

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
BASIC FINANCIAL STATEMENTS  
TOGETHER WITH ADDITIONAL REPORTS  
YEAR ENDED  
SEPTEMBER 30, 2025**

## **TABLE OF CONTENTS**

|                                                                                                                                                                                                                                             | <b><u>Page(s)</u></b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>INDEPENDENT AUDITOR'S REPORT.....</b>                                                                                                                                                                                                    | <b>1-4</b>            |
| <b>MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A) .....</b>                                                                                                                                                                                | <b>i-viii</b>         |
| <b><u>BASIC FINANCIAL STATEMENTS</u></b>                                                                                                                                                                                                    |                       |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS:                                                                                                                                                                                                       |                       |
| Statement of Net Position.....                                                                                                                                                                                                              | 5                     |
| Statement of Activities.....                                                                                                                                                                                                                | 6                     |
| FUND FINANCIAL STATEMENTS:                                                                                                                                                                                                                  |                       |
| Governmental Funds:                                                                                                                                                                                                                         |                       |
| Balance Sheet.....                                                                                                                                                                                                                          | 7                     |
| Reconciliation of the Balance Sheet - Governmental Funds<br>to the Statement of Net Position.....                                                                                                                                           | 8                     |
| Statement of Revenues, Expenditures and Changes<br>in Fund Balance.....                                                                                                                                                                     | 9                     |
| Reconciliation of the Statement of Revenues, Expenditures and Changes<br>in Fund Balance - Governmental Funds to the Statement of Activities.....                                                                                           | 10                    |
| Fiduciary Fund - Retiree Insurance Trust Fund - VEBA:                                                                                                                                                                                       |                       |
| Statement of Fiduciary Net Position.....                                                                                                                                                                                                    | 11                    |
| Statement of Changes in Fiduciary Net Position.....                                                                                                                                                                                         | 12                    |
| NOTES TO THE FINANCIAL STATEMENTS.....                                                                                                                                                                                                      | 13-66                 |
| <b><u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&amp;A</u></b>                                                                                                                                                                        |                       |
| BUDGET TO ACTUAL COMPARISON - MAJOR FUNDS (General and Special Revenue Funds)                                                                                                                                                               |                       |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -<br>General Fund - Summary Statement.....                                                                                                              | 67                    |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -<br>General Fund - Detailed Statement.....                                                                                                             | 68-71                 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -<br>Impact Fee Fund.....                                                                                                                               | 72                    |
| OTHER REQUIRED SUPPLEMENTARY INFORMATION                                                                                                                                                                                                    |                       |
| Schedule of District's Proportionate Share of the Net Pension Liability - Florida Retirement<br>System Pension Plan (FRS).....                                                                                                              | 73                    |
| Schedule of District Contributions - Florida Retirement System Pension Plan (FRS).....                                                                                                                                                      | 73                    |
| Schedule of District's Proportionate Share of the Net Pension Liability - Health Insurance<br>Subsidy Pension Plan (HIS).....                                                                                                               | 74                    |
| Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS).....                                                                                                                                                       | 74                    |
| Notes to the Required Supplementary Information.....                                                                                                                                                                                        | 75-76                 |
| Schedule of Changes in the Total OPEB Liability and Related Ratios GASB 75 and<br>Related Notes to the Schedule.....                                                                                                                        | 77                    |
| Schedule of Changes in the Total OPEB Liability (Asset) and Related Ratios GASB Nos. 74/75<br>and Related Notes to the Schedule - VEBA.....                                                                                                 | 78                    |
| <b><u>ADDITIONAL REPORTS</u></b>                                                                                                                                                                                                            |                       |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance<br>and Other Matters Based on an Audit of Basic Financial Statements Performed in<br>Accordance with <u>Government Auditing Standards</u> ..... | 79-80                 |
| Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes.....                                                                                                                                                   | 81                    |
| Independent Auditor's Report to Management.....                                                                                                                                                                                             | 82-84                 |
| Management's Response to Independent Auditor's Report to Management.....                                                                                                                                                                    | Exhibit 1             |
| Florida Rules of the Auditor General - Rule 10.554(1)(i)7-9 Compliance - Unaudited.....                                                                                                                                                     | Exhibit 2             |

# HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund and the fiduciary fund of North Fort Myers Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Summary of Opinions***

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund and the fiduciary fund of North Fort Myers Fire Control and Rescue Service District as of September 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Matter of Emphasis**

During the year ended September 30, 2025, the District implemented GASB Statement No. 101 "Compensated Absences" as further described in Note A. The net position was not required to be restated as of October 1, 2024.

During the year ended September 30, 2025, the District established a VEBA fiduciary fund.

### **Basis for Opinions**

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

We did not audit the financial statements of Florida Retirement Systems Pension Plan (FRS) or Health Insurance Subsidy Pension Plan (HIS) as of and for the year ended June 30, 2025. The District is required to record its proportionate share of the FRS and HIS liability in the District's government-wide financial statements as of September 30, 2025, and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Fort Myers Fire Control and Rescue Service District's government-wide financial statements, is based on the report of the other auditors.

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***Management's Responsibility for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

***Other Matters***

***Required Supplementary Information***

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

of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information, Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, and Schedule of Changes in the Total OPEB Liability (Asset) and Related Ratios GASB 74/75 and Related Notes to the Schedule - VEBA as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information, Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, and Schedule of Changes in the Total OPEB Liability (Asset) and Related Ratios GASB 74/75 and Related Notes to the Schedule - VEBA as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information - management's discussion and analysis (MD&A), Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of District Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the District's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of District Contributions - Health Insurance Subsidy Pension Plan (HIS), Notes to the Required Supplementary Information, Schedule of Changes in the Total OPEB Liability and Related Ratios GASB No. 75 and related Notes to the Schedule, and Schedule of Changes in the Total OPEB Liability (Asset) and Related Ratios GASB 74/75 and Related Notes to the Schedule - VEBA as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit 1 - Management's Response to Independent Auditor's Report to Management and Exhibit 2 - Florida Rules of the Auditor General - Rule 10.554(l)(i)7-9 Compliance - Unaudited are not a required part of the basic financial statements but are required by Government Auditing Standards and/or Rules of the Auditor General, Section 10.554(i), respectively. Such information has not been subjected to the auditing procedures

applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

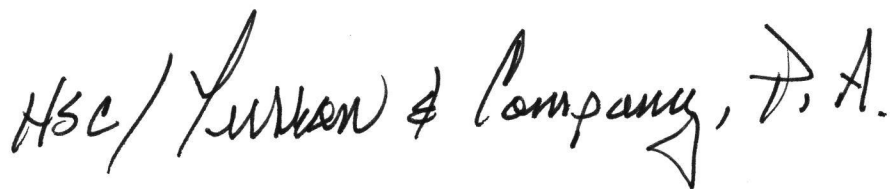
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

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

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated March 21, 2026, on our consideration of North Fort Myers Fire Control and Rescue Service District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering North Fort Myers Fire Protection and Rescue Service District's compliance with Section 218.415, Florida Statutes.

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

In accordance with Government Auditing Standards, we have also issued our report dated March 21, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering North Fort Myers Fire Control and Rescue Service District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "HSC/Tuscan & Company, P.A." The signature is written in a cursive, flowing style.

HSC/TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
March 21, 2026

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

## **Management's Discussion and Analysis**

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

### **District Financial Highlights**

- At the close of fiscal year 2025, the District's net position was \$10,855,402.
- At the close of fiscal year 2024, the District's net position was \$7,771,749.
- For the year ended September 30, 2025, the District's total net position increased \$3,083,653, or 40%, in comparison to the prior fiscal year.
- For the year ended September 30, 2024, the District's total net position increased \$1,724,905, or 29%, in comparison to the prior fiscal year.
- At September 30, 2025, the District had \$6,144,951 of unrestricted net assets.
- At September 30, 2024, the District had \$4,033,046 of unrestricted net assets.
- Total revenues increased \$2,534,964 or 19%, in comparison to fiscal year 2024.
- Total expenses increased \$1,176,216, or 10%, in comparison to fiscal year 2024.
- District established and began funding a VEBA plan in fiscal year 2025.

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

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

The Statement of Net Position (page 5) presents information on all of the District's assets, deferred outflows/inflows and liabilities, with the difference between the two reported as net position. The District's capital assets (land, construction in progress, buildings and improvements, vehicles and equipment) are included in this statement and reported net of their accumulated depreciation.

The Statement of Activities (page 6) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and

expense recognized when a liability is incurred, regardless of the timing of related cash flows).

### **Governmental Fund Financial Statements**

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

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

### **Fiduciary Fund**

The fiduciary fund reported is used to account for resources held for the benefit of retired employees – VEBA. A fiduciary fund is not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The accounting used for the fiduciary fund is much like that used for governmental proprietary funds. The fiduciary fund financial statements can be found on pages 11 and 12.

### **Notes to the Financial Statements**

The notes to the financial statements explain in detail some of the data contained in the preceding basic financial statements and begin on page 13. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Government-Wide Financial Analysis**

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

The following is a summary statement of net position for the District at September 30, 2024 and 2025:

| Assets:                                   | 2024                | 2025                 |
|-------------------------------------------|---------------------|----------------------|
| Current assets                            | \$ 18,755,489       | \$ 20,973,155        |
| Non-current assets, net                   | <u>3,780,681</u>    | <u>4,729,257</u>     |
| Total Assets                              | <u>22,536,170</u>   | <u>25,702,412</u>    |
| Deferred outflows of resources - Pensions | <u>4,858,615</u>    | <u>4,222,935</u>     |
| Liabilities:                              |                     |                      |
| Current liabilities                       | 1,090,352           | 1,206,707            |
| Non-current liabilities                   | <u>16,851,730</u>   | <u>15,506,786</u>    |
| Total Liabilities                         | <u>17,942,082</u>   | <u>16,713,493</u>    |
| Deferred inflows of resources - Pensions  | <u>1,680,954</u>    | <u>2,356,452</u>     |
| Net Position:                             |                     |                      |
| Net Investment in capital assets          | 3,738,703           | 4,710,451            |
| Unrestricted                              | <u>4,033,046</u>    | <u>6,144,951</u>     |
| Total Net Position                        | <u>\$ 7,771,749</u> | <u>\$ 10,855,402</u> |

Current assets represent 83% of total assets at September 30, 2024. Current assets are comprised of unrestricted cash balances of \$16,107,431, unrestricted investments of \$1,817,482, restricted investments of \$632,568, due from other governments of \$151,831, other receivables of \$550 and right of use asset of \$30,857, deposits of \$350 and prepaid expenses of \$14,420. The balances of unrestricted cash and investments represent amounts that are available for spending at the District's discretion. Restricted investments balances are comprised of impact fees funds restricted for certain capital asset acquisition.

The net investment in capital assets represents a component of net position and is comprised of land, construction in progress, buildings and improvements, equipment, furniture and vehicles, net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The balance of net investment in capital assets at September 30, 2024 was \$3,738,703.

The unassigned fund balance of \$1,420,796 represents resources available for spending at September 30, 2024.

Current assets represent 82% of total assets at September 30, 2025. Current assets are comprised of unrestricted cash balances of \$17,987,317, unrestricted investments of \$1,902,187, restricted investments of \$928,040, due from other governments of \$127,755, other receivables of \$0, deposits of \$0, prepaid expenses of \$0 and ROU - subscription asset – current portion of \$27,856. The balances of unrestricted cash and investments represent amounts that are available for spending at the District's discretion. Restricted investments balances are comprised of impact fees funds restricted for certain capital asset acquisition.

The net investment in capital assets represents a component of net position and is comprised of land, construction in progress, buildings and improvements, equipment, furniture and vehicles, net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The balance of net investment in capital assets at September 30, 2025 was \$4,710,451.

The unrestricted net position of \$6,144,951 represents resources available for spending at September 30, 2025.

At September 30, 2025, the restricted net position of \$13,956 represents the District's OPEB actuarially determined net asset related to the Retiree Insurance Trust – VEBA reported pursuant to accounting rules and is unavailable for spending.

The fiduciary fund net position increased \$13,956 in fiscal year 2025 as FY25 was the VEBA's initial period of operations. The increase is primarily due to the effects from recording an increase in the VEBA asset.

The following schedule reports the revenues, expenses, and changes in net assets for the District for the years ended September 30, 2024 and 2025:

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

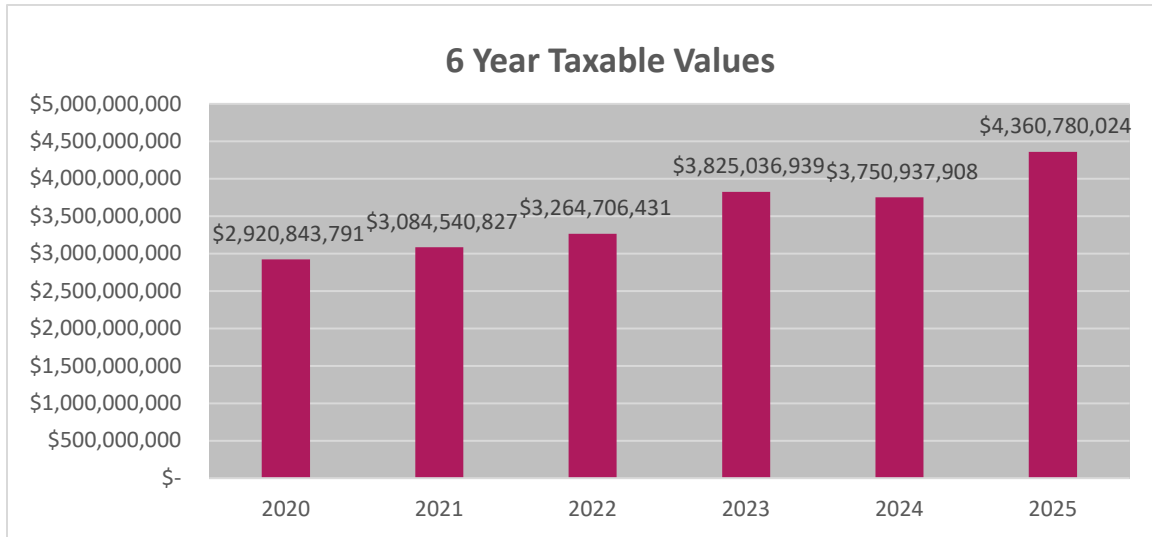
| Revenues:                           | 2024          | 2025          |
|-------------------------------------|---------------|---------------|
| General/Program Revenues            |               |               |
| Ad Valorem Property Taxes           | \$ 12,251,262 | \$ 14,720,730 |
| Charges for Services                | 32,273        | 77,684        |
| Operating & Capital Grants          | 70,764        | 15,930        |
| Miscellaneous                       |               |               |
| Impact Fees                         | 68,617        | -             |
| Interest/Investment Earnings        | 740,852       | 870,559       |
| Gain (Loss) on Disposition of       |               |               |
| Capital Assets                      | 213           | -             |
| Rent                                | 2,536         | 2,294         |
| Other                               | 164,143       | 178,427       |
| Total Revenues                      | 13,330,660    | 15,865,624    |
| Expenses:                           |               |               |
| Public Safety-                      |               |               |
| Fire & Rescue Services              | 11,605,755    | 12,781,971    |
| Increase (Decrease) in Net Position | 1,724,905     | 3,083,653     |
| Net Position - Beginning            | 6,046,844     | 7,771,749     |
| Net Position - Ending               | \$ 7,771,749  | \$ 10,855,402 |

Total revenues increased \$2,534,964, or 19%, in comparison to the prior fiscal year. Total expenses increased \$1,176,216 or 10%, in comparison to the prior fiscal year.

The assessed property value increased 5% due to an increase in property values and new construction within the District. The District voters approved an increase to the millage rate to 3.5 mills from 2.5 mills effective in 2018. The following schedule compares the change in property value and millage rates for the past five years. The millage rate has been 3.5 mills for the past seven years.

Total FY2025 expenses are the VEBA’s initial period of operation and were \$0.

### Property Values Assessed



### Budgetary Highlights

Budget versus actual comparisons are reported in the required supplementary information other than management discussion and analysis on pages 67 through 72. The Board of Commissioners approved several budget amendments in the General Fund during the fiscal year ended September 30, 2025. The budget amendments transferred budgeted amounts between line items and changed the total budgeted revenue over (under) expenditures. The budget amendments did increase total budgeted revenues and expenditures by \$665,137 as a result of the increase in the fund balance carryforward.

### Capital Assets

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

The following is a schedule of the District's capital assets at September 30, 2024 and 2025:

#### Capital Assets September 30

| CAPITAL ASSETS                            | 2024         | 2025         |
|-------------------------------------------|--------------|--------------|
| Land                                      | \$ 994,257   | \$ 2,043,312 |
| Construction in progress                  | -            | 17,464       |
| Total Capital Assets<br>not depreciated   | 994,257      | 2,060,776    |
| Buildings and Improvements                | 1,747,703    | 1,747,703    |
| Vehicles                                  | 3,039,132    | 3,202,694    |
| Equipment                                 | 1,456,531    | 1,705,057    |
| Total Capital Assets<br>being depreciated | 6,243,366    | 6,655,454    |
| ACCUMULATED DEPRECIATION                  |              |              |
| Buildings and Improvements                | (963,019)    | (1,071,328)  |
| Vehicles                                  | (2,152,279)  | (1,975,331)  |
| Equipment                                 | (383,622)    | (959,120)    |
| Total Accumulated Depreciation            | (3,498,920)  | (4,005,779)  |
| CAPITAL ASSETS, NET                       | \$ 3,738,703 | \$ 4,710,451 |

Noteworthy capital asset purchases/projects that took place in fiscal year 2024 were as follows:

- Purchased land for Station 4 of \$900,000
- Repaired a bathroom and kitchen of \$53,000
- Parking lot improvements of \$71,000
- Replaced garage doors at Trail Dairy of \$54,000
- Purchased vehicle mounted radios of \$27,000
- Purchased equipment for new water rescue unit of \$91,000 \$31,000
- Replaced SCBA's of \$31,000
- Replaced our Drone and initiated Drone Program of \$10,000
- Replaced A/C units of \$41,000
- Replaced alert systems of \$18,000
- Replaced bunker gear of \$29,000
- Purchased RAM 5500 and brush truck conversion kit of \$127,000

Noteworthy capital asset purchases/projects that took place in fiscal year 2025 were as follows:

- Purchased 2 trucks for \$163,562
- Purchased equipment to outfit New Engine arriving in Spring 2026
- Replaced 12 sets of bunker gear
- Replaced several computers
- Purchased a Sonar device for the Water Rescue Team
- Purchased a Trailer and Equipment for Special Operations Team
- Purchased land adjacent to the Trail Dairy Station for \$1,049,055
- Construction in progress design work for Station 4 of \$17,464

### **Debt Administration**

At September 30, 2024, the District had \$16,809,752 outstanding long term obligations. Long-term liabilities are not due and payable in the current period.

At September 30, 2025, the District had \$15,487,980 of outstanding long term obligations. Long-term liabilities are not due and payable in the current period.

The following is a schedule of the District's outstanding debt at September 30, 2024 and 2025:

#### **Outstanding Debt September 30**

|                                      | 2024                 | 2025                 |
|--------------------------------------|----------------------|----------------------|
| Compensated Absences - Vacation Time | \$ 549,509           | \$ 694,358           |
| Compensated Absences - Comp Time     | 137,225              | 489,076              |
| Net OPEB Obligation                  | 3,311,548            | 3,692,281            |
| Net Pension Liability                | 12,811,470           | 10,612,265           |
| Total Outstanding Debt               | <u>\$ 16,809,752</u> | <u>\$ 15,487,980</u> |

### **Current Year Budget Variances**

Significant current year budget variances include:

- Collected ad valorem taxes of \$759,258 greater than budgeted.
- Personnel costs were \$405,435 less than budgeted.

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

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

- Property values did decrease by approximately 5% in tax year 2025 (FY2026). The decrease was due to widespread damage from Hurricane Ian and a change in

the way the Property Appraiser assesses properties within the District. The District has previously seen significant increases in property values; but, we are not sure about the long-term future of assessed values.

- The District maintained the millage rate of 3.5 mills for the fiscal year ending September 30, 2026.
- The District intends to increase the reserve accounts.
- The District is looking at ways to utilize Impact Fees to help with the demands of the District.
- The District is closely monitoring several major construction developments in our District as well as current legislation.
- The District has purchased land for building an additional fire station, and hope to begin construction in 2026.
- The District has purchased another parcel of land for expansion/re-location of a fire station/administration. The District is exploring the best use for the land, as it has so much potential and we want to maximize the best use of the land.
- The District has two new Engines on order and should be here in 2026 and 2027. These are replacement units.
- The District replaced the Training Chief's Vehicle.
- The District hired a full time in-house Technology Director.
- The District has formed a Special Operation Team.
- The District has formed a Water Rescue Team.
- The District is building their Drone Response Program.
- The District placed an additional Rescue Truck at Barrett Road to assist with the increased call volume.
- The District has added a third Brush Truck to their fleet. The District is replacing one of the Brush Trucks, which is 24 years old.

### **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:

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF NET POSITION  
September 30, 2025**

Page 5 of 84

|                                                                                              | <u>Governmental<br/>Activities</u> |
|----------------------------------------------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                                                |                                    |
| Current assets:                                                                              |                                    |
| Cash and cash equivalents - unrestricted                                                     | \$ 17,987,317                      |
| Cash and cash equivalents - restricted                                                       | -                                  |
| Investments - unrestricted                                                                   | 1,902,187                          |
| Investments - restricted                                                                     | 928,040                            |
| Due from other governments                                                                   | 127,755                            |
| Other receivables                                                                            | -                                  |
| Right of use - subscription asset, current                                                   | 27,856                             |
| Deposits                                                                                     | -                                  |
| Prepaid expenses                                                                             | -                                  |
| Total current assets                                                                         | <u>20,973,155</u>                  |
| Noncurrent assets:                                                                           |                                    |
| Right of use - subscription asset, net                                                       | 18,806                             |
| Capital assets:                                                                              |                                    |
| Land                                                                                         | 2,043,312                          |
| Construction in progress                                                                     | 17,464                             |
| Depreciable buildings, vehicles and equipment<br>(net of 4,005,779 accumulated depreciation) | <u>2,649,675</u>                   |
| Total noncurrent assets                                                                      | <u>4,729,257</u>                   |
| <b>TOTAL ASSETS</b>                                                                          | <u>25,702,412</u>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                                        | <u>4,222,935</u>                   |
| <b>LIABILITIES</b>                                                                           |                                    |
| Current liabilities:                                                                         |                                    |
| Accounts payable and accrued expenses                                                        | 228,551                            |
| Unearned revenue - impact fees                                                               | 950,300                            |
| Current portion of long-term obligations                                                     | -                                  |
| Right of use - subscription liability, current                                               | <u>27,856</u>                      |
| Total current liabilities                                                                    | 1,206,707                          |
| Noncurrent liabilities:                                                                      |                                    |
| Right of use - subscription liability, net                                                   | 18,806                             |
| Noncurrent portion of long-term obligations                                                  | <u>15,487,980</u>                  |
| <b>TOTAL LIABILITIES</b>                                                                     | <u>16,713,493</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                                         | <u>2,356,452</u>                   |
| <b>NET POSITION</b>                                                                          |                                    |
| Net investment in capital assets                                                             | 4,710,451                          |
| Unrestricted                                                                                 | <u>6,144,951</u>                   |
| <b>TOTAL NET POSITION</b>                                                                    | <u><u>\$ 10,855,402</u></u>        |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended September 30, 2025**

Page 6 of 84

|                                                 | <u>Governmental<br/>Activities</u> |
|-------------------------------------------------|------------------------------------|
| <b>EXPENSES</b>                                 |                                    |
| Governmental activities                         |                                    |
| Public safety - fire protection                 |                                    |
| Personnel services                              | \$ 10,627,971                      |
| Operating expenses                              | 1,632,063                          |
| Interest and fiscal charges                     | -                                  |
| Depreciation                                    | <u>521,937</u>                     |
| TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES        | 12,781,971                         |
| <br><b>PROGRAM REVENUES</b>                     |                                    |
| Charges for services                            | 77,684                             |
| Operating grants and contributions              | 15,930                             |
| Capital grants and contributions                | <u>-</u>                           |
| NET PROGRAM EXPENSES                            | <u>12,688,357</u>                  |
| <br><b>GENERAL REVENUES</b>                     |                                    |
| Ad valorem taxes                                | 14,720,730                         |
| Impact fees                                     | -                                  |
| Interest/investment earnings                    | 870,559                            |
| Gain (loss) on disposition of capital assets    | -                                  |
| Rent                                            | 2,294                              |
| Other                                           | <u>178,427</u>                     |
| TOTAL GENERAL REVENUES                          | <u>15,772,010</u>                  |
| <br>INCREASE (DECREASE) IN NET POSITION         | 3,083,653                          |
| <br><b>NET POSITION - Beginning of the year</b> | <u>7,771,749</u>                   |
| <b>NET POSITION - End of the year</b>           | <u><u>\$ 10,855,402</u></u>        |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
September 30, 2025**

Page 7 of 84

|                                               | General<br>Fund             | Impact Fee<br>Fund       | Total<br>Governmental<br>Funds |
|-----------------------------------------------|-----------------------------|--------------------------|--------------------------------|
| <b>ASSETS</b>                                 |                             |                          |                                |
| Cash and cash equivalents                     | \$ 17,987,317               | \$ -                     | \$17,987,317                   |
| Investments                                   | 1,902,187                   | 928,040                  | 2,830,227                      |
| Due from other governments                    | 105,495                     | 22,260                   | 127,755                        |
| Due from other funds                          | -                           | -                        | -                              |
| Other receivables                             | -                           | -                        | -                              |
| Deposits                                      | -                           | -                        | -                              |
| Prepaid expenses                              | -                           | -                        | -                              |
| <b>TOTAL ASSETS</b>                           | <u><u>\$ 19,994,999</u></u> | <u><u>\$ 950,300</u></u> | <u><u>\$20,945,299</u></u>     |
| <b>LIABILITIES AND FUND BALANCE</b>           |                             |                          |                                |
| <b>LIABILITIES</b>                            |                             |                          |                                |
| Accounts payable and accrued expenses         | \$ 228,551                  | \$ -                     | \$ 228,551                     |
| Due to other funds                            | -                           | -                        | -                              |
| Unearned revenue                              | -                           | 950,300                  | 950,300                        |
| <b>TOTAL LIABILITIES</b>                      | <u><u>228,551</u></u>       | <u><u>950,300</u></u>    | <u><u>1,178,851</u></u>        |
| <b>FUND BALANCE</b>                           |                             |                          |                                |
| Nonspendable                                  | -                           | -                        | -                              |
| Restricted                                    | -                           | -                        | -                              |
| Assigned                                      | 19,766,448                  | -                        | 19,766,448                     |
| Unassigned                                    | -                           | -                        | -                              |
| <b>TOTAL FUND BALANCE</b>                     | <u><u>19,766,448</u></u>    | <u><u>-</u></u>          | <u><u>19,766,448</u></u>       |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCE</b> | <u><u>\$ 19,994,999</u></u> | <u><u>\$ 950,300</u></u> | <u><u>\$20,945,299</u></u>     |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
September 30, 2025**

Page 8 of 84

|                                                                                                                                                         | <u>Amount</u>        |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| Total fund balance for governmental funds                                                                                                               | \$ 19,766,448        |              |
| Amounts reported for governmental activities in the<br>Statement of Net Position are different because:                                                 |                      |              |
| Right of Use - subscription asset                                                                                                                       | <u>46,662</u>        | 46,662       |
| Capital assets used in governmental activities are not financial resources<br>and, therefore, are not reported in the governmental funds.               |                      |              |
| Capital assets not being depreciated:                                                                                                                   |                      |              |
| Land                                                                                                                                                    | 2,043,312            |              |
| Construction in progress                                                                                                                                | <u>17,464</u>        | 2,060,776    |
| Governmental capital assets being depreciated:                                                                                                          |                      |              |
| Buildings, equipment and vehicles                                                                                                                       | 6,655,454            |              |
| Less accumulated depreciation                                                                                                                           | <u>(4,005,779)</u>   | 2,649,675    |
| Deferred outflows and deferred inflows related to pensions are applied to<br>future periods and, therefore, are not reported in the governmental funds. |                      |              |
| Deferred outflows related to pensions                                                                                                                   | 3,297,960            |              |
| Deferred outflows related to OPEB                                                                                                                       | <u>924,975</u>       | 4,222,935    |
| Deferred inflows related to pensions                                                                                                                    | (2,030,826)          |              |
| Deferred inflows related to OPEB                                                                                                                        | <u>(325,626)</u>     | (2,356,452)  |
| Right of Use - subscription liability                                                                                                                   | <u>(46,662)</u>      | (46,662)     |
| Long-term liabilities are not due and payable in the current period<br>and, therefore, are not reported in the governmental funds.                      |                      |              |
| Compensated absences-vacation time                                                                                                                      | (694,358)            |              |
| Compensated absences-comp. time/sick                                                                                                                    | (489,076)            |              |
| Net OPEB liability                                                                                                                                      | (3,692,281)          |              |
| Net pension liability - FRS                                                                                                                             | (8,759,663)          |              |
| Net pension liability - HIS                                                                                                                             | <u>(1,852,602)</u>   | (15,487,980) |
| Elimination of interfund amounts:                                                                                                                       |                      |              |
| Due to other funds                                                                                                                                      | -                    |              |
| Due from other funds                                                                                                                                    | <u>-</u>             | -            |
| Total net position (deficit) of governmental activities                                                                                                 | <u>\$ 10,855,402</u> |              |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
Year Ended September 30, 2025**

Page 9 of 84

|                                                         | General<br>Fund      | Impact Fee<br>Fund | Total<br>Governmental<br>Funds |
|---------------------------------------------------------|----------------------|--------------------|--------------------------------|
| <b>REVENUES</b>                                         |                      |                    |                                |
| Ad valorem taxes                                        | \$ 14,720,730        | \$ -               | \$ 14,720,730                  |
| Intergovernmental revenue:                              |                      |                    |                                |
| State supplemental education                            | 15,930               | -                  | 15,930                         |
| Federal grant                                           | -                    | -                  | -                              |
| State grant                                             | -                    | -                  | -                              |
| Fees:                                                   |                      |                    |                                |
| Impact fees                                             | -                    | -                  | -                              |
| Inspection fees                                         | 75,810               | -                  | 75,810                         |
| CPR fees                                                | 1,874                | -                  | 1,874                          |
| EMS rent                                                | 2,294                | -                  | 2,294                          |
| Miscellaneous:                                          |                      |                    |                                |
| Interest                                                | 870,559              | -                  | 870,559                        |
| Other                                                   | 172,261              | -                  | 172,261                        |
| <b>TOTAL REVENUES</b>                                   | <u>15,859,458</u>    | <u>-</u>           | <u>15,859,458</u>              |
| <b>EXPENDITURES</b>                                     |                      |                    |                                |
| Current                                                 |                      |                    |                                |
| Public safety                                           |                      |                    |                                |
| Personnel services                                      | 10,638,565           | -                  | 10,638,565                     |
| Operating expenditures                                  | 1,632,063            | -                  | 1,632,063                      |
| Capital outlay                                          | 1,487,519            | -                  | 1,487,519                      |
| Debt Service                                            |                      |                    |                                |
| Principal retirement                                    | -                    | -                  | -                              |
| Interest                                                | -                    | -                  | -                              |
| <b>TOTAL EXPENDITURES</b>                               | <u>13,758,147</u>    | <u>-</u>           | <u>13,758,147</u>              |
| <b>EXCESS OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 2,101,311            | -                  | 2,101,311                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                      |                    |                                |
| Proceeds from disposition of capital assets             | -                    | -                  | -                              |
| <b>NET CHANGE IN FUND BALANCE</b>                       | 2,101,311            | -                  | 2,101,311                      |
| FUND BALANCE - Beginning of the year                    | <u>17,665,137</u>    | <u>-</u>           | <u>17,665,137</u>              |
| FUND BALANCE - End of the year                          | <u>\$ 19,766,448</u> | <u>\$ -</u>        | <u>\$ 19,766,448</u>           |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS TO THE STATEMENT  
OF ACTIVITIES  
Year Ended September 30, 2025**

Page 10 of 84

|                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>Amount</u>       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Net change (revenues and other financing sources in excess of expenditures)<br>in fund balance - total governmental funds                                                                                                                                                                                                                                                                                                             | \$ 2,101,311        |
| The increase (decrease) in net position reported for governmental activities<br>in the Statement of Activities is different because:                                                                                                                                                                                                                                                                                                  |                     |
| Governmental funds report capital outlays as expenditures.<br>However, in the Statement of Activities, the cost of those assets<br>is allocated over their estimated useful lives and reported as<br>depreciation expense.                                                                                                                                                                                                            |                     |
| Plus: expenditures for capital assets                                                                                                                                                                                                                                                                                                                                                                                                 | 1,487,519           |
| Less: current year depreciation                                                                                                                                                                                                                                                                                                                                                                                                       | (521,937)           |
| Less: proceeds from disposition of capital assets                                                                                                                                                                                                                                                                                                                                                                                     | -                   |
| Plus: adjustment for disposition of capital assets                                                                                                                                                                                                                                                                                                                                                                                    | <u>6,166</u>        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       | 971,748             |
| The issuance of debt is reported as a financing source in governmental<br>funds and thus contributes to the change in fund balance. In the<br>Statement of Net Position, however, issuing debt increases long-term<br>liabilities and does not affect the Statement of Activities.<br>Similarly, repayment of principal is an expenditure in the<br>governmental funds but reduces the liability in the Statement of<br>Net Position. |                     |
| Repayments (principal retirement):                                                                                                                                                                                                                                                                                                                                                                                                    | <u>-</u>            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       | -                   |
| Some expenses reported in the Statement of Activities do not require<br>the use of current financial resources and, therefore, are not reported<br>as expenditures in the governmental funds.                                                                                                                                                                                                                                         |                     |
| Net (increase) decrease in compensated absences - vacation                                                                                                                                                                                                                                                                                                                                                                            | (144,849)           |
| Net (increase) decrease in compensated absences - comp. time/sick                                                                                                                                                                                                                                                                                                                                                                     | (351,851)           |
| (Increase) decrease in net pension liability - FRS                                                                                                                                                                                                                                                                                                                                                                                    | 1,938,028           |
| (Increase) decrease in net pension liability - HIS                                                                                                                                                                                                                                                                                                                                                                                    | 261,177             |
| Increase (decrease) in deferred outflows - pensions                                                                                                                                                                                                                                                                                                                                                                                   | (653,047)           |
| (Increase) decrease in deferred inflows - pensions                                                                                                                                                                                                                                                                                                                                                                                    | (787,936)           |
| (Increase) decrease in net OPEB obligation                                                                                                                                                                                                                                                                                                                                                                                            | (380,733)           |
| Increase (decrease) in deferred outflows - OPEB                                                                                                                                                                                                                                                                                                                                                                                       | 17,367              |
| (Increase) decrease in deferred inflows - OPEB                                                                                                                                                                                                                                                                                                                                                                                        | <u>112,438</u>      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       | 10,594              |
| Increase in net position of governmental activities                                                                                                                                                                                                                                                                                                                                                                                   | <u>\$ 3,083,653</u> |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF FIDUCIARY NET  
POSITION - FIDUCIARY FUND  
September 30, 2025**

Page 11 of 84

|                                                                  | 2025<br>Retiree<br>Insurance<br>Trust - VEBA |
|------------------------------------------------------------------|----------------------------------------------|
| <b>ASSETS</b>                                                    |                                              |
| Cash and cash equivalents                                        | \$ 33,044                                    |
| Investments, at fair value:                                      |                                              |
| International equity                                             | -                                            |
| Domestic equity                                                  | -                                            |
| Fixed income                                                     | -                                            |
|                                                                  | <hr/>                                        |
| TOTAL INVESTMENTS                                                | -                                            |
| Dividend receivable                                              | -                                            |
|                                                                  | <hr/>                                        |
| TOTAL ASSETS                                                     | <hr/> 33,044                                 |
| <br><b>LIABILITIES</b>                                           |                                              |
| Accounts payable and accrued expenses                            | -                                            |
|                                                                  | <hr/>                                        |
| TOTAL LIABILITIES                                                | <hr/> -                                      |
| <br><b>NET POSITION</b>                                          |                                              |
| Restricted for OPEB health insurance benefits and other purposes | <hr/> 33,044                                 |
| TOTAL NET POSITION                                               | <hr/> \$ 33,044                              |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET  
POSITION - FIDUCIARY FUND  
For the Period February 18, 2025, through September 30, 2025**

Page 12 of 84

|                                                   | 2025<br>Retiree<br>Insurance<br>Trust - VEBA |
|---------------------------------------------------|----------------------------------------------|
| <b>ADDITIONS</b>                                  |                                              |
| Contributions:                                    |                                              |
| Employer contribution                             | \$ 33,000                                    |
|                                                   |                                              |
| Total contributions                               | 33,000                                       |
|                                                   |                                              |
| Investment income:                                |                                              |
| Net appreciation in fair value of investments     | -                                            |
| Net realized gain on sales of investments         | -                                            |
| Interest and dividends                            | 44                                           |
|                                                   |                                              |
|                                                   | 44                                           |
| Less: investment expenses                         | -                                            |
|                                                   |                                              |
| Net investment income (loss)                      | 44                                           |
|                                                   |                                              |
| TOTAL ADDITIONS                                   | 33,044                                       |
|                                                   |                                              |
| <b>DEDUCTIONS</b>                                 |                                              |
| Benefits paid                                     | -                                            |
| Administrative expenses                           | -                                            |
|                                                   |                                              |
| TOTAL DEDUCTIONS                                  | -                                            |
|                                                   |                                              |
| NET INCREASE (DECREASE) IN NET POSITION           | 33,044                                       |
|                                                   |                                              |
| <b>NET POSITION - BEGINNING February 18, 2025</b> | -                                            |
|                                                   |                                              |
| <b>NET POSITION - ENDING</b>                      | \$ 33,044                                    |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 13 of 84

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

**Organization**

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

The District provides fire control and protection services, fire safety inspections, and crash and fire rescue services as well as EMS medical response. In providing these services, the District operates and maintains three (3) station houses and the related equipment and employs approximately 70 full-time professional firefighters, support staff and commissioners.

During the year ended September 30, 2025, the District established a fiduciary fund (trust) to account for the assets and net position restricted for retiree insurance benefits trust - VEBA.

**Summary of Significant Accounting Policies**

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

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 14 of 84

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

**Reporting Entity**

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement Number 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34". These Statements require the basic financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB Statement No. 14, as amended, there are no component units required to be included or included in the District's basic financial statements.

**Government-wide Financial Statements**

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 15 of 84

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

**Government-wide Financial Statements, continued**

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

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

**Fund Financial Statements**

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 16 of 84

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

**Fund Financial Statements, continued**

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds, in aggregate, for governmental funds. The fiduciary statements include information for the Retiree Insurance Trust Fund (VEBA). The fiduciary fund represents assets held by the Retiree Insurance Trust in a custodial capacity for the benefit of retirees. This fund is properly not reflected as part of the government-wide financial statements, as the net assets of this fund are not available for use in District operations.

**Governmental Funds**

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

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

**Fiduciary Fund**

The insurance trust fund accounts for the activities of the Retiree Insurance Trust (VEBA), which accumulates resources for the payment of post employment benefits other than pension to qualified retirees.

**Measurement Focus and Basis of Accounting**

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 17 of 84

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

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

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 18 of 84

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

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

The Fiduciary Fund - Retiree Insurance Trust Fund (VEBA) 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.

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

**Non-current Government Assets/Liabilities**

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

**Major Funds**

The District reports the following major governmental funds:

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 19 of 84

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

**Fiduciary Fund**

Additionally, the District reports the following fund type:

The fiduciary fund is excluded in the government-wide financial statements because the resources of that fund are not available to support the District's operations. The only type of fiduciary fund the District reports is the Retiree Insurance Trust Fund (VEBA), which accounts for the assets held by the Plan in a formal trust that are payable to qualified retirees for post employment healthcare benefits other than retirement.

**Budgetary Information**

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

**Investments**

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

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

Investments allowable to be held by the District's fiduciary fund (VEBA) include marketable securities, bonds, time deposits, mutual funds, money market funds, and depository accounts. The VEBA intends to adopt a separate investment policy from that of the District in accordance with Florida Statute Chapter 218.415 (1-16).

**Capital Assets**

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 20 of 84

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

**Capital Assets, continued**

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 (1) year.

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

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

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

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

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 21 of 84

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

**Budgets and Budgetary Accounting**

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

No budget was legally required or adopted for the fiduciary fund - VEBA.

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

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

The Board of Commissioners approved budget amendments in the General Fund during the year ended September 30, 2025. The budget amendments increased budgeted expenditures by \$665,137. There were no budget amendments in the Special Revenue Fund.

**Impact Fees/Unearned Revenue**

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 22 of 84

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

**Due To/From Other Funds**

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

**Due From Other Governments**

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

**Compensated Absences**

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

**Encumbrances**

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

**Management Estimates**

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 23 of 84

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

**Fund Balances**

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

The District's assigned fund balances are a result of the District's Board approval. The District's intent is to maintain a minimum assigned fund balance level of three (3) months of prior year total expenditures. The assigned fund balance will serve as the District's operational reserve to carry the District's operations from October 1 through December 31 of the subsequent fiscal year. The Board's intent is also to hold an assigned capital asset reserve for future capital asset needs as well as assigned fund balance amounts for disaster events (30 days all-out response) and a portion of the OPEB liability. At September 30, 2025, fund balance is also assigned for a variety of specific items by District Board action. Any use or change of the assigned fund balance requires the District's Board approval.

**Interfund Transactions**

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

**Pensions**

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 24 of 84

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

**Pensions, continued**

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

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

**Deferred Outflows/Inflows of Resources**

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

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

**Leases**

During the year ended September 30, 2022, the District adopted GASB Statement No. 87 - Leases (GASB 87). This Statement required the recognition of certain lease assets and liabilities in the Statement of Net Position for leases that previously were classified as operating leases. The District, however, determined its current lease agreement with Lee County EMS to be immaterial, therefore, it does not meet the recording criteria of GASB Statement No. 87 at September 30, 2025.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 25 of 84

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

**Accounting Guidance**

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

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

This Statement also provides guidance for accounting and financial reporting for availability payment arrangement in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this Statement are effective for the District's financial statements for the year ended September 30, 2023. The District, however, had no arrangements that met this Statement's reporting criteria and/or the related arrangement costs were considered immaterial at September 30, 2025.

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 26 of 84

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

**GASB 101: Compensated Absences**

In June 2022, the GASB issued Statement No. 101 (Compensated Absences) which defined compensated absences and established recognition and measurement guidance for liabilities related to compensated absences, such as vacation, sick leave, and similar employee benefits. The provisions of the Statement are effective for the District's financial statements for the year ended September 30, 2025. The adoption of the Statement 101 did not result in any changes to the District's accounting policies, financial reporting practices, or previously reported amounts. Accordingly, there was no impact on beginning net position or fund balance, and no restatement of prior-period financial statements was required.

**Subsequent Events**

Subsequent events have been evaluated through March 21, 2026, which is the date the financial statements were available to be issued.

**NOTE B - CASH**

At September 30, 2025, cash was \$17,987,317 in the General Fund which included cash on hand of \$10,100 but does not include the Retiree Insurance Trust Fund VEBA.

**Deposits**

The District's deposit policy allows deposits to be held in demand deposit and money market accounts. All District depositories are institutions designated as qualified depositories by the State Treasurer at September 30, 2025.

At September 30, 2025, the District's deposits consisted of cash held in depository accounts. At September 30, 2025, the carrying amount of these deposits was \$17,977,217 (excluding the Retiree Insurance Trust Fund VEBA) and the bank balance was \$18,013,121.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 27 of 84

**NOTE B - CASH, CONTINUED**

**Deposits, continued**

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

**Deposits - VEBA**

Additionally, the Retiree Insurance Trust Fund (VEBA) held restricted cash and cash equivalents of \$33,044 (book and bank balance as deposits), at September 30, 2025, in a "public" funds money market depository account fund. This cash account is subject to coverage under the Federal Depository Insurance Corporation (FDIC) or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute 280).

**NOTE C - INVESTMENTS**

Florida Statutes and the District's investment policy authorize investments in the Local Government Surplus Funds Trust (LGIP) Fund (SBA) administered by the State Board of Administration, money markets and U.S. backed securities. Specifically, the District's investment policy is consistent with Florida Statutes, Chapter 218.415(17). At September 30, 2025, the District's investments in the Local Government Surplus Funds Trust Fund consist of the following:

|                                           | Cost<br>Basis       | Fair Value (NAV)/<br>Carrying<br>Amount |
|-------------------------------------------|---------------------|-----------------------------------------|
| <u>General Fund - Unrestricted</u>        |                     |                                         |
| Local Government Surplus Trust Fund (SBA) |                     |                                         |
| PRIME (Fund "A") (LGIP)                   | \$ 1,902,187        | \$ 1,902,187                            |
| Total investments - General Fund          | <u>1,902,187</u>    | <u>1,902,187</u>                        |
| <u>Impact Fee Fund - Restricted</u>       |                     |                                         |
| Local Government Surplus Trust Fund (SBA) |                     |                                         |
| PRIME (Fund "A") (LGIP)                   |                     |                                         |
| Total investments - Impact Fee Fund       | <u>928,040</u>      | <u>928,040</u>                          |
| Total investments                         | <u>\$ 2,830,227</u> | <u>\$ 2,830,227</u>                     |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 28 of 84

**NOTE C - INVESTMENTS, CONTINUED**

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

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

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 29 of 84

**NOTE C - INVESTMENTS, CONTINUED**

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

Liquidity Fees: Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosures in the enrollment materials of the amount and purpose of such fees. At September 30, 2025, no such disclosure has been made.

Redemption Fees: As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

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

Foreign Currency Risk: Florida PRIME is not exposed to foreign currency risk during the period October 1, 2024, through September 30, 2025.

Securities Lending: Florida PRIME did not participate in securities lending program during the period October 1, 2024, through September 30, 2025.

Florida PRIME provides separate audited financial statements for the year ended June 30, 2025.

At September 30, 2025, the District reported SBA investments of \$2,830,227 fair value/cost for amounts held in Florida PRIME. The Florida PRIME carried a credit rating of AAAM by Standard and Poors and had a dollar weighted average days to maturity (WAM) of 47 days at September 30, 2025. The Weighted Average Life (WAL) of PRIME at September 30, 2025, is 80 days. Rule 2a7 allows funds to use amortized cost to maintain a constant NAV of \$1.00 per share. Accordingly, the District's investment in Florida PRIME is reported at the account balance (pooled shares) using amortized cost, which is considered fair value.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 30 of 84

**NOTE C - INVESTMENTS, CONTINUED**

**Investments**

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

**Retiree Insurance Trust Fund (VEBA) Investments**

Investments of the Retiree Insurance Trust Fund totaled \$33,044 at September 30, 2025. Such investments are controlled by Retiree Insurance Trust Fund (VEBA) Board.

**Investment Authorization**

The Retiree Insurance Trust Fund investment policy will be determined by its Board of Trustees. The policy has been identified by the Board to conduct the operations of the Retiree Insurance Trust Fund in a manner so that the assets will provide benefits to the participants and preserve capital while maximizing the rate of return. The Trustees are authorized to acquire time or savings accounts of FDIC insured banks or savings institutions, obligations issued or guaranteed by the United States Government, bonds issued by a domestic corporation listed on one or more of the recognized national stock exchanges or the National Market System of the NASDAQ stock market, equity investment in a corporation listed on one or more of the recognized national stock exchanges or the National Market System of the NASDAQ stock market, mutual funds whose investments meet the above restrictions, and real estate investments through commingled investments and/or real estate trusts (REITs). All investments of the VEBA are currently in a "public" funds money market depository account to maximize income and minimize risk.

It is anticipated the policy will provide that investments in equity securities shall range between 25% and 70% with a target allocation of 50%. No more than 20% of Plan assets shall be invested in foreign securities. Real estate investments are limited to 15% of Plan assets. A Consultant will monitor and review the asset allocations each quarter. It is expected that each target allocation will be achieved over the long-term, resulting from economic and market conditions.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 31 of 84

**NOTE C - INVESTMENTS, CONTINUED**

**Retiree Insurance Trust Fund (VEBA) Investments, continued**

The following is a summary of the Plan's assets at September 30, 2025:

| <u>Mutual Fund Type</u>   | <u>Target<br/>Allocation</u> | <u>Percent of<br/>Portfolio</u> | <u>Fair Value</u> |
|---------------------------|------------------------------|---------------------------------|-------------------|
| Public funds money market |                              |                                 |                   |
| depository account        | <u>100%</u>                  | <u>100%</u>                     | <u>\$ 33,044</u>  |
| Total Investments         | <u>100%</u>                  | <u>100%</u>                     | <u>\$ 33,044</u>  |

**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 Fund 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.

**NOTE D - DUE FROM OTHER GOVERNMENTS**

Due from other governments at September 30, 2025, totaled 127,755 including \$22,260 in fourth quarter Impact Fees (Impact Fee Fund) and \$101,085 in Ad Valorem taxes and excess fees and \$4,410 in supplemental education reimbursement (General Fund).

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 32 of 84

**NOTE E - CAPITAL ASSETS ACTIVITY**

The following is a summary of changes in capital assets activity for the year ended September 30, 2025:

|                                                | Balance<br>October 1<br>2024 | Increases/<br>Additions | Decreases/<br>Deletions | Adjustments/<br>Reclassifications | Balance<br>September 30<br>2025 |
|------------------------------------------------|------------------------------|-------------------------|-------------------------|-----------------------------------|---------------------------------|
| Capital Assets Not<br>Being Depreciated:       |                              |                         |                         |                                   |                                 |
| Land                                           | \$ 994,257                   | \$ 1,049,055            | \$ -                    | \$ -                              | \$ 2,043,312                    |
| Construction in progress                       | -                            | 17,464                  | -                       | -                                 | 17,464                          |
| Total Capital Assets Not<br>Being Depreciated  | 994,257                      | 1,066,519               | -                       | -                                 | 2,060,776                       |
| Capital Assets<br>Being Depreciated:           |                              |                         |                         |                                   |                                 |
| Buildings and improvements                     | 1,747,703                    | -                       | -                       | -                                 | 1,747,703                       |
| Vehicles                                       | 3,039,132                    | 163,562                 | -                       | -                                 | 3,202,694                       |
| Equipment                                      | 1,456,531                    | 257,438                 | (15,078)                | 6,166                             | 1,705,057                       |
| Total Capital Assets<br>Being Depreciated      | 6,243,366                    | 421,000                 | (15,078)                | 6,166                             | 6,655,454                       |
| Less Accumulated<br>Depreciation:              |                              |                         |                         |                                   |                                 |
| Buildings and improvements                     | (963,019)                    | (79,646)                | -                       | (28,663)                          | (1,071,328)                     |
| Vehicles                                       | (2,152,279)                  | (257,452)               | -                       | 434,400                           | (1,975,331)                     |
| Equipment                                      | (383,622)                    | (184,839)               | 15,078                  | (405,737)                         | (959,120)                       |
| Total Accumulated Depreciation                 | (3,498,920)                  | (521,937)               | 15,078                  | -                                 | (4,005,779)                     |
| Total Capital Assets Being<br>Depreciated, Net | 2,744,446                    | (100,937)               | -                       | 6,166                             | 2,649,675                       |
| Capital Assets, Net                            | \$ 3,738,703                 | \$ 965,582              | \$ -                    | \$ 6,166                          | 4,710,451                       |
|                                                |                              |                         |                         | Related debt                      | -                               |
|                                                |                              |                         |                         | Net investment in capital assets  | \$ 4,710,451                    |

Depreciation expense was charged to the following functions during the year ended September 30, 2025:

|                            | Amount     |
|----------------------------|------------|
| General Government         | \$ 521,937 |
| Total Depreciation Expense | \$ 521,937 |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 33 of 84

**NOTE F - LONG-TERM LIABILITIES**

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

|                                        | Balance<br>October 1<br>2024 | Additions         | Retirements /<br>Adjustments | Balance<br>September 30<br>2025 | Amounts<br>Due Within<br>One Year |
|----------------------------------------|------------------------------|-------------------|------------------------------|---------------------------------|-----------------------------------|
| Comp. Absences - Vacation              | \$ 549,509                   | \$ 144,849        | \$ -                         | \$ 694,358                      | \$ -                              |
| Comp. Absences - Comp. Time/Sick Leave | 137,225                      | 351,851           | -                            | 489,076                         | -                                 |
| Net OPEB Liability                     | 3,311,548                    | 380,733           | -                            | 3,692,281                       | -                                 |
| Net Pension Liability - FRS            | 10,697,691                   | -                 | (1,938,028)                  | 8,759,663                       | -                                 |
| Net Pension Liability - HIS            | <u>2,113,779</u>             | <u>-</u>          | <u>(261,177)</u>             | <u>1,852,602</u>                | <u>-</u>                          |
|                                        | <u>\$ 16,809,752</u>         | <u>\$ 877,433</u> | <u>\$ (2,199,205)</u>        | <u>\$ 15,487,980</u>            | <u>\$ -</u>                       |

The following is a summary of long-term obligations at September 30, 2025:

|                                                                                                                                                                                                             | Amount               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Non-current portion of compensated absences - vacation time. Employees of the District are entitled to annual personal leave time, based on length of service and job classification.                       | \$ 694,358           |
| Non-current portion of compensated absences - comp. time. Employees of the District are entitled to annual comp. time at their separation from the District based on hours accrued during their employment. | 489,076              |
| Net OPEB liability - GASB 75 - actuarially determined.                                                                                                                                                      | 3,692,281            |
| Net pension obligation - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.                                   | 8,759,663            |
| Net pension obligation - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.                                           | <u>1,852,602</u>     |
| Total Long-Term Liabilities                                                                                                                                                                                 | 15,487,980           |
| Current Portion                                                                                                                                                                                             | <u>-</u>             |
| Noncurrent Portion                                                                                                                                                                                          | <u>\$ 15,487,980</u> |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 34 of 84

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

The annual debt service requirements at September 30, 2025, were as follows:

| <u>Years Ending<br/>September 30</u>     | <u>Total<br/>Principal</u> | <u>Total<br/>Interest</u> | <u>Total</u>         |
|------------------------------------------|----------------------------|---------------------------|----------------------|
| 2026                                     | \$ -                       | \$ -                      | \$ -                 |
| Total capital leases                     | -                          | -                         | -                    |
| Accrued compensated absences - vacation  | 694,358                    | -                         | 694,358              |
| Accrued compensated absences - comp time | 489,076                    | -                         | 489,076              |
| Net OPEB obligation                      | 3,692,281                  | -                         | 3,692,281            |
| Net pension liability - FRS              | 8,759,663                  | -                         | 8,759,663            |
| Net pension liability - HIS              | 1,852,602                  | -                         | 1,852,602            |
| Total long-term debt                     | <u>\$ 15,487,980</u>       | <u>\$ -</u>               | <u>\$ 15,487,980</u> |

Interest expense related to the capital leases payable was \$0 for the year ended September 30, 2025.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 35 of 84

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

**General Information about the Florida Retirement System**

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

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

The District's total pension expense, \$1,267,614 for the year ended September 30, 2025, is recorded in the government-wide financial statements. Total District actual retirement contribution expenditures were \$2,025,836, \$1,823,196 and \$1,561,128 for the years ended September 30, 2025, 2024, and 2023, respectively. The District contributed 100% of the required contributions.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 36 of 84

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

**FRS Pension Plan**

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

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

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

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

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 37 of 84

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

**FRS Pension Plan, continued**

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

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 38 of 84

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

**FRS Pension Plan, continued**

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

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

**Contributions.** The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2025, were as follows:

| Class (1)                                                                                | Percent of Gross Salary* |              |              |
|------------------------------------------------------------------------------------------|--------------------------|--------------|--------------|
|                                                                                          | Employee                 | Employer (2) | Employer (3) |
| Florida Retirement System, Regular                                                       | 3.00                     | 13.63        | 14.03        |
| Florida Retirement System, Senior Management Service                                     | 3.00                     | 34.52        | 33.24        |
| Florida Retirement System, Special Risk                                                  | 3.00                     | 32.79        | 35.19        |
| Deferred Retirement Option Program - Applicable to Members from All of the Above Classes | 0.00                     | 21.13        | 22.02        |
| Florida Retirement System, Reemployed Retiree                                            | (2)                      | N/A          | N/A          |
| Florida Retirement System, Elected Official                                              | 3.00                     | 58.68        | 54.57        |

Notes:

- (1) Contribution rates are dependent upon retirement class in which reemployed.
- (2) Employer rates include 2.0 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/24 - 6/30/25.
- (3) Employer rates include 2.00 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/25 - 6/30/26.

\* As defined by the Plan.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 39 of 84

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

**FRS Pension Plan, continued**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan.** At September 30, 2025 (measurement date), the District reported an FRS pension liability of \$8,759,663 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportionate share of the net pension liability was based on the District's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At September 30, 2025, the District's proportionate share was .028224991 percent, which was an increase of .000571449 percent from its proportionate share measured as of September 30, 2024.

For the year ended September 30, 2025, the District recognized pension expense of \$1,191,557. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

| <u>Description</u>                                                                                                  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected<br>and actual experience                                                               | \$ 935,624                                | \$ -                                     |
| Change of assumptions                                                                                               | 1,017,227                                 | -                                        |
| Net difference between projected and<br>actual earnings on pension plan investments                                 | -                                         | 1,462,514                                |
| Changes in proportion and differences between<br>District contributions and proportionate share<br>of contributions | 636,953                                   | 112,166                                  |
| District contributions subsequent to the<br>measurement date                                                        | <u>506,065</u>                            | <u>-</u>                                 |
| Total                                                                                                               | <u>\$ 3,095,869</u>                       | <u>\$ 1,574,680</u>                      |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 40 of 84

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

**FRS Pension Plan, continued**

The deferred outflows of resources related to the FRS pension, totaling \$506,065, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 4.7 years as follows:

| <u>Fiscal Years Ending<br/>September 30</u> | <u>Amount</u>       |
|---------------------------------------------|---------------------|
| 2026                                        | \$ 304,002          |
| 2027                                        | 304,002             |
| 2028                                        | 304,002             |
| 2029                                        | 304,004             |
| 2030                                        | 669,631             |
| Thereafter                                  | <u>(870,517)</u>    |
| Total                                       | <u>\$ 1,015,124</u> |

**Actuarial Assumptions.** The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                                                              |
|---------------------------|------------------------------------------------------------------------------|
| Valuation date            | July 1, 2025                                                                 |
| Measurement date          | June 30, 2025                                                                |
| Inflation                 | 2.40 percent                                                                 |
| Real payroll growth       | 1.10 percent                                                                 |
| Salary increases          | 3.50 percent, average, including inflation                                   |
| Investment rate of return | 6.70 percent, net of pension plan<br>investment expense, including inflation |
| Actuarial cost method     | Individual entry date                                                        |

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 41 of 84

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

**FRS Pension Plan, continued**

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

| Asset Class              | Target<br>Allocation (1) | Annual<br>Arithmetic<br>Return | Compound<br>Annual<br>(Geometric)<br>Return | Standard<br>Deviation |
|--------------------------|--------------------------|--------------------------------|---------------------------------------------|-----------------------|
| Cash                     | 1.0%                     | 3.2%                           | 3.2%                                        | 1.1%                  |
| Fixed income             | 29.0%                    | 5.5%                           | 5.4%                                        | 4.0%                  |
| Global equity            | 45.0%                    | 8.5%                           | 6.9%                                        | 18.3%                 |
| Real estate (property)   | 12.0%                    | 8.4%                           | 7.1%                                        | 16.8%                 |
| Private equity           | 11.0%                    | 12.4%                          | 8.8%                                        | 28.4%                 |
| Strategic investments    | 2.0%                     | 6.5%                           | 6.1%                                        | 8.7%                  |
| Total                    | 100%                     |                                |                                             |                       |
| Assumed inflation - Mean |                          | 2.40%                          |                                             | 1.50%                 |

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

**Money-weighted Rate.** The annual money-weighted rate of return on the FRS Pension Plan investments for the year ended September 30, 2025, was 10.64%.

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 42 of 84

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

**FRS Pension Plan, continued**

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

|                                                                    | 1%<br>Decrease<br>(5.70%) | Current<br>Discount Rate<br>(6.70%) | 1%<br>Increase<br>(7.70%) |
|--------------------------------------------------------------------|---------------------------|-------------------------------------|---------------------------|
| District's proportionate share of<br>the net FRS pension liability | <u>\$ 17,190,704</u>      | <u>\$ 8,759,663</u>                 | <u>\$ 1,691,201</u>       |

**Pension Plan Fiduciary Net Position.** Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report (FRS ACFR) dated June 30, 2025.

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

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

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

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

**Payables to the Pension Plan.** At September 30, 2025, the District reported an FRS payable of \$35,509 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2025.

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

**HIS Plan**

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

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

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

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan.** At September 30, 2025, the District reported a HIS liability of \$1,852,602, its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability was used to calculate the net pension liability which was determined by an actuarial valuation as of July 1, 2025. The District's proportionate share of the net HIS liability was based on

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 44 of 84

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

**HIS Plan, continued**

the District's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At September 30, 2025, the District's proportionate share was .014453751 percent, which was an increase of .000362808 percent from its proportionate share measured as of September 30, 2024.

For the fiscal year ended September 30, 2025, the District recognized HIS expense of \$76,057. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>Description</u>                                                                                                    | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                                    | \$ 11,059                                 | \$ 2,939                                 |
| Change of assumptions                                                                                                 | 16,399                                    | 448,097                                  |
| Net difference between projected and actual earnings on HIS pension plan investments                                  | -                                         | 1,542                                    |
| Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions | 138,754                                   | 3,568                                    |
| District contributions subsequent to the measurement date                                                             | 35,879                                    | -                                        |
| Total                                                                                                                 | <u>\$ 202,091</u>                         | <u>\$ 456,146</u>                        |

The deferred outflows of resources related to HIS, totaling \$35,879, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the remaining service period of 5.8 years as follows:

| <u>Fiscal Years Ending<br/>September 30</u> | <u>Amount</u>       |
|---------------------------------------------|---------------------|
| 2026                                        | \$ (60,468)         |
| 2027                                        | (60,468)            |
| 2028                                        | (60,468)            |
| 2029                                        | (60,466)            |
| 2030                                        | (60,082)            |
| Thereafter                                  | 12,018              |
| Total                                       | <u>\$ (289,934)</u> |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 45 of 84

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

**HIS Plan, continued**

**Actuarial Assumptions.** The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                       |                                            |
|-----------------------|--------------------------------------------|
| Inflation             | 2.40 percent                               |
| Real payroll growth   | 1.10 percent                               |
| Salary Increases      | 3.50 percent, average, including inflation |
| Municipal Bond Rate   | 5.20 percent                               |
| Actuarial cost method | Individual entry age                       |

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2021.

The HIS plan is funded on a pay-as-you-go basis and used the 2024 FRS experience study for this Plan in the June 30, 2025 measurement.

**Discount Rate.** The discount rate used to measure the total HIS liability changed from 3.93 percent to 5.20 percent. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 5.20 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current rate:

|                                                            | 1%<br>Decrease<br>(4.20%) | Current<br>Discount Rate<br>(5.20%) | 1%<br>Increase<br>(6.20%) |
|------------------------------------------------------------|---------------------------|-------------------------------------|---------------------------|
| District's proportionate share of<br>the net HIS liability | <u>\$ 2,089,106</u>       | <u>\$ 1,852,602</u>                 | <u>\$ 1,654,249</u>       |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 46 of 84

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

**HIS Plan, continued**

**Pension Plan Fiduciary Net Position.** Detailed information about the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Annual Comprehensive Financial Report (FRS ACFR) dated June 30, 2024.

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

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

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

**Payables to the Pension Plan.** At September 30, 2025, the District reported a payable of \$2,267 for the outstanding amount of contributions to the HIS plan required for the fiscal year ended September 30, 2025.

**FRS - Defined Contribution Pension Plan**

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 47 of 84

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

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

are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including FRS Financial Guidance Program, are funded through an employer contribution of .06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2024-25 fiscal year were as follows:

| Class (1)                                            | Percent of Gross Salary* |              |              |
|------------------------------------------------------|--------------------------|--------------|--------------|
|                                                      | Employee                 | Employer (2) | Employer (3) |
| Florida Retirement System, Regular                   | 3.00                     | 8.30         | 8.30         |
| Florida Retirement System, Senior Management Service | 3.00                     | 9.67         | 9.67         |
| Florida Retirement System, Special Risk              | 3.00                     | 16.00        | 16.0         |
| Florida Retirement System, Reemployed Retiree        | (2)                      | N/A          | N/A          |
| Florida Retirement System, Elected Official          | 3.00                     | 13.34        | 13.34        |

Notes:

- (1) Contribution rates are dependent upon retirement class in which reemployed.
- (2) Employer rates include 2.0 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/24 - 6/30/25.
- (3) Employer rates include 2.00 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/25 - 6/30/26.

\* As defined by the Plan.

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 48 of 84

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

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

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

The District's Investment Plan pension expense totaled \$241,647 which is included in FRS employer contributions for the fiscal year ended September 30, 2025.

Payables to the Investment Plan. At September 30, 2025, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2025.

**NOTE H - PROPERTY TAXES**

Property taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related recordkeeping of all property taxes is performed for the District by the Lee County Tax Collector. No accrual for the property tax levy becoming due in November 2025 is included in the accompanying basic financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two (2) years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. As of September 30, 2025, \$101,085 was recorded in the General Fund as due from the Lee County Tax Collector to the District for ad valorem taxes and excess fees.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 49 of 84

**NOTE H - PROPERTY TAXES, CONTINUED**

Important dates in the property tax cycle are as follows:

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

The Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$3.50 per \$1,000 (3.5 mills) of the 2024 net taxable value of real property located within the District. The District's approved millage cap is 3.5 mills.

**NOTE I - ASSIGNED FUND BALANCE**

Assigned fund balance in the General Fund consisted of the following at September 30, 2025:

| Assigned fund balance       | Amount               |
|-----------------------------|----------------------|
| Operations (90 days)        | \$ 8,896,448         |
| Disaster preparedness       | 100,000              |
| New station 4               | 6,750,000            |
| Vehicles                    | 2,850,000            |
| Facilities                  | 100,000              |
| Post employment insurance   | 145,000              |
| Capital equipment           | 300,000              |
| Contingency                 | 100,000              |
| Leave payout                | 525,000              |
| Total assigned fund balance | <u>\$ 19,766,448</u> |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 50 of 84

**NOTE J - IMPACT FEE FUND ACTIVITY**

During the year ended September 30, 2025, the Impact Fee Fund had the following activity:

|                                      | Amount            |
|--------------------------------------|-------------------|
| Unearned revenue, October 1, 2024    | \$ 701,451        |
| Impact fee receipts                  | 189,773           |
| Due from other governments           | 22,260            |
| Interest income                      | 36,816            |
| Capital outlay                       | -                 |
| Fiscal charges                       | -                 |
| Unearned revenue, September 30, 2025 | <u>\$ 950,300</u> |

**NOTE K - COMMITMENTS AND CONTINGENCIES**

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

**NOTE L - RISK MANAGEMENT**

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

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 51 of 84

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

The District adheres to GASB Statements No. 74 and 75: Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions (OPEB), which established new accounting standards for postemployment benefits. These Standards do not require funding of OPEB expense, but any difference between the actuarially determined total OPEB liability and the amount funded is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB liability.

**Plan Description and Funding Policy**

The District provides post-retirement health and dental benefits in accordance with Section 112.0801, Florida Statutes, to all eligible employees, their spouses and eligible dependents who retire from the District. As such, the District provides retirees the opportunity to obtain health, dental, life and vision coverage. Additionally, the District established a VEBA Plan, effective February 18, 2025, and funds the VEBA Plan in accordance with certain agreements. The Plan provides retirees with funds intended to be used to purchase health insurance. Insurance costs in excess of VEBA benefits provided are the responsibility of the insured.

Retired full-time employees are eligible for benefits if actively employed by the District immediately before retirement and retired through the FRS system as long as they have served the District for 25 years. As of September 30, 2025, there were thirty-six (36) retirees receiving benefits of \$500 per month, seventeen (17) of which are on the District's health insurance plan. The remaining nineteen (19) retirees are of Medicare age and received a \$225 per month subsidy from the District. The opportunity to obtain coverage is available to all retired District employees which have completed 25 years of service. The benefits require contributions from the retirees, depending on certain specified criteria and, in particular, length of creditable employment. Any full-time eligible employee of the District hired before October 1, 2014, is eligible to participate in the Plan. For those retirees hired before October 1, 2014, having completed 25 years of service with the District and electing District insurance, the District pays \$500 monthly towards the health insurance cost at the time of retirement until age 65. Eligible retirees must convert coverage to Medicare at 65. Retirees, after conversion to Medicare, then can receive \$225 per month

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 52 of 84

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

**Plan Description and Funding Policy, continued**

subsidy from the District from age 65 to age 80. Retirees will be responsible for any additional rate increase from year to year. The District closed the subsidy Plan to new hires effective for anyone hired on or after October 1, 2014. Retirees retiring after October 1, 2014, must have 25 years of service to claim subsidy benefits. Retirees hired after this date can elect to participate in the health care coverage but must fund 100% of the related cost.

Effective February 18, 2025, the District established a VEBA Plan. The intent of the VEBA Plan is to provide the retiree with funds to pay health care insurance premiums. As such, the VEBA allows employees participating in the VEBA Plan and hired on or after October 1, 2014, to participate. Those who do participate in the VEBA get no insurance premium subsidy. The VEBA Plan provides that those employees hired on or after October 1, 2014, and retired as part of the FRS system after 25 years of service to the District are provided \$500 per month for the purchase of health insurance upon retirement until age 65 and eligible for medicare. The retiree is then provided \$225 per month for 180 months or until death, whichever comes first. For those not eligible for the VEBA Plan, the District finances the benefits on a pay-as-you-go basis and recognizes expenditures at the time premiums are due. Dependents can participate but must contribute 100% of the related costs. There are no special provisions for disabled participants.

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

The retiree's premiums for these District benefits totaled \$236,839 during the year ended September 30, 2025, of which the District paid \$157,534 in explicit subsidies.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 53 of 84

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

**Funding Policy - District Total OPEB Liability**

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

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

**Actuarial Methods and Assumptions - District Total OPEB Liability**

At September 30, 2025, the District's total OPEB liability of \$3,692,281 was measured as of September 30, 2024, and was determined by an actuarial valuation as of October 1, 2024. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

|                  |                    |
|------------------|--------------------|
| Salary Increases | Range: 4.9% - 2.3% |
| Discount Rate    | 3.88%              |
| Inflation Rate   | 2.50%              |

Annual healthcare cost trend using the Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions with an initial rate of 7.5 for 2024 per year trending to 4.54% by 2050 updated on October 30, 2021.

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

Entry age normal cost method was used.

The FRS salary scale was used.

Mortality rates were based on the PUB-2010 Generational Healthy Mortality Table with scale MP-2021.

The actuarial assumptions used in the October 1, 2021, valuation were based on results of an actuarial experience study performed for the FRS Retirement Plan dated July 1, 2022.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 54 of 84

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

**Actuarial Methods and Assumptions - District Total OPEB Liability, continued**

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

**Demographic Assumptions - District**

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

**Changes in the Total OPEB Liability - District**

|                                                   | <u>Amount</u>              |
|---------------------------------------------------|----------------------------|
| Balance at September 30, 2024                     | \$ 3,311,548               |
| Changes for the year:                             |                            |
| Service Cost                                      | 44,934                     |
| Interest                                          | 146,753                    |
| Change in benefit terms                           | 267,486                    |
| Difference Between Expected and Actual Experience | -                          |
| Changes in Assumptions                            | 205,431                    |
| Contributions from Employer                       | <u>(283,871)</u>           |
| Net Changes                                       | <u>380,733</u>             |
| Balance at September 30, 2025                     | <u><u>\$ 3,692,281</u></u> |

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

|                      | 1% Decrease         | Current Rate        | 1% Increase         |
|----------------------|---------------------|---------------------|---------------------|
|                      | 2.88%               | 3.88%               | 4.88%               |
| Total OPEB Liability | <u>\$ 3,963,222</u> | <u>\$ 3,692,281</u> | <u>\$ 3,441,499</u> |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 55 of 84

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

**Changes in the Total OPEB Liability - District, continued**

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

|                      | 1% Decrease<br>3.04% | Trend Rate<br>4.04% | 1% Increase<br>5.04% |
|----------------------|----------------------|---------------------|----------------------|
| Total OPEB Liability | <u>\$ 3,492,702</u>  | <u>\$ 3,692,281</u> | <u>\$ 3,931,371</u>  |

For the year ended September 30, 2025, the District recognized OPEB expense (credit) of \$534,799. At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                         | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences Between Expected and<br>Actual Experience   | \$ 357,741                           | \$ 63,008                           |
| Changes in Assumptions                                  | 567,234                              | 262,618                             |
| Net difference between projected<br>and actual earnings | -                                    | -                                   |
| Employer contribution subsequent<br>to measurement date | -                                    | -                                   |
| Total                                                   | <u>\$ 924,975</u>                    | <u>\$ 325,626</u>                   |

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

| Years Ended September 30: | Amount            |
|---------------------------|-------------------|
| 2026                      | \$ 96,847         |
| 2027                      | 109,929           |
| 2028                      | 109,932           |
| 2029                      | 71,342            |
| 2030                      | 117,924           |
| Thereafter                | <u>93,375</u>     |
| Total                     | <u>\$ 599,349</u> |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 56 of 84

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

**Changes in the Total OPEB Liability - District, continued**

Changes of Assumptions:

Discount rate was changed from 4.63% to 3.88%

Population covered by Plan: 70 active 36 retired receiving benefits.

Plan has no specific trust for the District Plan has been established. \$145,000  
assigned for OPEB for FY 25.

**Plan description and provisions - Retiree Insurance Trust Fund - VEBA**

To fund the cost of providing retirees a defined benefit intended to be used to purchase health insurance coverage the North Fort Myres Retiree Insurance Trust (the "Trust" fund) was established and effective on February 18, 2025. It was established, specifically, to fund a portion of the cost of health insurance for retirees of the District.

The following brief description of the North Fort Myers Retiree Insurance Trust Fund, a voluntary employees' beneficiary association ("VEBA") established under Internal Revenue Code Section 501(c)(9) and related benefit plan (the "Plan"), is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan. The VEBA Plan identification number is 001. The North Fort Myers Retiree Insurance Trust Fund does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or of another entity except for the financial statements of the District itself.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 57 of 84

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

**Plan description and provisions - Retiree Insurance Trust Fund - VEBA,  
continued**

The VEBA is governed by a five (5) member Board of Trustees. On February 18, 2025, the Board of Trustees of the VEBA retroactively provided for the establishment and funding of a single employer defined benefit plan VEBA for the payment of post employment benefits other than pensions ("OPEB"). The effective date of the Plan is February 18, 2025. This District is the only participating District (employer).

Employees eligible to become participants in the Plan are those who were employed full-time on or after October 1, 2014, for whom the District (employer) made contributions to the VEBA. In addition, employees are eligible for benefits from the VEBA if they were hired on or before October 1, 2014, and completed at least twenty-five (25) years of service and retired with FRS benefits from the North Fort Myers Fire Control and Rescue Service District at the time of application for benefits. Eligible employees become participants of the VEBA upon having met these criteria.

Funding Policy - Contributions to the VEBA may be derived from two sources: employer and participants. However, currently, only employer contributions are being contributed. No employee contributions are required or being contributed to the VEBA. Employer contributions are contractually required as provided for in the applicable collective bargaining agreement for union employees or employee handbook for non-union employees. The contractually required District VEBA contribution for the year ended September 30, 2025, was \$13,000 and was paid timely by the District. The District obtained an actuarial valuation for the VEBA to measure the current year's required contribution and project these required contributions into the future, making an allocation of that cost to different years. The actuarial study required the District to contribute \$13,000 for FY25. The District contributed \$33,000 for FY25. All contributions are non-refundable.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 58 of 84

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

**Plan description and provisions - Retiree Insurance Trust Fund - VEBA,  
continued**

Concentrations - The District's VEBA did not hold investments in any one organization that represent 5 percent or more of the Trust's Fiduciary Net Position. At September 30, 2025, the VEBA's assets were solely held in a "public" funds money market depository account in a financial institution.

Rate of return - For the year ended September 30, 2025, the estimated annual money-weighted rate of return on investments, net of investment expense, was approximately 2.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

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

Actuarial present value of accumulated plan benefits - Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired employees or (b) beneficiaries of retired employees who have died. Benefits under the Plan are based on employees' age at entry to the Plan. Benefits payable under all circumstances are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 59 of 84

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

The significant actuarial assumptions used in the actuarial valuation as of September 30, 2025, were:

**Actuarial Methods and Assumptions**

At the September 30, 2025, measurement date, the District's VEBA net OPEB liability of \$13,956 was measured as of September 30, 2025, and was determined by an actuarial valuation as of that date based on October 1, 2023, participant data. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

|                                                    |        |
|----------------------------------------------------|--------|
| Excess Medical Growth                              | 0.90%  |
| Salary Increases                                   | 1.40%  |
| Discount Rate                                      | 4.50%  |
| Inflation Rate                                     | 2.60%  |
| Health Trend Rate (2025) trending to 4.04% in 2075 | 7.00%  |
| Annual Benefit Increase Rate                       | 2.00%  |
| Expected Health Share of GDP                       | 19.00% |
| Health Share Resisting Point                       | 17.00% |
| Years for Limiting Cost Growth                     | 2075   |

Entry age normal cost method was used.

Health Care Participation: 100%

Mortality rates were based on the Pub-2010 Generational Healthy mortality Table with adjustments from Scale MP-2021 based on July 1, 2022 FRS actuarial study.

VEBA benefit is \$500 per month per retiree beginning the month after retiring until age 65, then \$225 per month for 180 months or until death, whichever comes first.

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

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 60 of 84

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

**Plan description and provisions - Retiree Insurance Trust Fund - VEBA**

Participants may elect to seek health coverage from sources other than the District but must apply for Medicare when eligible. Benefits are payable annually with the monthly benefit being paid in one lump-sum payment in January of each year.

Membership of the Plan consisted of the following at October 1, 2025:

|                                                           | <u>Retiree Insurance<br/>Trust Fund Census</u> |
|-----------------------------------------------------------|------------------------------------------------|
| Inactive plan members                                     | 35                                             |
| Inactive plan members or beneficiaries receiving benefits | -                                              |
| Total VEBA Plan participants                              | <u>35</u>                                      |
| Number of participating employers                         | 1                                              |

A copy of the Plan can be obtained by writing the Board of Trustees of North Fort Myers Retiree Insurance Trust Fund at PO Box 3507, North Fort Myers, Florida 33918.

The components of the Net OPEB Liability/(Asset) of the VEBA at September 30, 2025, were as follows:

|                                                                          | <u>Amount</u>    |
|--------------------------------------------------------------------------|------------------|
| Total OPEB Liability                                                     | \$ 47,000        |
| Plan Fiduciary Net Position                                              | <u>33,044</u>    |
| VEBA's Net OPEB Liability/(Asset)                                        | <u>\$ 13,956</u> |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability: | 144.58%          |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 61 of 84

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

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

|                                                                                      | <u>Amount</u>           |
|--------------------------------------------------------------------------------------|-------------------------|
| <b>Total OPEB Liability:</b>                                                         |                         |
| Balance at February 18, 2025                                                         | \$ -                    |
| Changes for the year:                                                                |                         |
| Service Cost                                                                         | 47,000                  |
| Interest                                                                             | -                       |
| Change in benefit terms                                                              | -                       |
| Difference Between Expected and Actual Experience                                    | -                       |
| Changes in Assumptions                                                               | -                       |
| Benefit Payments                                                                     | -                       |
| Net Changes                                                                          | <u>47,000</u>           |
| Balance at September 30, 2025                                                        | <u><u>\$ 47,000</u></u> |
|                                                                                      | <u>Amount</u>           |
| <b>Plan Fiduciary Net Position:</b>                                                  |                         |
| Balance at February 18, 2025                                                         | \$ -                    |
| Contributions - Employer                                                             | 33,000                  |
| Net Investment Income                                                                | 44                      |
| Benefit Payments                                                                     | -                       |
| Administrative Expense                                                               | -                       |
| Net Change in Plan Fiduciary Net Position                                            | <u>33,044</u>           |
| Balance at September 30, 2025                                                        | <u><u>\$ 33,044</u></u> |
| District's Net OPEB Liability/(Asset)                                                | <u><u>\$ 13,956</u></u> |
| Plan Fiduciary Net Position as a percentage of the<br>Total OPEB Liability/(Asset)   | 70.00%                  |
| Covered Employee Payroll (Projected)                                                 | N/A                     |
| District's Net OPEB Liability/(Asset) as a percentage<br>of Covered Employee Payroll | 0.00%                   |

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

|                            | 1% Decrease<br><u>3.5%</u> | Current Rate<br><u>4.5%</u> | 1% Increase<br><u>5.5%</u> |
|----------------------------|----------------------------|-----------------------------|----------------------------|
| Net OPEB Liability/(Asset) | *                          | \$ 13,956                   | *                          |

\*Not calculated in initial year of the Plan

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 62 of 84

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

**Changes in the Net OPEB Liability/(Asset) - VEBA, continued**

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

|                    | Healthcare Cost |            |             |
|--------------------|-----------------|------------|-------------|
|                    | 1% Decrease     | Trend Rate | 1% Increase |
| Net OPEB Liability | *               | \$ 13,956  | *           |

\*Not calculated in initial year of the Plan

For the year ended September 30, 2025, the VEBA recognized OPEB expense of \$33,000. At September 30, 2025, the VEBA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                         | Deferred<br>Outflows of<br>Resources* | Deferred<br>Inflows of<br>Resources* |
|---------------------------------------------------------|---------------------------------------|--------------------------------------|
| Differences Between Expected and<br>Actual Experience   | \$ -                                  | \$ -                                 |
| Changes in Assumptions                                  | -                                     | -                                    |
| Net difference between projected<br>and actual earnings | -                                     | -                                    |
| Employer contribution subsequent<br>to measurement date | -                                     | -                                    |
| Total                                                   | \$ -                                  | \$ -                                 |

\*Not calculated in initial year of the Plan

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

| Years Ended September 30: | Amount |
|---------------------------|--------|
| 2026                      | \$ -   |
| 2027                      | -      |
| 2028                      | -      |
| 2029                      | -      |
| 2030                      | -      |
| Total Thereafter          | -      |
|                           | \$ - * |

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

**Plan description and provisions - Retiree Insurance Trust Fund - VEBA,  
continued**

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

The actuarial value of the OPEB assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a reasonable period. Any excess of these assets over actuarial accrued liability is amortized as a level percentage of projected payroll over an open 10-year period.

**Fair Value of Financial Investments - VEBA**

VEBA adheres to GASB Statement No. 72, (GASB 72) "Fair Value Measurements and Application." This Standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. This Standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. This Standard establishes a fair value hierarchy which consists of three levels on inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that VEBA has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices or securities with similar characteristics or discounted cash flows.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 64 of 84

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

**Fair Value of Financial Investments - VEBA, continued**

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The table below presents assets and liabilities measured at fair value on a recurring basis by level within the hierarchy at September 30, 2025:

| <b><u>September 30, 2025</u></b>             | <b><u>Total</u></b> | <b><u>Level 1</u></b> | <b><u>Level 2</u></b> | <b><u>Level 3</u></b> |
|----------------------------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Public Funds Money Market Depository Account | \$ 33,004           | \$ 33,004             | \$ -                  | \$ -                  |
|                                              | <u>\$ 33,004</u>    | <u>\$ 33,004</u>      | <u>\$ -</u>           | <u>\$ -</u>           |

Level 1: Classifications consist of commingled funds where detailed holdings were available and the funds fair value could be determined based on market prices, such as money markets and certificates of deposits.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 65 of 84

**NOTE N - SUBSCRIPTION LIABILITY**

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

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

The future minimum subscription payments as of September 30, 2025, is as follows:

| Years<br>Ending<br>September 30  | Amount           |
|----------------------------------|------------------|
| 2026                             | \$ 30,857        |
| 2027                             | 20,016           |
|                                  | 50,873           |
| Impact of present value discount | (4,211)          |
| Present value                    | <u>\$ 46,662</u> |

The amortization of the subscription liability for the year ended September 30, 2025, was \$26,172. The annual total cost was \$30,857.

At September 30, 2025, the right of use - subscription asset and right of use - subscription liability balances are as follows:

|                                                 | Amount           |
|-------------------------------------------------|------------------|
| Right of use subscription asset, current        | \$ 27,856        |
| Right of use subscription asset, noncurrent     | 18,806           |
|                                                 | <u>\$ 46,662</u> |
| Right of use subscription liability, current    | \$ 27,856        |
| Right of use subscription liability, noncurrent | 18,806           |
|                                                 | <u>\$ 46,662</u> |

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2025**

Page 66 of 84

**NOTE O - COMMITMENTS**

The District did contract to purchase two (2) pumper trucks (engines) during the year ended September 30, 2024, for approximately \$2,100,000. The District has not paid for these trucks although it has assigned fund balance in the General Fund of \$2,600,000 to pay for these trucks. The trucks are subject to final inspection and acceptance upon delivery.

The District has entered into two contracts to begin drafting plans to build Station #4 with total costs not to exceed \$40,382 (\$0 incurred through September 30, 2025) on one contract and \$335,300 (\$17,464 incurred through September 30, 2025) on the second contract. Costs will be capitalized under construction in progress as incurred.

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

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

Page 67 of 84

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
SUMMARY STATEMENT**

**Year Ended September 30, 2025**

|                                                         | General Fund       |                   |                      |                                        |
|---------------------------------------------------------|--------------------|-------------------|----------------------|----------------------------------------|
|                                                         | Original<br>Budget | Final<br>Budget   | Actual               | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                                         |                    |                   |                      |                                        |
| Ad valorem taxes                                        | \$ 13,961,472      | \$ 13,961,472     | \$ 14,720,730        | \$ 759,258                             |
| Intergovernmental revenue:                              |                    |                   |                      |                                        |
| State supplemental education                            | 14,250             | 14,250            | 15,930               | 1,680                                  |
| Federal grant proceeds                                  | -                  | -                 | -                    | -                                      |
| State grant proceeds                                    | -                  | -                 | -                    | -                                      |
| Fees:                                                   |                    |                   |                      |                                        |
| Inspection fees                                         | 33,250             | 33,250            | 75,810               | 42,560                                 |
| CPR fees                                                | 7,125              | 7,125             | 1,874                | (5,251)                                |
| EMS rent                                                | 2,470              | 2,470             | 2,294                | (176)                                  |
| Miscellaneous:                                          |                    |                   |                      |                                        |
| Interest                                                | 579,500            | 579,500           | 870,559              | 291,059                                |
| Other                                                   | 124,450            | 124,450           | 172,261              | 47,811                                 |
| Cash brought forward                                    | 17,000,000         | 17,665,137        | -                    | (17,665,137)                           |
| <b>TOTAL REVENUES</b>                                   | <b>31,722,517</b>  | <b>32,387,654</b> | <b>15,859,458</b>    | <b>(16,528,196)</b>                    |
| <b>EXPENDITURES</b>                                     |                    |                   |                      |                                        |
| Current                                                 |                    |                   |                      |                                        |
| Public safety                                           |                    |                   |                      |                                        |
| Personnel services                                      | 10,994,000         | 11,044,000        | 10,638,565           | 405,435                                |
| Operating expenditures                                  | 1,888,500          | 1,838,500         | 1,632,063            | 206,437                                |
| Capital outlay                                          | 680,000            | 1,640,000         | 1,487,519            | 152,481                                |
| Debt Service                                            |                    |                   |                      |                                        |
| Principal retirement                                    | -                  | -                 | -                    | -                                      |
| Interest                                                | -                  | -                 | -                    | -                                      |
| Reserves                                                | 18,160,017         | 17,865,154        | -                    | 17,865,154                             |
| <b>TOTAL EXPENDITURES</b>                               | <b>31,722,517</b>  | <b>32,387,654</b> | <b>13,758,147</b>    | <b>18,629,507</b>                      |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>-</b>           | <b>-</b>          | <b>2,101,311</b>     | <b>2,101,311</b>                       |
| <b>OTHER FINANCING SOURCES</b>                          |                    |                   |                      |                                        |
| Proceeds from disposition of Capital Assets             | -                  | -                 | -                    | -                                      |
| <b>NET CHANGE IN FUND BALANCE</b>                       | <b>\$ -</b>        | <b>\$ -</b>       | <b>2,101,311</b>     | <b>\$ 2,101,311</b>                    |
| <b>FUND BALANCE - Beginning</b>                         |                    |                   | <b>17,665,137</b>    |                                        |
| <b>FUND BALANCE - Ending</b>                            |                    |                   | <b>\$ 19,766,448</b> |                                        |

The accompanying notes are an integral part of this statement.

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

Page 68 of 84

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
DETAILED STATEMENT**

**Year Ended September 30, 2025**

|                                | General Fund       |                   |                   | Variance<br>Favorable/<br>(Unfavorable) |
|--------------------------------|--------------------|-------------------|-------------------|-----------------------------------------|
|                                | Original<br>Budget | Final<br>Budget   | Actual            |                                         |
| <b>REVENUES</b>                |                    |                   |                   |                                         |
| Ad valorem taxes:              |                    |                   |                   |                                         |
| Current                        | \$ 13,942,472      | \$ 13,942,472     | \$ 14,649,777     | \$ 707,305                              |
| Delinquent                     | 19,000             | 19,000            | 2,120             | (16,880)                                |
| Excess fees                    | -                  | -                 | 68,833            | 68,833                                  |
| Subtotal - Ad Valorem Taxes    | <u>13,961,472</u>  | <u>13,961,472</u> | <u>14,720,730</u> | <u>759,258</u>                          |
| Intergovernmental revenue:     |                    |                   |                   |                                         |
| State supplemental education   | 14,250             | 14,250            | 15,930            | 1,680                                   |
| Federal Grant Proceeds         | -                  | -                 | -                 | -                                       |
| State Grant Proceeds           | -                  | -                 | -                 | -                                       |
| Fees:                          |                    |                   |                   |                                         |
| Inspection fees                | 33,250             | 33,250            | 75,810            | 42,560                                  |
| CPR fees                       | 7,125              | 7,125             | 1,874             | (5,251)                                 |
| EMS rent                       | 2,470              | 2,470             | 2,294             | (176)                                   |
| Interest:                      |                    |                   |                   |                                         |
| Ad valorem interest            | -                  | -                 | 32,253            | 32,253                                  |
| Bank interest                  | 522,500            | 522,500           | 753,312           | 230,812                                 |
| SBA interest/investment income | <u>57,000</u>      | <u>57,000</u>     | <u>84,994</u>     | <u>27,994</u>                           |
| Subtotal - Interest            | <u>579,500</u>     | <u>579,500</u>    | <u>870,559</u>    | <u>291,059</u>                          |
| Other:                         |                    |                   |                   |                                         |
| Donations                      | 950                | 950               | 300               | (650)                                   |
| Transfers                      | -                  | -                 | -                 | -                                       |
| Retiree health insurance       | 95,000             | 95,000            | 79,305            | (15,695)                                |
| Miscellaneous                  | <u>28,500</u>      | <u>28,500</u>     | <u>92,656</u>     | <u>64,156</u>                           |
| Subtotal - Other               | <u>124,450</u>     | <u>124,450</u>    | <u>172,261</u>    | <u>47,811</u>                           |
| Cash brought forward           | <u>17,000,000</u>  | <u>17,665,137</u> | <u>-</u>          | <u>(17,665,137)</u>                     |
| TOTAL REVENUES                 | <u>31,722,517</u>  | <u>32,387,654</u> | <u>15,859,458</u> | <u>(16,528,196)</u>                     |
| <b>EXPENDITURES</b>            |                    |                   |                   |                                         |
| Current - Public safety        |                    |                   |                   |                                         |
| Personnel services:            |                    |                   |                   |                                         |
| Salaries                       |                    |                   |                   |                                         |
| Firefighters & administrative  | 6,400,000          | 6,339,000         | 6,123,472         | 215,528                                 |
| Overtime                       | 500,000            | 560,000           | 556,527           | 3,473                                   |
| Incentives                     | 15,000             | 16,000            | 15,930            | 70                                      |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
DETAILED STATEMENT, CONTINUED  
Year Ended September 30, 2025**

Page 69 of 84

|                                 | General Fund       |                 |            |                                         |
|---------------------------------|--------------------|-----------------|------------|-----------------------------------------|
|                                 | Original<br>Budget | Final<br>Budget | Actual     | Variance<br>Favorable/<br>(Unfavorable) |
| Personnel services (continued): |                    |                 |            |                                         |
| Payroll taxes                   |                    |                 |            |                                         |
| Social Security                 | 510,000            | 510,000         | 502,371    | 7,629                                   |
| Unemployment                    | 3,000              | 3,000           | -          | 3,000                                   |
| Benefits                        |                    |                 |            |                                         |
| Retirement                      | 1,900,000          | 2,180,000       | 2,025,836  | 154,164                                 |
| VEBA                            | 66,000             | 36,000          | 33,000     | 3,000                                   |
| Group insurance - health/life   | 1,400,000          | 1,200,000       | 1,201,947  | (1,947)                                 |
| Workers compensation            | 200,000            | 200,000         | 179,482    | 20,518                                  |
| Subtotal - Personnel services   | 10,994,000         | 11,044,000      | 10,638,565 | 405,435                                 |
| Operating expenditures:         |                    |                 |            |                                         |
| Uniforms                        | 50,000             | 40,000          | 34,200     | 5,800                                   |
| Communications                  | 65,000             | 60,000          | 58,434     | 1,566                                   |
| Commercial Pkg Insurance        | 125,000            | 125,000         | 120,198    | 4,802                                   |
| Computer software/training      | 45,000             | 45,000          | 33,305     | 11,695                                  |
| Employment expenses             | 45,000             | 53,000          | 51,687     | 1,313                                   |
| Gas and oil                     | 90,000             | 90,000          | 72,866     | 17,134                                  |
| Postage                         | 2,000              | 2,000           | 438        | 1,562                                   |
| Utilities                       | 50,000             | 50,000          | 45,109     | 4,891                                   |
| Maintenance                     |                    |                 |            |                                         |
| Vehicles                        | 200,000            | 200,000         | 179,096    | 20,904                                  |
| Equipment                       | 65,000             | 65,000          | 46,752     | 18,248                                  |
| Office                          | 30,000             | 20,000          | 4,761      | 15,239                                  |
| Communications                  | 5,000              | 5,000           | 172        | 4,828                                   |
| Hydrant                         | 3,000              | 3,000           | 696        | 2,304                                   |
| Buildings                       | 50,000             | 60,000          | 56,550     | 3,450                                   |
| Bunker gear                     | 2,000              | 2,000           | 25         | 1,975                                   |
| Supplies                        |                    |                 |            |                                         |
| Office                          | 15,000             | 16,000          | 15,341     | 659                                     |
| Inter-departmental              | 10,000             | 10,000          | 8,987      | 1,013                                   |
| Communications                  | 6,000              | 5,000           | 758        | 4,242                                   |
| Firefighter & rescue            | 150,000            | 150,000         | 145,584    | 4,416                                   |
| Dive Team                       | 35,000             | 36,000          | 26,443     | 9,557                                   |
| Special Operations Teams        | 105,000            | 104,000         | 101,504    | 2,496                                   |
| Station                         | 55,000             | 55,000          | 43,651     | 11,349                                  |
| Training                        | 5,000              | 5,000           | 775        | 4,225                                   |
| Fire prevention                 | 1,000              | 1,000           | -          | 1,000                                   |
| CERT                            | 7,500              | 6,500           | 5,910      | 590                                     |
| Therapy Dog supplies            | 15,000             | 15,000          | 3,806      | 11,194                                  |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
DETAILED STATEMENT, CONTINUED  
Year Ended September 30, 2025**

Page 70 of 84

|                                     | General Fund       |                 |            |                                         |
|-------------------------------------|--------------------|-----------------|------------|-----------------------------------------|
|                                     | Original<br>Budget | Final<br>Budget | Actual     | Variance<br>Favorable/<br>(Unfavorable) |
| Operating expenditures (continued): |                    |                 |            |                                         |
| CPR supplies                        | 5,000              | 5,000           | 2,517      | 2,483                                   |
| Public education                    | 15,000             | 16,000          | 15,976     | 24                                      |
| Professional and other fees         |                    |                 |            |                                         |
| Legal                               | 70,000             | 70,000          | 75,286     | (5,286)                                 |
| Legal advertising                   | 10,000             | 10,000          | 2,593      | 7,407                                   |
| Property Appraiser fees             | 100,000            | 75,000          | 70,603     | 4,397                                   |
| Tax Collector fees                  | 300,000            | 300,000         | 294,808    | 5,192                                   |
| Consulting                          | -                  | -               | -          | -                                       |
| Accounting and audit                | 60,000             | 50,000          | 45,500     | 4,500                                   |
| Miscellaneous                       |                    |                 |            |                                         |
| Education and travel                | 65,000             | 57,000          | 45,770     | 11,230                                  |
| Miscellaneous                       | 20,000             | 20,000          | 14,597     | 5,403                                   |
| Books and dues                      | 12,000             | 12,000          | 7,365      | 4,635                                   |
| Subtotal - Operating expenditures   | 1,888,500          | 1,838,500       | 1,632,063  | 206,437                                 |
| Capital outlay:                     |                    |                 |            |                                         |
| Vehicles                            | 140,000            | 164,000         | 163,562    | 438                                     |
| Firefighter & rescue equipment      | 85,000             | 61,000          | 68,625     | (7,625)                                 |
| Bunker gear                         | 35,000             | 42,000          | 41,170     | 830                                     |
| I/ F equipment                      | -                  | -               | -          | -                                       |
| Communications equipment            | -                  | 13,000          | 7,892      | 5,108                                   |
| Furniture & office                  | 25,000             | 25,000          | 22,240     | 2,760                                   |
| Station equipment                   | 5,000              | -               | -          | -                                       |
| Station #1 improvements             | 5,000              | 5,000           | -          | 5,000                                   |
| Station #2 improvements             | 160,000            | 5,000           | -          | 5,000                                   |
| Station #3 improvements             | 5,000              | 5,000           | -          | 5,000                                   |
| Station #4 improvements             | 100,000            | 100,000         | 17,464     | 82,536                                  |
| Trail Dairy Property                | -                  | 1,100,000       | 1,049,055  | 50,945                                  |
| New Station                         | -                  | -               | -          | -                                       |
| Special Operations                  | 120,000            | 120,000         | 117,511    | 2,489                                   |
| Subtotal - Capital outlay           | 680,000            | 1,640,000       | 1,487,519  | 152,481                                 |
| DEBT SERVICE                        |                    |                 |            |                                         |
| Principal reduction                 | -                  | -               | -          | -                                       |
| Interest and fiscal charges         | -                  | -               | -          | -                                       |
| Subtotal - Debt Service             | -                  | -               | -          | -                                       |
| Operating expense total             | 13,562,500         | 14,522,500      | 13,758,147 | 764,353                                 |

The accompanying notes are an integral part of this statement.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
DETAILED STATEMENT, CONTINUED  
Year Ended September 30, 2025**

Page 71 of 84

|                                                 | General Fund       |                   |                      |                                         |
|-------------------------------------------------|--------------------|-------------------|----------------------|-----------------------------------------|
|                                                 | Original<br>Budget | Final<br>Budget   | Actual               | Variance<br>Favorable/<br>(Unfavorable) |
| RESERVES                                        |                    |                   |                      |                                         |
| Contingency                                     | 100,000            | 100,000           | -                    | 100,000                                 |
| Disaster preparedness                           | 100,000            | 100,000           | -                    | 100,000                                 |
| Leave payout                                    | 525,000            | 525,000           | -                    | 525,000                                 |
| Post employment insurance                       | 145,000            | 145,000           | -                    | 145,000                                 |
| Operating reserve                               | 6,990,017          | 6,995,154         | -                    | 6,995,154                               |
| New fire station                                | 7,100,000          | 6,750,000         | -                    | 6,750,000                               |
| Facilities                                      | 100,000            | 100,000           | -                    | 100,000                                 |
| Replacement engine ordered                      | 1,000,000          | 1,000,000         | -                    | 1,000,000                               |
| Ladder Truck                                    | -                  | 50,000            | -                    | -                                       |
| New engine #4                                   | 1,200,000          | 1,200,000         | -                    | 1,200,000                               |
| Replacement engine                              | 600,000            | 600,000           | -                    | 600,000                                 |
| Firefighter/rescue equipment                    | 300,000            | 300,000           | -                    | 300,000                                 |
|                                                 | <u>18,160,017</u>  | <u>17,865,154</u> | <u>-</u>             | <u>17,865,154</u>                       |
| TOTAL EXPENDITURES                              | <u>31,722,517</u>  | <u>32,387,654</u> | <u>13,758,147</u>    | <u>18,629,507</u>                       |
| EXCESS OF REVENUES<br>OVER (UNDER) EXPENDITURES | -                  | -                 | 2,101,311            | 2,101,311                               |
| OTHER FINANCING SOURCES                         |                    |                   |                      |                                         |
| Proceeds from disp of capital assets            | -                  | -                 | -                    | -                                       |
| SUBTOTAL -<br>OTHER FINANCING SOURCES           | -                  | -                 | -                    | -                                       |
| NET CHANGE IN FUND BALANCE                      | <u>\$ -</u>        | <u>\$ -</u>       | 2,101,311            | <u>\$ 2,101,311</u>                     |
| FUND BALANCE, October 1, 2024                   |                    |                   | <u>17,665,137</u>    |                                         |
| FUND BALANCE, September 30, 2025                |                    |                   | <u>\$ 19,766,448</u> |                                         |

The accompanying notes are an integral part of this statement.

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

Page 72 of 84

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - IMPACT FEE FUND  
Year Ended September 30, 2025**

|                                                 | Impact Fee Fund    |                 |             |                                        |
|-------------------------------------------------|--------------------|-----------------|-------------|----------------------------------------|
|                                                 | Original<br>Budget | Final<br>Budget | Actual      | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                                 |                    |                 |             |                                        |
| Fees:                                           |                    |                 |             |                                        |
| Impact fees                                     | \$ 120,000         | \$ 120,000      | \$ -        | \$ (120,000)                           |
| Miscellaneous:                                  |                    |                 |             |                                        |
| Interest                                        | 15,000             | 15,000          | -           | (15,000)                               |
| Cash brought forward                            | 700,000            | 700,000         | -           | (700,000)                              |
| TOTAL REVENUES                                  | <u>835,000</u>     | <u>835,000</u>  | <u>-</u>    | <u>(835,000)</u>                       |
| <b>EXPENDITURES</b>                             |                    |                 |             |                                        |
| Current                                         |                    |                 |             |                                        |
| Public safety                                   |                    |                 |             |                                        |
| Operating                                       |                    |                 |             |                                        |
| Refunds                                         | -                  | -               | -           | -                                      |
| Miscellaneous                                   | -                  | -               | -           | -                                      |
| Capital outlay                                  |                    |                 |             |                                        |
| Contingency                                     | 835,000            | 835,000         | -           | 835,000                                |
| Vehicles                                        | -                  | -               | -           | -                                      |
| Equipment - firefighter/rescue                  | -                  | -               | -           | -                                      |
| Equipment - Communications                      | -                  | -               | -           | -                                      |
| Buildings                                       | -                  | -               | -           | -                                      |
| TOTAL EXPENDITURES                              | <u>835,000</u>     | <u>835,000</u>  | <u>-</u>    | <u>835,000</u>                         |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | <u>\$ -</u>        | <u>\$ -</u>     | <u>-</u>    | <u>\$ -</u>                            |
| <b>FUND BALANCE - Beginning</b>                 |                    |                 | <u>-</u>    |                                        |
| <b>FUND BALANCE - Ending</b>                    |                    |                 | <u>\$ -</u> |                                        |

The accompanying notes are an integral part of this statement.

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

|                                                                                                             | 2025         | 2024          | 2023          | 2022         |
|-------------------------------------------------------------------------------------------------------------|--------------|---------------|---------------|--------------|
| District's proportion of the net pension liability                                                          | 0.028224991% | 0.027653542%  | 0.026566253%  | 0.025170242% |
| District's proportionate share of the net pension liability                                                 | \$ 8,759,663 | \$ 10,697,691 | \$ 10,585,811 | \$ 9,365,353 |
| District's covered-employee payroll                                                                         | \$ 6,689,929 | \$ 5,990,100  | \$ 5,786,534  | \$ 5,173,672 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 130.94%      | 178.59%       | 182.94%       | 181.02%      |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 87.26%       | 83.70%        | 82.38%        | 82.89%       |

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

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

|                                                                      | 2025         | 2024         | 2023         | 2022         |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 1,904,286 | \$ 1,713,804 | \$ 1,467,460 | \$ 1,213,309 |
| Contributions in relation to the contractually required contribution | 1,904,286    | 1,713,804    | 1,467,460    | 1,213,309    |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         |
| District's covered-employee payroll                                  | \$ 6,689,929 | \$ 5,990,100 | \$ 5,786,534 | \$ 5,173,672 |
| Contributions as a percentage of covered-employee payroll            | 28.46%       | 28.61%       | 25.36%       | 23.45%       |

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

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

| 2021         | 2020          | 2019         | 2018         | 2017         | 2016         |
|--------------|---------------|--------------|--------------|--------------|--------------|
| 0.023769391% | 0.026687550%  | 0.025421272% | 0.024596426% | 0.022709709% | 0.022818081% |
| \$ 1,795,205 | \$ 11,566,778 | \$ 8,754,732 | \$ 7,408,571 | \$ 6,717,360 | \$ 5,761,583 |
| \$ 4,595,441 | \$ 4,480,468  | \$ 3,970,948 | \$ 3,826,921 | \$ 3,495,050 | \$ 3,342,649 |
| 39.06%       | 258.16%       | 220.47%      | 193.59%      | 192.20%      | 172.37%      |
| 96.40%       | 78.85%        | 82.61%       | 84.26%       | 83.89%       | 84.88%       |

| 2021             | 2020           | 2019           | 2018           | 2017           | 2016           |
|------------------|----------------|----------------|----------------|----------------|----------------|
| \$ 1,006,949     | \$ 961,965     | \$ 867,583     | \$ 781,750     | \$ 658,074     | \$ 612,210     |
| <u>1,006,949</u> | <u>961,965</u> | <u>867,583</u> | <u>781,750</u> | <u>658,074</u> | <u>612,210</u> |
| <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| \$ 4,595,441     | \$ 4,480,468   | \$ 3,970,948   | \$ 3,826,921   | \$ 3,495,050   | \$ 3,342,649   |
| 21.91%           | 21.47%         | 21.85%         | 20.43%         | 18.83%         | 18.32%         |

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

|                                                                                                                | 2025         | 2024         | 2023         | 2022         |
|----------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| District's proportion of the net pension liability                                                             | 0.014453751% | 0.014090943% | 0.014122362% | 0.013677690% |
| District's proportionate share of the net pension liability                                                    | \$ 1,852,602 | \$ 2,113,729 | \$ 2,242,819 | \$ 1,448,686 |
| District's covered-employee payroll                                                                            | \$ 6,689,929 | \$ 5,990,100 | \$ 5,786,534 | \$ 5,173,672 |
| District's proportionate share of the net pension liability<br>as a percentage of its covered-employee payroll | 27.69%       | 35.29%       | 38.76%       | 28.00%       |
| Plan fiduciary net position as a percentage of the<br>total pension liability                                  | 6.36%        | 4.80%        | 4.12%        | 4.81%        |

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

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

|                                                                         | 2025         | 2024         | 2023         | 2022         |
|-------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                     | \$ 121,550   | \$ 109,392   | \$ 93,668    | \$ 77,445    |
| Contributions in relation to the contractually<br>required contribution | 121,550      | 109,392      | 93,668       | 77,445       |
| Contribution deficiency (excess)                                        | \$ -         | \$ -         | \$ -         | \$ -         |
| District's covered-employee payroll                                     | \$ 6,689,929 | \$ 5,990,100 | \$ 5,786,534 | \$ 5,173,672 |
| Contributions as a percentage of covered-employee<br>payroll            | 1.82%        | 1.83%        | 1.62%        | 1.50%        |

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

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

| 2021         | 2020         | 2019         | 2018         | 2017         | 2016         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.012728908% | 0.012343048% | 0.011640644% | 0.011570500% | 0.010811470% | 0.010779066% |
| \$ 1,561,392 | \$ 1,507,066 | \$ 1,298,644 | \$ 1,224,635 | \$ 1,156,012 | \$ 1,256,255 |
| \$ 4,595,441 | \$ 4,480,468 | \$ 3,970,948 | \$ 3,826,921 | \$ 3,495,050 | \$ 3,342,649 |
| 33.98%       | 33.64%       | 32.70%       | 32.00%       | 33.08%       | 37.58%       |
| 3.56%        | 3.00%        | 2.63%        | 2.15%        | 1.64%        | 0.97%        |

| 2021          | 2020          | 2019          | 2018          | 2017          | 2016          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 64,273     | \$ 72,406     | \$ 65,302     | \$ 58,841     | \$ 49,532     | \$ 48,924     |
| <u>64,273</u> | <u>72,406</u> | <u>65,302</u> | <u>58,841</u> | <u>49,532</u> | <u>48,924</u> |
| <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| \$ 4,595,441  | \$ 4,480,468  | \$ 3,970,948  | \$ 3,826,921  | \$ 3,495,050  | \$ 3,342,649  |
| 1.40%         | 1.62%         | 1.64%         | 1.54%         | 1.42%         | 1.46%         |

**Changes of Assumptions**

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent 2024 experience study for the FRS Pension Plan was for the period July 1, 2018, through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments remained unchanged at 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20%, increased from 3.93%, was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2021.

**Florida Retirement System Pension Plan**

There were changes in actuarial assumptions. As of June 30, 2025, the inflation rate assumption remained at 2.4 percent, the real payroll growth assumption remained at 1.1 percent, and the overall payroll growth rate assumption remained at 3.50 percent. The long-term expected rate of return remained at 6.70%.

**Health Insurance Subsidy Pension Plan**

The municipal rate used to determine total pension liability increased from 3.93 percent to 5.20 percent. Also the HIS Plan adopted the 2024 FRS experience study.

**NORTH FORT MYERS FIRE CONTROL  
AND RESCUE SERVICE DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
September 30, 2025**

Page 76 of 84

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

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

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

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

The average expected remaining service life of all employees provided with pensions through the pension plans at September 30, 2025, was 4.7 years (5.3 for FY24) for FRS and 5.8 years for FY 25 (6.3 for FY 24).

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

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

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

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

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

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

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

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

**Notes to the Schedule:**

**Changes of Assumptions**

The discount rate was changed from 4.63% to 3.88%.

Population covered by Plan: 70 active 36 retired receiving benefits.

Plan has no specific trust established. \$145,000 assigned for OPEB for FY 25.

| 2021                | 2022                | 2023                | 2024                | 2025                |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 60,351           | \$ 66,900           | \$ 50,949           | \$ 35,828           | \$ 44,934           |
| 101,965             | 90,137              | 70,824              | 117,506             | 146,753             |
| -                   | (682,030)           | -                   | -                   | 267,486             |
| -                   | 167,951             | -                   | 400,068             | -                   |
| 120,630             | 102,147             | (436,688)           | 210,245             | 205,431             |
| (250,283)           | (251,017)           | (251,528)           | (245,383)           | (283,871)           |
| 32,663              | (505,912)           | (566,443)           | 518,264             | 380,733             |
| 3,832,976           | 3,865,639           | 3,359,727           | 2,793,284           | 3,311,548           |
| <u>\$ 3,865,639</u> | <u>\$ 3,359,727</u> | <u>\$ 2,793,284</u> | <u>\$ 3,311,548</u> | <u>\$ 3,692,281</u> |

| 2021        | 2022        | 2023        | 2024        | 2025        |
|-------------|-------------|-------------|-------------|-------------|
| \$ 250,283  | \$ 251,017  | \$ 251,528  | \$ 245,383  | \$ 283,871  |
| -           | -           | -           | -           | -           |
| (250,283)   | (251,017)   | (251,528)   | (245,383)   | (283,871)   |
| -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

|              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| \$ 3,865,639 | \$ 3,359,727 | \$ 2,793,284 | \$ 3,311,548 | \$ 3,692,281 |
| 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        |
| 9/30/2020    | 9/30/2021    | 9/30/2022    | 9/30/2023    | 9/30/2024    |

|       |       |       |       |       |
|-------|-------|-------|-------|-------|
| 10    | 7     | 7     | 7     | 11    |
| 2.41% | 2.19% | 4.40% | 4.63% | 3.88% |

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

Page 78 of 84

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY (ASSET) AND  
RELATED RATIOS GASB 74/75 AND RELATED NOTES TO THE SCHEDULE - VEBA**

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

|                                                              | 2025             | * |
|--------------------------------------------------------------|------------------|---|
| Total OPEB Liability                                         |                  |   |
| Service Cost                                                 | \$ 47,000        |   |
| Interest Cost                                                | -                |   |
| Changes in Benefit Terms                                     | -                |   |
| Differences Between Expected and Actual Experience           | -                |   |
| Changes in Assumptions                                       | -                |   |
| Benefit Payments                                             | -                |   |
| Net Change in total OPEB Liability                           | 47,000           |   |
| Total OPEB Liability - Beginning of Year - February 18, 2025 | -                |   |
| Total OPEB Liability - End of Year                           | <u>\$ 47,000</u> |   |

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

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

|                                                                | 2025             |
|----------------------------------------------------------------|------------------|
| Contributions - Employer                                       | \$ 33,000        |
| Net Investment Income                                          | 44               |
| Benefit Payments                                               | -                |
| Administrative Expense                                         | -                |
| Net Change in Fiduciary Net Position                           | 33,044           |
| Fiduciary Net Position - Beginning of Year - February 18, 2025 | -                |
| Fiduciary Net Position - End of Year                           | <u>\$ 33,044</u> |
| Total OPEB Liability/(Asset)                                   | \$ 13,956        |
| Fiduciary Net Position as a % of Total OPEB Liability (Asset)  | 0.00%            |
| Covered-Employee Payroll *                                     | N/A              |
| Total OPEB Liability as a % of Payroll *                       | 0.00%            |
| Measurement date                                               | 9/30/25          |
| Expected Average Remaining Service Years of All Participants   | 10               |

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

**Schedule of District Contributions**

|                                                                          | 2025               |
|--------------------------------------------------------------------------|--------------------|
| Actuarially Determined Contribution                                      | \$ 13,000          |
| Contributions in relation to the Actuarially<br>Determined Contributions | (33,000)           |
| Contribution Deficiency (Excess)                                         | <u>\$ (20,000)</u> |
| Covered Employee Payroll (Projection)                                    | N/A                |
| Contributions as a percentage of Covered Employee<br>Payroll             | 0.00%              |

\* The year ended September 30, 2025, was the VEBA initial year of operation.

**Notes to the Schedule:**

Discount Rate: 2025 4.5%

Note: 10 year historical data will be added each year after FY25.

## **ADDITIONAL REPORTS**

# HSC/Tuscan & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Page 79 of 84

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the basic financial statements of the governmental activities and each major fund and the fiduciary fund of North Fort Myers Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated March 21, 2026.

**Report Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented or detected and

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

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

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

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

#### **Purpose of This Report**

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

*HSC/Tuscan & Company, P.A.*

HSC/TUSCAN & COMPANY, P.A.

Fort Myers, Florida

March 21, 2026

# HSC/Tuscan

## & Company, PA

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Page 81 of 84

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

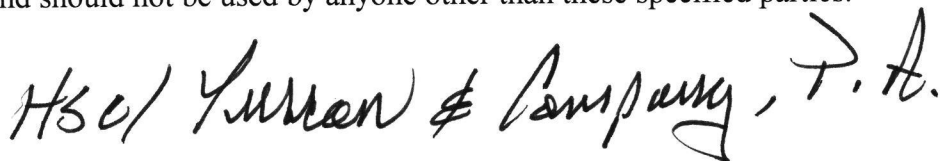
Board of Commissioners  
North Fort Myers Fire Control and Rescue Service District  
P.O. Box 3507  
North Fort Myers, Florida 33918

We have examined North Fort Myers Fire Control and Rescue Service District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management is responsible for North Fort Myers Fire Control and Rescue Service District's compliance with those requirements. Our responsibility is to express an opinion on North Fort Myers Fire Control and Rescue Service District's compliance based on our examination.

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

In our opinion, North Fort Myers Fire Control and Rescue Service District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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



HSC/TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
March 21, 2026

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# HSC/Tuscan & Company, PA

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Page 82 of 84

## **INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT**

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

We have audited the accompanying basic financial statements of North Fort Myers Fire Control and Rescue Service District (the "District") as of and for the year ended September 30, 2025, and have issued our report thereon dated March 21, 2026.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated March 21, 2026, should be considered in conjunction with this report to management.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no financially significant prior year comments noted.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No such recommendations were noted to improve financial management.

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

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. The District did not meet any of the conditions described in Section 218.503(1). Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b(1) and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures pursuant to Rule 10.566(8). It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(5).a.
- Pursuant to Section 10.554(1)(i)5.b.(2), Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this District (F.S. Section 218.39(3)(b)). There are no known component units required to report within these financial statements.
- Pursuant to Section 10.554(1)(i)7, Rules of the Auditor General, requires disclosure of certain unaudited data. See Exhibit 2.
- Pursuant to Section 10.554(1)(i)8, Rules of the Auditor General, requires an independent special district that imposes ad valorem taxes to disclose certain related unaudited data. See Exhibit 2.

- Pursuant to Section 10.554(1)9, Rules of the Auditor General, requires an independent special district that imposes a non-ad valorem special assessment to disclose certain unaudited data. See Exhibit 2.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the entity's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated March 21, 2026, included herein.

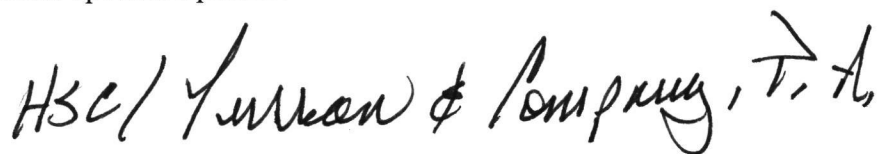
**PRIOR YEAR COMMENTS:**

There were no financially significant comments noted.

**CURRENT YEAR COMMENTS:**

There were no financially significant comments noted.

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

A handwritten signature in black ink that reads "HSC/Tuscan & Company, P.A." with a stylized flourish at the end.

HSC/TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
March 21, 2026

## **EXHIBIT 1**



January 27, 2026

Response to Management Letter – Fiscal Year 2024/2025

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

We are happy to report that we had no financially significant comments the previous year, therefore no comments to report.

Sincerely,

Jeremy Dunn  
Fire Chief

## **EXHIBIT 2**

**UNAUDITED  
COMPLIANCE WITH REPORTING REQUIRED BY:**

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

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.a., Florida Statutes). 70 including 5 Board of Commission members
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32(1)(e)2.b., Florida Statutes). 0
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.c., Florida Statutes). (Total wage compensation for the fiscal year being audited) \$ 6,695,929
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). (Amounts paid that would be reported on a Form 1099 for FYE) \$0
- e. Each construction project with a total cost of at least \$65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes).  
Station #4 \$ 17,464
- f. A budget variance report based on the budget adopted under section 189.016(4), Florida Statutes, before the beginning of the fiscal year reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes (see information required in Section 218.32(1)(e)3., Florida Statutes). If there were amendments then include budget variance (original budget vs. actual at FYE). See attached pages 3 and 4.

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

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

- a. The millage rate or rates imposed by the district. 3.5 mills
- b. The current year gross amount of ad valorem taxes collected by or on behalf of the district. \$14,720,730
- c. The total amount of outstanding bonds issued by the district and terms of such bonds. 0

**Auditor General Rule 10.554(1)(i)9**

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

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

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

Page 3

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -  
SUMMARY STATEMENT  
Year Ended September 30, 2025**

|                                                         | General Fund       |                      |                                        |
|---------------------------------------------------------|--------------------|----------------------|----------------------------------------|
|                                                         | Original<br>Budget | Actual               | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                                         |                    |                      |                                        |
| Ad valorem taxes                                        | \$ 13,961,472      | \$ 14,720,730        | \$ 759,258                             |
| Intergovernmental revenue:                              |                    |                      |                                        |
| State supplemental education                            | 14,250             | 15,930               | 1,680                                  |
| Federal grant proceeds                                  | -                  | -                    | -                                      |
| Statel grant proceeds                                   | -                  | -                    | -                                      |
| Fees:                                                   |                    |                      |                                        |
| Inspection fees                                         | 33,250             | 75,810               | 42,560                                 |
| CPR fees                                                | 7,125              | 1,874                | (5,251)                                |
| EMS rent                                                | 2,470              | 2,294                | (176)                                  |
| Miscellaneous:                                          |                    |                      |                                        |
| Interest                                                | 579,500            | 870,559              | 291,059                                |
| Other                                                   | 124,450            | 172,261              | 47,811                                 |
| Cash brought forward                                    | 17,000,000         | -                    | (17,000,000)                           |
| <b>TOTAL REVENUES</b>                                   | <b>31,722,517</b>  | <b>15,859,458</b>    | <b>(15,863,059)</b>                    |
| <b>EXPENDITURES</b>                                     |                    |                      |                                        |
| Current                                                 |                    |                      |                                        |
| Public safety                                           |                    |                      |                                        |
| Personnel services                                      | 10,994,000         | 10,638,565           | 355,435                                |
| Operating expenditures                                  | 1,888,500          | 1,632,063            | 256,437                                |
| Capital outlay                                          | 680,000            | 1,487,519            | (807,519)                              |
| Debt Service                                            |                    |                      |                                        |
| Principal retirement                                    | -                  | -                    | -                                      |
| Interest                                                | -                  | -                    | -                                      |
| Reserves                                                | 18,160,017         | -                    | 18,160,017                             |
| <b>TOTAL EXPENDITURES</b>                               | <b>31,722,517</b>  | <b>13,758,147</b>    | <b>17,964,370</b>                      |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>-</b>           | <b>2,101,311</b>     | <b>2,101,311</b>                       |
| <b>OTHER FINANCING SOURCES</b>                          |                    |                      |                                        |
| Proceeds from disposition of capital assets             | -                  | -                    | -                                      |
| <b>NET CHANGE IN FUND BALANCE</b>                       | <b>\$ -</b>        | <b>2,101,311</b>     | <b>\$ 2,101,311</b>                    |
| <b>FUND BALANCE - Beginning</b>                         |                    | <b>17,665,137</b>    |                                        |
| <b>FUND BALANCE - Ending</b>                            |                    | <b>\$ 19,766,448</b> |                                        |

The accompanying notes are an integral part of this statement.

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

Page 4

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - IMPACT FEE FUND  
Year Ended September 30, 2025**

|                                 | Impact Fee Fund |          |                  |
|---------------------------------|-----------------|----------|------------------|
|                                 | Original        |          | Variance         |
|                                 | Budget          | Actual   | Favorable        |
|                                 |                 |          | (Unfavorable)    |
| <b>REVENUES</b>                 |                 |          |                  |
| Fees:                           |                 |          |                  |
| Impact fees                     | \$ 120,000      | \$ -     | \$ (120,000)     |
| Miscellaneous:                  |                 |          |                  |
| Interest                        | 15,000          | -        | (15,000)         |
| Cash brought forward            | 700,000         | -        | (700,000)        |
| <b>TOTAL REVENUES</b>           | <b>835,000</b>  | <b>-</b> | <b>(835,000)</b> |
| <b>EXPENDITURES</b>             |                 |          |                  |
| Current                         |                 |          |                  |
| Public safety                   |                 |          |                  |
| Operating                       |                 |          |                  |
| Refunds                         | -               | -        | -                |
| Miscellaneous                   | -               | -        | -                |
| Capital outlay                  |                 |          |                  |
| Contingency                     | 835,000         | -        | 835,000          |
| Vehicles                        | -               | -        | -                |
| Equipment - firefighter/rescue  | -               | -        | -                |
| Equipment - Communications      | -               | -        | -                |
| Buildings                       | -               | -        | -                |
| <b>TOTAL EXPENDITURES</b>       | <b>835,000</b>  | <b>-</b> | <b>835,000</b>   |
| EXCESS OF REVENUES OVER         |                 |          |                  |
| (UNDER) EXPENDITURES            | \$ -            | -        | \$ -             |
| <b>FUND BALANCE - Beginning</b> |                 | -        |                  |
| <b>FUND BALANCE - Ending</b>    |                 | \$ -     |                  |

The accompanying notes are an integral part of this statement.