,225 | 3,452 | 166,677 |
| | <u>621,287</u> | <u>\$ 45,424</u> | <u>\$ 666,711</u> |
| Compensated absences | 425,576 | | |
| Net pension liability - FRS | 9,153,638 | | |
| Net pension liability - HIS | 1,835,298 | | |
| Net OPEB liability | 2,462,781 | | |
| Total long-term liabilities | <u>\$ 14,498,580</u> | | |

Interest expenditures for the year ended September 30, 2024 totaled \$23,956 and was recorded in the General Fund. Principal and interest payment of \$9,030 was paid with impact fee revenue.

NOTE G - PROPERTY TAXES

Property taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related recordkeeping of all property taxes is performed for the District by the Lee County Tax Collector. No accrual for the property tax levy becoming due in November 2024 is included in the accompanying 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, 2024, \$56,501 was due from the Lee County Tax Collector to the District for ad valorem taxes and excess fees.

Important dates in the property tax cycle are as follows:

| | |
|-----------------------------------|--|
| Assessment roll certified | July 1 |
| Millage resolution approved | No later than 93 days following certification of assessment roll |
| Taxes due and payable (Levy date) | November, with various discount provisions through March 31 |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE G - PROPERTY TAXES, CONTINUED

| | |
|---|-------------------------|
| Property taxes payable - maximum discount (4.00%) | 30 days after levy date |
| Beginning of fiscal year for which taxes have been levied | October 1 |
| Due date | March 31 |
| Taxes become delinquent (lien date) | April 1 |
| Tax certifications sold by the Lee County Tax Collector | Prior to June 1 |

For the year ended September 30, 2024, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$2.9851 per \$1,000 of the 2024 net taxable value of real property located within the District.

NOTE H - IMPACT FEE ACTIVITY

During the year ended September 30, 2024, the District had the following transactions related to Impact Fees:

| | |
|--------------------------------------|-------------|
| Unearned Revenue, October 1, 2023 | \$ - |
| Impact Fee Receipts | 9,030 |
| Debt Service Interest and Principal | (9,030) |
| Unearned Revenue, September 30, 2024 | <u>\$ -</u> |

NOTE I - FUND BALANCE ALLOCATIONS

Fund balance was allocated the following purposes at September 30, 2024:

| <u>Nonspendable Fund Balance</u> | <u>Amount</u> |
|---|----------------------|
| General Fund | |
| Prepaid | \$ 107,459 |
| Total Nonspendable Fund Balance | <u>\$ 107,459</u> |
| | |
| <u>Assigned Fund Balance</u> | |
| General Fund | |
| Millage Sustainment | \$ 988,000 |
| Emergency/disaster (30-45 days) | 1,200,000 |
| Capital Sustainment | 4,968,905 |
| Firefighter Cancer Plan | 50,000 |
| Station 31/Headquarter Construction Project | 9,981,493 |
| Total Assigned Fund Balance - General Fund | <u>\$ 17,188,398</u> |

Fort Myers Beach Fire Control District

Notes to Financial Statements

September 30, 2024

NOTE J - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees; and natural disasters.

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

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

On April 1, 2010, the District elected to obtain a third party, fully insured group health, vision and dental plan administered by the Lee County Board of County Commissioners. The District paid premiums of \$999,330 which are net amounts paid by employees and retirees, during the year ended September 30, 2024. The District also provides life and disability insurance for the District's employees. The District incurred costs of \$45,021 for these additional coverages.

NOTE K - RETIREMENT PLANS

General Information about the Florida Retirement System

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

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

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE K - RETIREMENT PLANS, CONTINUED

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2024, were as follows:

| | <u>FRS</u> | <u>HIS</u> |
|---------------------------------|------------|------------|
| Regular class | 13.63% | 2.00% |
| Special risk class | 32.79% | 2.00% |
| Senior management service class | 34.52% | 2.00% |
| DROP from FRS | 21.13% | 2.00% |

The employer's contributions for the year ended September 30, 2024, were \$1,314,493 to the FRS Pension Plan and \$106,479 to this HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2024. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

| | <u>FRS</u> | <u>HIS</u> |
|--------------------------|--------------|--------------|
| Net pension liability | \$ 9,153,639 | \$ 1,835,298 |
| Proportion at: | | |
| Current measurement date | 0.023662% | 0.012235% |
| Prior measurement date | 0.027042% | 0.014678% |
| Pension expense | \$ 115,686 | \$ 405,881 |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE K - RETIREMENT PLANS, CONTINUED

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | FRS | | HIS | |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 924,763 | \$ - | \$ 17,721 | \$ (3,524) |
| Change of assumptions | 1,254,590 | - | 32,480 | (217,276) |
| Net difference between projected and actual earnings on pension plan investments | - | (608,398) | - | (664) |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 59,136 | (1,655,553) | 61,392 | (467,817) |
| District contributions subsequent to the measurement date | 367,818 | - | 28,269 | - |
| | <u>\$ 2,606,307</u> | <u>\$ (2,263,951)</u> | <u>\$ 139,862</u> | <u>\$ (689,281)</u> |

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| <u>Fiscal year ending September 30,</u> | FRS | HIS |
|---|--------------------|---------------------|
| 2025 | \$ (655,454) | \$ (84,040) |
| 2026 | 1,021,387 | (116,609) |
| 2027 | (194,895) | (140,320) |
| 2028 | (218,574) | (122,606) |
| 2029 | 22,074 | (89,445) |
| Thereafter | - | (24,668) |
| | <u>\$ (25,462)</u> | <u>\$ (577,688)</u> |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE K - RETIREMENT PLANS, CONTINUED

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2024. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2024. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

| | <u>FRS</u> | <u>HIS</u> |
|---------------------------|------------|------------|
| Inflation | 2.40% | 2.40% |
| Salary increases | 3.50% | 3.50% |
| Investment rate of return | 6.70% | N/A |
| Discount rate | 6.70% | 3.93% |

Mortality assumptions for both plans were based on the PUB-2010 with Projection Scale MP-2021.

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

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Annual Arithmetic Return</u> | <u>Compound Annual (Geometric) Return</u> | <u>Standard Deviation</u> |
|--------------------------|--------------------------|---------------------------------|---|---------------------------|
| Cash | 1.0% | 3.3% | 3.3% | 1.1% |
| Fixed income | 29.0% | 5.7% | 5.6% | 3.9% |
| Global equity | 45.0% | 8.6% | 7.0% | 18.2% |
| Real estate (property) | 12.0% | 8.1% | 6.8% | 16.6% |
| Private equity | 11.0% | 12.4% | 8.8% | 28.4% |
| Strategic investments | 2.0% | 6.6% | 6.2% | 8.7% |
| Total | <u>100.0%</u> | | | |
| Assumed Inflation - Mean | | | 2.4% | 1.5% |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE K - RETIREMENT PLANS, CONTINUED

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

| | FRS | | |
|---|------------------------|--------------------------|------------------------|
| | Current | | |
| | 1% Decrease (5.70%) | Discount Rate (6.70%) | 1% Increase (7.70%) |
| District's proportionate share of the net pension liability | \$ 16,100,930 | \$ 9,153,639 | \$ 3,333,809 |

| | HIS | | |
|---|------------------------|--------------------------|------------------------|
| | Current | | |
| | 1% Decrease (2.65%) | Discount Rate (3.65%) | 1% Increase (4.65%) |
| District's proportionate share of the net pension liability | \$ 2,089,251 | \$ 1,835,298 | \$ 1,624,476 |

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. FRS Investment Plan contributions for the fiscal year ended September 30, 2024 totaled \$200,462.

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

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

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

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

The measurement date for GASB 74 and GASB 75 reporting is September 30, 2024.

The reporting period is October 1, 2023 through September 30, 2024.

The actuarial valuation date is October 1, 2023.

Plan Description

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

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2023 using the following actuarial assumptions:

| | |
|-------------------------------------|---|
| Discount rate | 7.00% per annum, this rate was used to discount all future benefit payments and is based on the expected long-term return on assets |
| Expected long-term return on assets | 7.00% per annum, (2.51% per annum is attributable to long-term inflation) |
| Salary increases | 3.00% per annum |
| Mortality basis | Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020 |
| Retirement | For firefighters, retirement is assumed to occur at the earlier of age 55 with six years of service or at any age with 25 years of service; for general employees, retirement is assumed to occur at the earlier of age 62 with six years of service or at any age with 30 years of service |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, CONTINUED

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

Actuarial Assumptions, Continued:

| | |
|------------------|---|
| Other decrements | Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for firefighters and Class 1 rates were used for general employees) |
| Changes | No assumptions were changed since the prior measurement date |

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

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

Covered Individuals

At October 1, 2023, the following employees were covered by the benefit term:

| | |
|---|----|
| Inactive Plan Members, Dependent Spouses, or Beneficiaries Currently Receiving Benefits | 25 |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits | - |
| Active Plan Members | 47 |
| | 72 |

Contributions

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

Description of the Benefit Terms

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

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

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

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

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, CONTINUED

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

Net OPEB (VEBA) Liability:

| | |
|-----------------------------------|---------------------------|
| Total OPEB liability | \$ 1,293,754 * |
| Less: plan fiduciary net position | <u>(1,377,560)</u> |
| District's net OPEB liability | <u><u>\$ (83,806)</u></u> |

* This amount has been rolled forward from October 1, 2023

OPEB Expense:

| | |
|---|-------------------------|
| Service cost | \$ 21,924 |
| Other recognized changes in net pension liability | |
| Expected interest growth | 13,254 |
| Investment gain/loss | (8,455) |
| Demographic gain/loss | 32,949 |
| Administrative expenses | 26,546 |
| Assumption changes | <u>2,243</u> |
| OPEB Expense | <u><u>\$ 88,461</u></u> |

Deferred Inflows and Outflows of Resources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------|--------------------------------------|-------------------------------------|
| Balance as of September 30, 2023 | <u>\$ 492,952</u> | <u>\$ 183,101</u> |
| Changes due to: | | |
| Amortization payments | (135,600) | (108,863) |
| Investment gain/loss | - | 190,744 |
| Demographic gain/loss | - | <u>73,692</u> |
| Total change | <u>(135,600)</u> | <u>155,573</u> |
| Balance as of September 30, 2024 | <u><u>\$ 357,352</u></u> | <u><u>\$ 338,674</u></u> |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, CONTINUED

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

Balance Equation:

| | |
|--|--------------------|
| Net OPEB liability as of September 30, 2023 | \$ 193,406 |
| Plus OPEB expense for the 2023/24 fiscal year | 88,461 |
| Minus employer contribution for the 2023/24 fiscal year | (74,500) |
| Plus change in balance of deferred outflows of resources | (135,600) |
| Minus change in balance of deferred inflows of resources | (155,573) |
| Net OPEB liability as of September 30, 2024 | <u>\$ (83,806)</u> |

Changes in Net OPEB (VEBA) Liability

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
|----------------------------------|-----------------------------|---------------------------------------|------------------------------------|
| Balance as of September 30, 2023 | \$ 1,356,174 | \$ (1,162,768) | \$ 193,406 |
| Changes due to | | | |
| Service cost | 21,924 | - | 21,924 |
| Expected interest growth | 92,740 | (79,486) | 13,254 |
| Unexpected investment income | - | (190,744) | (190,744) |
| Demographic experience | (73,692) | - | (73,692) |
| Employer contribution | - | (74,500) | (74,500) |
| Benefit payments and refunds | (103,392) | 103,392 | - |
| Administrative expenses | - | 26,546 | 26,546 |
| Net changes | <u>(62,420)</u> | <u>(214,792)</u> | <u>(277,212)</u> |
| Balance as of September 30, 2024 | <u>\$ 1,293,754</u> | <u>\$ (1,377,560)</u> | <u>\$ (83,806)</u> |

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

| | Discount Rate Minus 1.00% | Discount Rate 7.00% | Discount Rate Plus 1.00% |
|------------------------------|------------------------------|------------------------|-----------------------------|
| Total OPEB liability | \$ 1,432,474 | \$ 1,293,754 | \$ 1,176,116 |
| Less: fiduciary net position | (1,377,560) | (1,377,560) | (1,377,560) |
| Net OPEB (asset)/liability | <u>\$ 54,914</u> | <u>\$ (83,806)</u> | <u>\$ (201,444)</u> |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, CONTINUED

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

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

| | Trend Rate Minus 1.00% | 7.00% Graded Down to 5.00% | Trend Rate Plus 1.00% |
|------------------------------|---------------------------|----------------------------------|--------------------------|
| Total OPEB liability | \$ 1,432,474 | \$ 1,293,754 | \$ 1,176,116 |
| Less: fiduciary net position | (1,377,560) | (1,377,560) | (1,377,560) |
| Net OPEB (asset)/liability | <u>\$ 54,914</u> | <u>\$ (83,806)</u> | <u>\$ (201,444)</u> |

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

Plan Description

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

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2023 using the following actuarial assumptions:

- Discount rate: 4.06% per annum, this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
- Salary increase: 3.00% per annum
- Cost of living increases: Retiree contributions, health insurance premiums, and the implicit subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
- Healthcare cost trend rates: Increases in healthcare costs are assumed to be 7.00% for the 2023/24 fiscal year graded down by 0.50% per year to 5.00% for the 2027/28 and later fiscal years.
- Age related morbidity: Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, CONTINUED

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

Actuarial Assumptions, Continued

| | |
|---------------------------|--|
| Implied health subsidy: | Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$825 for the retiree and \$650 for the retiree's spouse has been assumed at age 62 for the 2023/24 fiscal year. At other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates. |
| Mortality basis: | Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) with full generational improvements in mortality using Scale MP-2020. |
| Retirement: | For firefighters, retirement is assumed to occur at the earlier of age 55 with six years of service or at any age with 25 years of service; for general employees, retirement is assumed to occur at the earlier of age 62 with six years of service or at any age with 30 years of service. |
| Other decrements: | Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for firefighters and Class 1 rates were used for general employees). |
| Health coverage election: | 50% of eligible future retirees are assumed to elect coverage for themselves upon retirement or disability until age 65. Current retirees who retired on or before September 30, 2008 are assumed to continue coverage for life. Current retirees who retired on or after October 1, 2008 are assumed to continue coverage until age 65. Spousal coverage is assumed in accordance with the employee's or retiree's current election. |
| Spouses and dependents: | Husbands are assumed to be three years older than wives. Retirees are not assumed to have any dependent children. |
| COBRA | Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation because the COBRA premium is determined periodically based on the plan experience. The COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period. |
| Changes: | Since the prior measurement date, the discount rate was decreased from 4.91% per annum to 4.06% per annum and the implied monthly subsidy at age 62 for the retiree and his spouse for the 2023/24 fiscal year was decreased from \$860 and \$726, respectively, to \$825 and \$650, respectively |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, CONTINUED

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

Covered Individuals

At October 1, 2023, the following employees were covered by the benefit term:

| | |
|--|-----------|
| Inactive plan members, dependent spouses, or beneficiaries currently receiving benefits | 28 |
| Active plan members | 47 |
| Total | <u>75</u> |

Contributions

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

Description of the Benefit Terms

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

Net OPEB (Non-VEBA) Liability:

| | |
|-----------------------------------|---------------------|
| Total OPEB liability | \$ 2,546,587 * |
| Less: plan fiduciary net position | - |
| District's net OPEB liability | <u>\$ 2,546,587</u> |

* This amount has been rolled forward from October 1, 2023

OPEB (Non-VEBA) Expense:

| | |
|---|---------------------|
| Service cost | \$ 159,714 |
| Other recognized changes in net pension liability | |
| Expected interest growth | 120,518 |
| Demographic gain/loss | (235,630) |
| Benefit payments and refunds | (118,114) |
| Assumption changes | (90,450) |
| OPEB (Non-VEBA) Expense (Benefit) | <u>\$ (163,962)</u> |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, CONTINUED

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

Deferred Inflows and Outflows of Resources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------|--------------------------------------|-------------------------------------|
| Balance as of September 30, 2023 | \$ 796,093 | \$ 2,040,564 |
| Changes due to: | | |
| Amortization payments | (215,598) | (541,678) |
| Demographic gain/loss | - | 468,074 |
| Assumption Changes | - | 14,643 |
| Total change | <u>(215,598)</u> | <u>(58,961)</u> |
| Balance as of September 30, 2024 | <u>\$ 580,495</u> | <u>\$ 1,981,603</u> |

Balance Equation:

| | |
|--|---------------------|
| Net OPEB (Non-VEBA) liability as of September 30, 2023 | \$ 2,867,186 |
| Plus OPEB expense for the 2023/24 fiscal year | (163,962) |
| Plus change in balance of deferred outflows of resources | (215,598) |
| Minus change in balance of deferred inflows of resources | 58,961 |
| Net OPEB (Non-VEBA) liability as of September 30, 2024 | <u>\$ 2,546,587</u> |

Changes in Net OPEB (VEBA) Liability

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
|----------------------------------|-----------------------------|---------------------------------------|------------------------------------|
| Balance as of September 30, 2023 | \$ 2,867,186 | \$ - | \$ 2,867,186 |
| Changes due to | | | |
| Service cost | 159,714 | - | 159,714 |
| Expected interest growth | 120,518 | - | 120,518 |
| Demographic experience | (468,074) | - | (468,074) |
| Benefit payments and refunds | (118,114) | - | (118,114) |
| Assumption changes | (14,643) | - | (14,643) |
| Net changes | <u>(320,599)</u> | <u>-</u> | <u>(320,599)</u> |
| Balance as of September 30, 2024 | <u>\$ 2,546,587</u> | <u>\$ -</u> | <u>\$ 2,546,587</u> |

Fort Myers Beach Fire Control District
Notes to Financial Statements
September 30, 2024

NOTE L - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION, CONTINUED

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

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

| | Discount Rate Minus 1.00% | Discount Rate 4.06% | Discount Rate Plus 1.00% |
|------------------------------|------------------------------|------------------------|-----------------------------|
| Total OPEB liability | \$ 2,819,045 | \$ 2,546,587 | \$ 2,309,345 |
| Less: fiduciary net position | - | - | - |
| Net OPEB (asset)/liability | <u>\$ 2,819,045</u> | <u>\$ 2,546,587</u> | <u>\$ 2,309,345</u> |

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

| | Trend Rate Minus 1.00% | 7.00% Graded Down to 5.00% | Trend Rate Plus 1.00% |
|------------------------------|---------------------------|----------------------------------|--------------------------|
| Total OPEB liability | \$ 2,254,760 | \$ 2,546,587 | \$ 2,892,551 |
| Less: fiduciary net position | - | - | - |
| Net OPEB (asset)/liability | <u>\$ 2,254,760</u> | <u>\$ 2,546,587</u> | <u>\$ 2,892,551</u> |

NOTE M - BUDGETARY COMPLIANCE

During the fiscal year ended September 30, 2024, actual expenditures exceeded budgeted appropriations in the General Fund as follows:

| | Final Budget | Actual | Variance |
|----------------------|--------------|-----------|-------------|
| Total capital outlay | 1,035,500 | 4,089,843 | (3,054,343) |

The over-expenditures were due to the purchase of property located at 1101 Shimp Boat Lane for a total cost of \$3.4 million. The intention is to relocate the headquarter's facility, including public meeting spaces, and construct a training tower.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Fort Myers Beach Fire Control District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund - Summary Statement
September 30, 2024

| | General Fund | | | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|----------------------|--|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Ad Valorem taxes | \$ 9,013,352 | \$ 9,013,352 | \$ 9,035,060 | \$ 21,708 |
| Impact fees | 40,000 | 40,000 | 9,030 | (30,970) |
| Intergovernmental revenues: | | | | |
| Firefighters supplemental income | 13,900 | 13,900 | 21,720 | 7,820 |
| State and federal grants | - | - | 5,560,069 | 5,560,069 |
| Charges for services | | | | |
| Ambulance transport | 75,000 | 75,000 | 154,135 | 79,135 |
| Inspection fees | 500,000 | 500,000 | 829,945 | 329,945 |
| Interest income | 525,000 | 525,000 | 1,347,875 | 822,875 |
| Compensation for loss of assets | - | - | 38,929 | 38,929 |
| Other income: | | | | |
| Miscellaneous | 5,000 | 5,000 | 58,947 | 53,947 |
| Subtotal - revenues | <u>10,172,252</u> | <u>10,172,252</u> | <u>17,055,710</u> | <u>6,883,458</u> |
| Cash brought forward | 18,500,000 | 21,329,421 | - | (21,329,421) |
| Total revenues | <u>28,672,252</u> | <u>31,501,673</u> | <u>17,055,710</u> | <u>(14,445,963)</u> |
| EXPENDITURES | | | | |
| Public safety | | | | |
| Personal services | 10,225,440 | 10,225,440 | 8,686,567 | 1,538,873 |
| Operating | 2,885,645 | 2,885,645 | 1,699,860 | 1,185,785 |
| Capital outlay | 1,035,500 | 1,035,500 | 4,089,843 | (3,054,343) |
| Debt Service | | | | |
| Principal reduction | 142,730 | 142,730 | 142,722 | 8 |
| Interest and fiscal charges | 23,960 | 23,960 | 23,956 | 4 |
| Reserves | 14,358,977 | 17,188,398 | - | 17,188,398 |
| Total expenditures | <u>28,672,252</u> | <u>31,501,673</u> | <u>14,642,948</u> | <u>16,858,725</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 2,412,762 | <u>\$ 2,412,762</u> |
| GAAP RECONCILIATION | | | | |
| Other financing sources/(uses) | | | | |
| Transfers to other funds | | | (1,000) | |
| Net change in fund balance | | | <u>2,411,762</u> | |
| FUND BALANCE - OCTOBER 1, 2023 | | | <u>21,329,421</u> | |
| FUND BALANCE - SEPTEMBER 30, 2024 | | | <u>\$ 23,741,183</u> | |

Fort Myers Beach Fire Control District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund - Detailed Statement
September 30, 2024

| | General Fund | | | Variance |
|-------------------------------------|--------------------|-----------------|--------------|----------------------------|
| | Original Budget | Final Budget | Actual | Favorable (Unfavorable) |
| REVENUES | | | | |
| Ad Valorem taxes | \$ 9,013,352 | \$ 9,013,352 | \$ 9,035,060 | \$ 21,708 |
| Impact fees | 40,000 | 40,000 | 9,030 | (30,970) |
| Intergovernmental revenues: | | | | |
| Firefighters supplemental income | 13,900 | 13,900 | 21,720 | 7,820 |
| State and federal grants | - | - | 5,560,069 | 5,560,069 |
| Charges for services | | | | |
| Ambulance transport | 75,000 | 75,000 | 154,135 | 79,135 |
| Inspection fees | 500,000 | 500,000 | 829,945 | 329,945 |
| Interest income | 525,000 | 525,000 | 1,347,875 | 822,875 |
| Compensation for loss of assets | - | - | 38,929 | 38,929 |
| Other income: | | | | |
| Miscellaneous | 5,000 | 5,000 | 58,947 | 53,947 |
| Subtotal - revenues | 10,172,252 | 10,172,252 | 17,055,710 | 6,883,458 |
| Cash brought forward | 18,500,000 | 21,329,421 | - | (21,329,421) |
| Total revenues | 28,672,252 | 31,501,673 | 17,055,710 | (14,445,963) |
| EXPENDITURES | | | | |
| Public safety | | | | |
| Personal services | | | | |
| Elected officials | 30,000 | 30,000 | 30,000 | - |
| Firefighters and admin | 6,122,900 | 6,122,900 | 5,323,824 | 799,076 |
| Social security and medicare | 470,600 | 470,600 | 398,875 | 71,725 |
| Retirement | 2,077,900 | 2,077,900 | 1,605,083 | 472,817 |
| Health and life insurance | 1,231,300 | 1,231,300 | 1,057,582 | 173,718 |
| OPEB contribution | 91,840 | 91,840 | 83,691 | 8,149 |
| Workers compensation | 158,100 | 158,100 | 156,984 | 1,116 |
| Occupational health | 42,800 | 42,800 | 30,528 | 12,272 |
| Total personal services | 10,225,440 | 10,225,440 | 8,686,567 | 1,538,873 |
| Operating expenses | | | | |
| Legal fees and expenses | 80,250 | 80,250 | 19,223 | 61,027 |
| Professional fees | 925,400 | 925,400 | 62,770 | 862,630 |
| Medical director | 48,000 | 48,000 | 38,000 | 10,000 |
| Audit & accounting | 34,000 | 34,000 | 29,715 | 4,285.00 |
| Property appraiser fees | 104,700 | 104,700 | 95,900 | 8,800 |
| Tax collector fees | 189,800 | 189,800 | 180,733 | 9,067 |
| Other contractual services | 33,850 | 33,850 | 17,683 | 16,167 |
| Telephone | 12,760 | 12,760 | 10,751 | 2,009 |
| Communication charges, fees & maint | 94,760 | 94,760 | 67,615 | 27,145 |
| Postage and freight | 2,500 | 2,500 | 752 | 1,748 |
| Cable TV | 9,600 | 9,600 | 9,233 | 367 |
| Electricity & propane | 35,000 | 35,000 | 32,953 | 2,047 |

Fort Myers Beach Fire Control District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund - Detailed Statement
September 30, 2024

| | General Fund | | | Variance |
|-----------------------------------|--------------------|------------------|------------------|----------------------------|
| | Original Budget | Final Budget | Actual | Favorable (Unfavorable) |
| EXPENDITURES, CONTINUED | | | | |
| Public safety, continued | | | | |
| Operating expenses, continued | | | | |
| Garbage service | 9,000 | 9,000 | 15,255 | (6,255) |
| Water/sewer | 20,800 | 20,800 | 22,019 | (1,219) |
| Commercial property& liability | 265,000 | 265,000 | 254,712 | 10,288 |
| EMS equipment | 10,400 | 10,400 | 7,360 | 3,040 |
| Suppression equipment | 30,240 | 30,240 | 35,385 | (5,145) |
| Vehicles | 100,000 | 100,000 | 113,176 | (13,176) |
| Office equipment | 3,500 | 3,500 | 1,741 | 1,759 |
| Buildings | 110,000 | 110,000 | 92,529 | 17,471 |
| Miscellaneous | 28,485 | 28,485 | 20,115 | 8,370 |
| Required advertising | 5,000 | 5,000 | 4,442 | 558 |
| Fuel | 50,000 | 50,000 | 35,785 | 14,215 |
| Medical | 60,000 | 60,000 | 57,485 | 2,515 |
| Suppression & protective gear | 189,650 | 189,650 | 58,812 | 130,838 |
| Communication | 7,000 | 7,000 | 761 | 6,239 |
| Life safety | 5,950 | 5,950 | 4,422 | 1,528 |
| Training | 5,000 | 5,000 | 8,192 | (3,192) |
| Office | 6,000 | 6,000 | 2,540 | 3,460 |
| Facilities/Housekeeping supplies | 15,000 | 15,000 | 14,299 | 701 |
| FF&E under \$5,000 | 65,000 | 65,000 | 46,953 | 18,047 |
| Uniforms | 40,000 | 40,000 | 41,635 | (1,635) |
| Software licenses and updates | 99,900 | 99,900 | 83,905 | 15,995 |
| Career development | 51,100 | 51,100 | 28,423 | 22,677 |
| In-Service Training | 34,600 | 34,600 | 19,902 | 14,698 |
| Conferences | 19,400 | 19,400 | 10,622 | 8,778 |
| Travel | 45,150 | 45,150 | 14,229 | 30,921 |
| Licenses & certifications | 1,700 | 1,700 | 664 | 1,036 |
| Dues, memberships & subscriptions | 10,700 | 10,700 | 9,285 | 1,415 |
| Storm expenses | 1,550 | 1,550 | 34,857 | (33,307) |
| Grant expenses | - | - | 46,049 | (46,049) |
| Aid to other organizations | 300 | 300 | 30,839 | (30,539) |
| Ambulance billing expenses | 19,600 | 19,600 | 9,374 | 10,226 |
| Community outreach programs | 5,000 | 5,000 | 8,765 | (3,765) |
| Total operating expenses | <u>2,885,645</u> | <u>2,885,645</u> | <u>1,699,860</u> | <u>1,185,785</u> |
| Capital outlay | | | | |
| Land | - | - | 3,400,000 | (3,400,000) |
| Building improvements | 1,026,500 | 1,026,500 | 657,548 | 368,952 |
| Equipment | - | - | 19,920 | (19,920) |
| Training | 9,000 | 9,000 | 12,375 | (3,375) |
| Total capital outlay | <u>1,035,500</u> | <u>1,035,500</u> | <u>4,089,843</u> | <u>(3,054,343)</u> |

Fort Myers Beach Fire Control District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund - Detailed Statement
September 30, 2024

| | General Fund | | | |
|--|--------------------|-------------------|---------------------|--|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| EXPENDITURES, CONTINUED | | | | |
| Public safety, continued | | | | |
| Debt service | | | | |
| Principal payments | 142,730 | 142,730 | 142,722 | 8 |
| Interest | 23,960 | 23,960 | 23,956 | 4 |
| Total debt service | <u>166,690</u> | <u>166,690</u> | <u>166,678</u> | <u>12</u> |
| Reserves | | | | |
| Assigned | | | | |
| Millage Sustainment | 988,000 | 988,000 | - | 988,000 |
| Cap Sustainment/Op Bridge | 4,968,905 | 4,968,905 | - | 4,968,905 |
| ST31/HQ Construction Project | 7,152,072 | 9,981,493 | - | 9,981,493 |
| Disaster/Emergency | 1,200,000 | 1,200,000 | - | 1,200,000 |
| Firefighter Cancer Plan | 50,000 | 50,000 | - | 50,000 |
| Total reserves | <u>14,358,977</u> | <u>17,188,398</u> | <u>-</u> | <u>17,188,398</u> |
| Total expenditures | <u>28,672,252</u> | <u>31,501,673</u> | <u>14,642,948</u> | <u>16,858,725</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 2,412,762 | <u>\$ 2,412,762</u> |
| GAAP RECONCILIATION | | | | |
| Other financing sources/(uses) | | | | |
| Transfers to other funds | | | (1,000) | |
| Net change in fund balance | | | <u>2,411,762</u> | |
| FUND BALANCE - OCTOBER 1, 2023 | | | <u>21,329,421</u> | |
| FUND BALANCE - SEPTEMBER 30, 2024 | | | <u>\$23,741,183</u> | |

Fort Myers Beach Fire Control District
Schedule of District Contributions
For the Last Ten Fiscal Years Ended September 30, 2024

Florida Retirement System (FRS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 1,314,493 | \$ 1,221,367 | \$ 1,191,507 | \$ 1,170,530 | \$ 1,011,961 | \$ 1,044,334 | \$ 852,309 | \$ 799,467 | \$ 731,434 | \$ 611,946 |
| Contributions in relation to contractually require contribution | (1,314,493) | (1,221,367) | (1,191,507) | (1,170,530) | (1,011,961) | (1,044,334) | (852,309) | (799,467) | (731,434) | (611,946) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ 4,512,270 | \$ 4,727,972 | \$ 4,733,659 | \$ 4,945,676 | \$ 4,510,786 | \$ 4,443,346 | \$ 4,015,272 | \$ 3,682,187 | \$ 3,587,646 | \$ 3,340,918 |
| Contributions as a percentage of covered-employee payroll | 29.13% | 25.83% | 25.17% | 23.67% | 22.43% | 23.50% | 21.23% | 21.71% | 20.39% | 18.32% |

Health Insurance Subsidy Program (HIS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 106,479 | \$ 99,246 | \$ 94,390 | \$ 98,873 | \$ 91,855 | \$ 87,659 | \$ 81,026 | \$ 74,599 | \$ 74,164 | \$ 56,135 |
| Contributions in relation to contractually require contribution | (106,479) | (99,246) | (94,390) | (98,873) | (91,855) | (87,659) | (81,026) | (74,599) | (74,164) | (56,135) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ 5,323,937 | \$ 5,652,036 | \$ 5,686,162 | \$ 5,956,233 | \$ 5,533,436 | \$ 5,280,660 | \$ 4,881,075 | \$ 4,493,936 | \$ 4,467,715 | \$ 4,123,409 |
| Contributions as a percentage of covered-employee payroll | 2.00% | 1.76% | 1.66% | 1.66% | 1.66% | 1.66% | 1.66% | 1.66% | 1.66% | 1.36% |

Fort Myers Beach Fire Control District
Schedule of the District's Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years Ended June 30, 2024

Florida Retirement System (FRS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net pension liability | 0.023662% | 0.027042% | 0.028332% | 0.029651% | 0.033619% | 0.034129% | 0.029433% | 0.030114% | 0.029686% | 0.024750% |
| District's proportionate share of the net pension liability | \$ 9,153,639 | \$10,775,198 | \$10,541,740 | \$ 2,239,783 | \$14,571,021 | \$11,753,697 | \$ 8,865,373 | \$ 8,910,612 | \$ 7,495,637 | \$ 3,196,778 |
| District's covered-employee payroll | \$ 4,357,043 | \$ 4,868,206 | \$ 4,764,938 | \$ 4,776,050 | \$ 4,486,420 | \$ 4,491,069 | \$ 3,694,401 | \$ 3,628,598 | \$ 3,617,072 | \$ 3,404,639 |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 210.09% | 221.34% | 221.24% | 46.90% | 324.78% | 261.71% | 239.97% | 245.57% | 207.23% | 93.89% |
| Plan fiduciary net position as a percentage of the total pension liability | 83.70% | 82.38% | 82.89% | 96.40% | 78.85% | 82.61% | 84.26% | 83.89% | 84.88% | 92.00% |

Health Insurance Subsidy Program (HIS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net pension liability | 0.012235% | 0.014678% | 0.015772% | 0.016262% | 0.015753% | 0.016086% | 0.013762% | 0.014017% | 0.014370% | 0.013783% |
| District's proportionate share of the net pension liability | \$ 1,835,298 | \$ 2,331,000 | \$ 1,670,474 | \$ 1,994,827 | \$ 1,923,433 | \$ 1,799,826 | \$ 1,456,600 | \$ 1,498,734 | \$ 1,674,769 | \$ 1,405,621 |
| District's covered-employee payroll | \$ 5,177,794 | \$ 5,814,894 | \$ 5,747,688 | \$ 5,757,242 | \$ 5,503,793 | \$ 5,381,736 | \$ 4,494,949 | \$ 4,467,813 | \$ 4,450,811 | \$ 4,182,011 |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 35.45% | 40.09% | 29.06% | 34.65% | 34.95% | 33.44% | 32.41% | 33.55% | 37.63% | 33.61% |
| Plan fiduciary net position as a percentage of the total pension liability | 4.80% | 4.12% | 4.81% | 3.56% | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% | 0.50% |

**Fort Myers Beach Fire Control District
Schedule of Contributions - VEBA Post Employment Benefits Other Than Pension
For the Fiscal Year:**

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

| | <u>9/30/2024</u> | <u>9/30/2023</u> | <u>9/30/2022</u> | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 74,500 | \$ 74,200 | \$ 88,950 | \$ 22,906 | \$ 97,000 | \$ 97,000 | \$ 85,600 |
| Contribution in relation to the actuarially determined contribution | <u>74,500</u> | <u>74,200</u> | <u>88,950</u> | <u>22,906</u> | <u>97,000</u> | <u>97,000</u> | <u>85,600</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Notes to Schedule

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

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

Fort Myers Beach Fire Control District
Schedule of Changes in Net OPEB Liability and Related Ratios - VEBA
Post Employment Benefits Other Than Pension

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

| Measurement Date | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 |
|---|--------------------|-------------------|------------------|---------------------|-------------------|--------------------|---------------------|
| Total OPEB Liability - VEBA | | | | | | | |
| Service cost | \$ 21,924 | \$ 23,395 | \$ 23,226 | \$ 24,570 | \$ 30,056 | \$ 28,553 | \$ 20,105 |
| Interest | 92,740 | 79,022 | 87,598 | 85,627 | 82,416 | 70,283 | 70,022 |
| Demographic experience | (73,692) | 196,773 | (85,887) | 14,956 | 37,721 | 148,840 | 21,920 |
| Benefit payments | (103,392) | (105,606) | (144,089) | (93,502) | (94,922) | (94,922) | (115,700) |
| Assumption Changes | - | - | - | - | (1,578) | 20,993 | - |
| Net Change in Total OPEB Liability | (62,420) | 193,584 | (119,152) | 31,651 | 53,693 | 173,747 | (3,653) |
| Total OPEB Liability - Beginning | 1,356,174 | 1,162,590 | 1,281,742 | 1,250,091 | 1,196,398 | 1,022,651 | 1,026,304 |
| Total OPEB Liability - Ending | <u>1,293,754</u> | <u>1,356,174</u> | <u>1,162,590</u> | <u>1,281,742</u> | <u>1,250,091</u> | <u>1,196,398</u> | <u>1,022,651</u> |
| Plan Fiduciary Net Position | | | | | | | |
| Employer Contributions | 74,500 | 74,200 | 88,950 | 22,906 | 97,000 | 97,000 | 85,600 |
| Interest | 79,486 | 73,561 | 96,480 | - | - | - | - |
| Net Investment Income | 190,744 | 69,502 | (365,080) | 247,908 | 68,348 | 21,063 | 102,593 |
| Benefits Paid | (103,392) | (105,606) | (144,089) | (93,502) | (94,922) | (94,922) | (115,700) |
| Administrative Expenses | (26,546) | (29,911) | (1,230) | (29,827) | (35,815) | (20,199) | (9,371) |
| Net Change in Plan Fiduciary Net Position | 214,792 | 81,746 | (324,969) | 147,485 | 34,611 | 2,942 | 63,122 |
| Plan Fiduciary Net Position - Beginning | 1,162,768 | 1,081,022 | 1,405,991 | 1,258,506 | 1,223,895 | 1,220,953 | 1,157,831 |
| Plan Fiduciary Net Position - Ending | <u>1,377,560</u> | <u>1,162,768</u> | <u>1,081,022</u> | <u>1,405,991</u> | <u>1,258,506</u> | <u>1,223,895</u> | <u>1,220,953</u> |
| Net OPEB Liability/(Asset) - VEBA | <u>\$ (83,806)</u> | <u>\$ 193,406</u> | <u>\$ 81,568</u> | <u>\$ (124,249)</u> | <u>\$ (8,415)</u> | <u>\$ (27,497)</u> | <u>\$ (198,302)</u> |
| Plan fiduciary net position, as a percentage of the total OPEB liability - VEBA | 106.48% | 85.74% | 92.98% | 109.69% | 100.67% | 102.30% | 119.39% |

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

Fort Myers Beach Fire Control District
Schedule of Changes in Net OPEB Liability and Related Ratios - Non-VEBA
Post Employment Benefits Other Than Pension

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

| Measurement Date | <u>9/30/2024</u> | <u>9/30/2023</u> | <u>9/30/2022</u> | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> |
|------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total OPEB Liability | | | | | | | |
| Service cost | \$ 159,714 | \$ 147,160 | \$ 166,024 | \$ 252,480 | \$ 354,254 | \$ 264,344 | \$ 127,897 |
| Interest | 120,518 | 147,576 | 205,347 | 124,843 | 98,031 | 126,449 | 120,273 |
| Demographic experience | (468,074) | 221,697 | (728,639) | (353,127) | 59,414 | (333,580) | - |
| Assumption changes | (14,643) | (413,823) | (738,007) | (593,015) | 324,441 | 1,080,448 | - |
| Benefit payments | <u>(118,114)</u> | <u>(185,565)</u> | <u>(184,885)</u> | <u>(170,955)</u> | <u>(184,389)</u> | <u>(172,651)</u> | <u>(141,049)</u> |
| Net Change in Total OPEB Liability | <u>(320,599)</u> | <u>(82,955)</u> | <u>(1,280,160)</u> | <u>(739,774)</u> | <u>651,751</u> | <u>965,010</u> | <u>107,121</u> |
| Total OPEB Liability - Beginning | <u>2,867,186</u> | <u>2,950,141</u> | <u>4,230,301</u> | <u>4,970,075</u> | <u>4,318,324</u> | <u>3,353,314</u> | <u>3,246,193</u> |
| Total OPEB Liability - Ending | <u><u>\$2,546,587</u></u> | <u><u>\$2,867,186</u></u> | <u><u>\$2,950,141</u></u> | <u><u>\$4,230,301</u></u> | <u><u>\$4,970,075</u></u> | <u><u>\$4,318,324</u></u> | <u><u>\$3,353,314</u></u> |

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Fort Myers Beach Fire Control District, (the "District") as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements, and have issued our report thereon dated May 28, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
May 28, 2025

Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the Fort Myers Beach Fire Control District, (the "District"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 28, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 28, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District had no component units as of September 30, 2024.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

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

Special District Component Units

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

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year is 51.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is 1.
- c. All compensation earned by or awarded to employees in the last pay period, whether paid or accrued, regardless of contingency is \$315,808.
- d. All compensation earned by or awarded to nonemployee independent contractors in the last month of the fiscal year, whether paid or accrued, regardless of contingency is \$280.

Special District Component Units, continued

- e. Construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2023, together with the total expenditures for such project includes the following projects. The State of Florida funded a \$9 million grant on February 5, 2024 to rebuild Station 31. The District quickly completed architectural plans and broke ground on October 25, 2024. The total cost for the new 13,450 square foot fire station is \$11,563,344 and is scheduled to be operational by March of 2026. The District purchased property located at 1101 Shrimp Boat Lane on July 15, 2024 for the purpose of relocating Headquarters' and provide public meeting spaces. The property will also provide space for firefighter training. The District will solicit requests for proposals for architectural and construction services for the Headquarters' building in the summer of 2025. Construction for this project will likely begin in the summer or fall of 2026.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, is located on pages 51-54.

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

- a. The mileage rate or rates imposed by the district is 2.9851 mills.
- b. The total amount of ad valorem taxes collected by or on behalf of the district is \$9,035,060.
- c. The District does not have any bonds.

Additional Matters

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

Purpose of this Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
May 28, 2025

Independent Accountant's Examination Report

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

We have examined the Fort Myers Beach Fire Control District's (the "District") compliance with Section 218.415, Florida Statutes, in regards to investments for the year ended September 30, 2024.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
May 28, 2025