

**NORTH COLLIER FIRE CONTROL
AND RESCUE DISTRICT**

**BASIC FINANCIAL STATEMENTS
TOGETHER WITH ADDITIONAL REPORTS**

**YEAR ENDED
SEPTEMBER 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the non-major fund and the fiduciary fund type of North Collier Fire Control and Rescue District (the "District") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of North Collier Fire Control and Rescue District Firefighters' Pension Trust Fund ("Fiduciary Fund - Pension Fund") as of and for the year ended September 30, 2020, which represent 100% of the assets, liabilities and net position as well as 100% of the revenue and expenses of the District's Fiduciary Fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Collier Fire Control and Rescue District Firefighters' Pension Trust Fund, is based on the report of the other auditors. We also did not audit the financial statements of the Florida Retirement System Pension Plan (FRS) or Health Insurance Subsidy Pension Plan (HIS) as of and for the year ended June 30, 2020. 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, 2020 and for the year then ended. The Florida Retirement System financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the District's government-wide financial statements, are based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to

INTEGRITY SERVICE EXPERIENCE

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating overall presentation of the financial statements.

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

Summary of Opinions

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

Opinions

Unmodified Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the non-major fund and the fiduciary fund type of North Collier Fire Control and Rescue District as of September 30, 2020, 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.

Emphasis of Matters

During the year ended September 30, 2020, the District's unrestricted net asset balance remained a deficit of \$(6,627,736), due substantially to recording the current year actuarially determined OPEB liability of \$9,980,141 and the District's proportionate share of its pension liability of \$19,352,783. This is a non-cash actuarially determined liability related to the future cost of allowing retirees to remain on the District's health care policy and for paying a portion of retiree coverage. The pension liability is a non cash actuarially determined liability for the District's participation in the State's FRS defined benefit retirement system and the District's Firefighters' Retirement Plan. The District's fund balance remains approximately equal to four (4) months budgeted expenditures. Our opinion was not modified for this matter.

Other Matters

Required Supplementary Information

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

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

Other Required Supplementary Information

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

Our audit was conducted for the purpose of forming an opinion on the financial statements of North Collier Fire Control and Rescue District that collectively comprise the North Collier Fire Control and Rescue District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards - year ended September 30, 2020 and related notes thereto as required by title 2 U.S. Code of Federal Regulations (CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards and related notes thereto for the year ended September 30, 2020 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

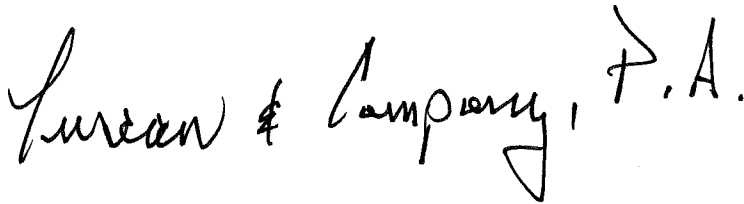
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Exhibit 1 - Management's Response to Independent Auditor's Report to Management and Exhibit 2 Impact Fee Affidavit are not a required part of the basic financial statements but are required by Government Auditing Standards and Rules of the Auditor General, Section 10.557(3)(m), respectively. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated May 7, 2021, on our consideration of North Collier Fire Control and Rescue District's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering North Collier Fire Control and Rescue District's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 7, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering North Collier Fire Control and Rescue District's internal control over financial reporting and compliance.

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

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 7, 2021

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

Management's Discussion and Analysis of Financial Statements FYE September 30, 2020

This Discussion and Analysis of the North Collier Fire Control & Rescue District's ("The District") basic financial statements is provided to assist the reader in understanding the District's financial activities and significant changes in ending financial position for the fiscal year ended September 30, 2020. These statements include the requirements of GASB Statements #34, #68 and #75 incorporate those annual reporting requirements, as well as the financial statement format and presentation.

Contained within are the basic financial statements, consisting of the government-wide financial statements, governmental fund and fiduciary fund financial statements and related notes to the financial statements. This Discussion and Analysis will also provide an analytical overview of these statements, including comparisons of the District's financial position at September 30, 2020 versus September 30, 2019.

District Highlights

1. At the conclusion of fiscal year 2020, the District's assets exceeded its liabilities, resulting in net assets of \$25,511,294 as compared to net assets at September 30, 2019 of \$23,115,686.
2. The District had (\$6,627,736) deficit of unrestricted net assets at September 30, 2020 as compared to (\$9,561,300) deficit of unrestricted net assets at September 30, 2019. The amount of unrestricted net assets increased by \$2,933,564.
3. Total revenues on the government-wide basis increased \$2,164,600 or 5% percent, in comparison to the prior year.
4. Total expenses on the government-wide basis decreased by (\$2,893,645) or (6%) percent, in comparison to the prior year.

Government-wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

Fiduciary Fund

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

Notes to the Financial Statements

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

Government-Wide Financial Analysis

The government-wide financial statements are designed so that the user can determine if the District's financial condition is better or worse than the prior year.

The following is a Condensed Summary Statement of Net Position for the District (Primary Government) at September 30, 2020 and 2019:

**Summary Statement of Net Position
September 30**

Assets:	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$23,073,068	\$16,904,163
Capital Assets	<u>34,692,567</u>	<u>35,585,634</u>
Total Assets	<u>57,765,635</u>	<u>52,489,797</u>
Deferred Outflows - Pensions	<u>16,231,538</u>	<u>16,789,247</u>
Liabilities:		
Current Liabilities	3,656,402	2,461,122
Non-Current Liabilities	<u>33,800,721</u>	<u>33,099,603</u>
Total Liabilities	<u>37,457,123</u>	<u>35,560,725</u>
Net Position:		
Deferred Inflows - Pensions	<u>11,028,756</u>	<u>10,602,633</u>
Net Investment in Capital Assets	31,974,210	32,511,144
Restricted	164,820	165,842
Unrestricted (deficit)	<u>(6,627,736)</u>	<u>(9,561,300)</u>
Total Net Position	<u>\$25,511,294</u>	<u>\$23,115,686</u>

Current and other assets represent 40 percent of total assets at September 30, 2020, as compared to 32 percent of total assets at September 30, 2019. Current assets at September 30, 2020 are comprised of unrestricted cash balances of \$9,154,519, restricted cash of \$939,176, investments of \$10,159,312, due from other governments of \$1,531,607, other receivables of \$124,370 and other assets of \$1,164,084. The balances of unrestricted cash represent amounts that are available for spending at the discretion of the Board of Fire Commissioners of the District. Restricted cash balances are comprised of the impact fee funds restricted for the purchase of capital assets, and unspent inspections fee revenue restricted to support the inspection of new construction.

The net investment in capital assets represent 125 percent of net assets at September 30, 2020, as compared to 141 percent at September 30, 2019. These assets are comprised of land, buildings, improvements, equipment, furniture, and vehicles, net of accumulated depreciation, and the outstanding related debt used to purchase the assets. The assigned fund balance of \$18,673,395 represents resources available for spending at September 30, 2020. The District currently has \$0 fund balance unassigned by the Board.

**Summary of Revenues, Expenses and Changes in Net Assets
For the Years Ended September 30, 2020 and September 30, 2019**

Revenues:	<u>2020</u>	<u>2019</u>
General Revenues		
Ad Valorem Taxes	\$39,774,303	\$37,400,439
Program Revenues		
Grants	514,324	1,233,337
Charges for Services	2,307,075	2,609,417
Miscellaneous		
Impact Fees	83,973	97,257
Investment Earnings	372,372	477,427
Gain (Loss) on Disposition of		
Capital Assets	35,514	1,403
Other financial assistance – CARES Act	1,000,000	0
Other	<u>233,516</u>	<u>337,197</u>
Total Revenues	44,321,077	42,156,477
Expenses:		
Public Safety–Fire/ Rescue Service	<u>41,925,469</u>	<u>44,819,114</u>
Increase (Decrease) in Net Position	2,395,608	(2,662,637)
Net Position-Beginning of Year	<u>23,115,686</u>	<u>25,778,323</u>
Net Position-End of Year	<u>\$25,511,294</u>	<u>\$23,115,686</u>

The assessed value of the property within the North Naples Service Delivery Area increased 4.9 percent for the 2019-2020 fiscal year as compared to the prior year's assessed value while maintaining the millage rate of 1.000 mils, resulting in an increase in Ad Valorem tax revenues of \$1,331,256. The property values in the North Naples Service Delivery Area decreased by 25 percent during the fiscal years 2007-2012, resulting in a decrease in Ad Valorem revenue. However, property values have since increased between 2012 and 2020 and have now exceeded the previous high point in value during FYE 9-30-07.

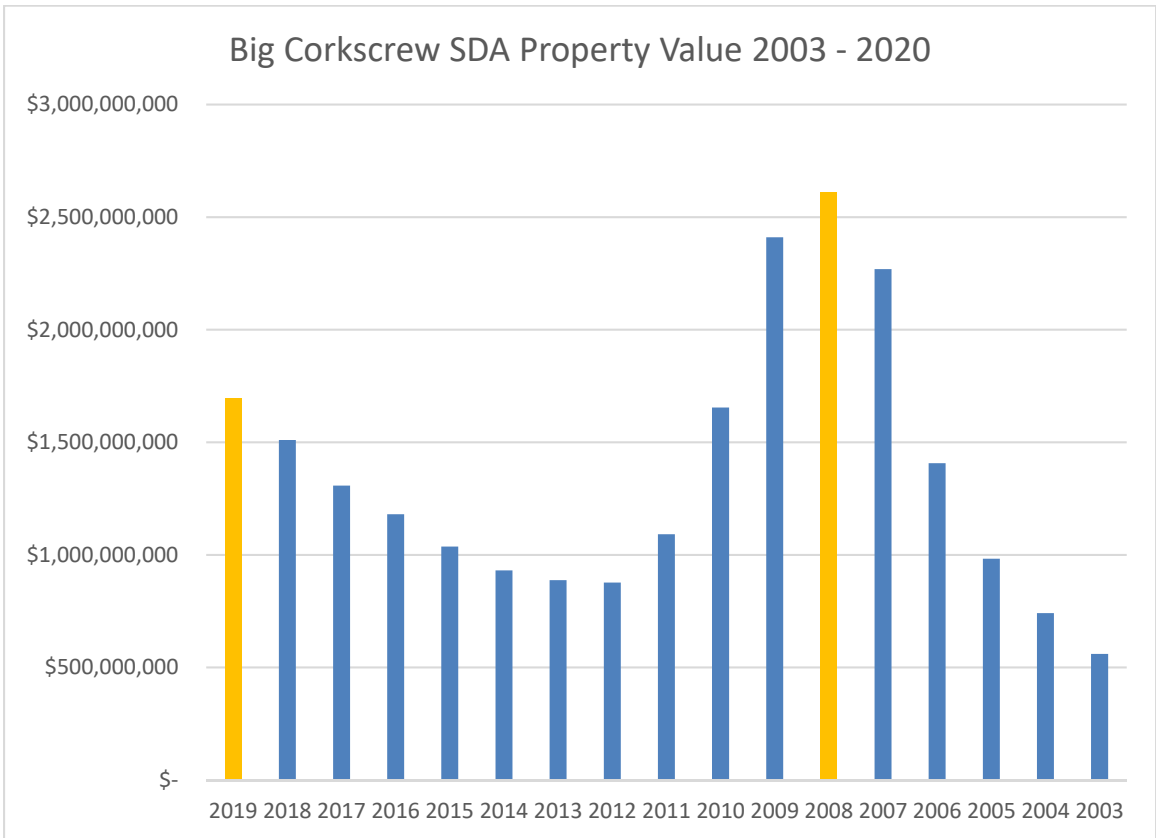
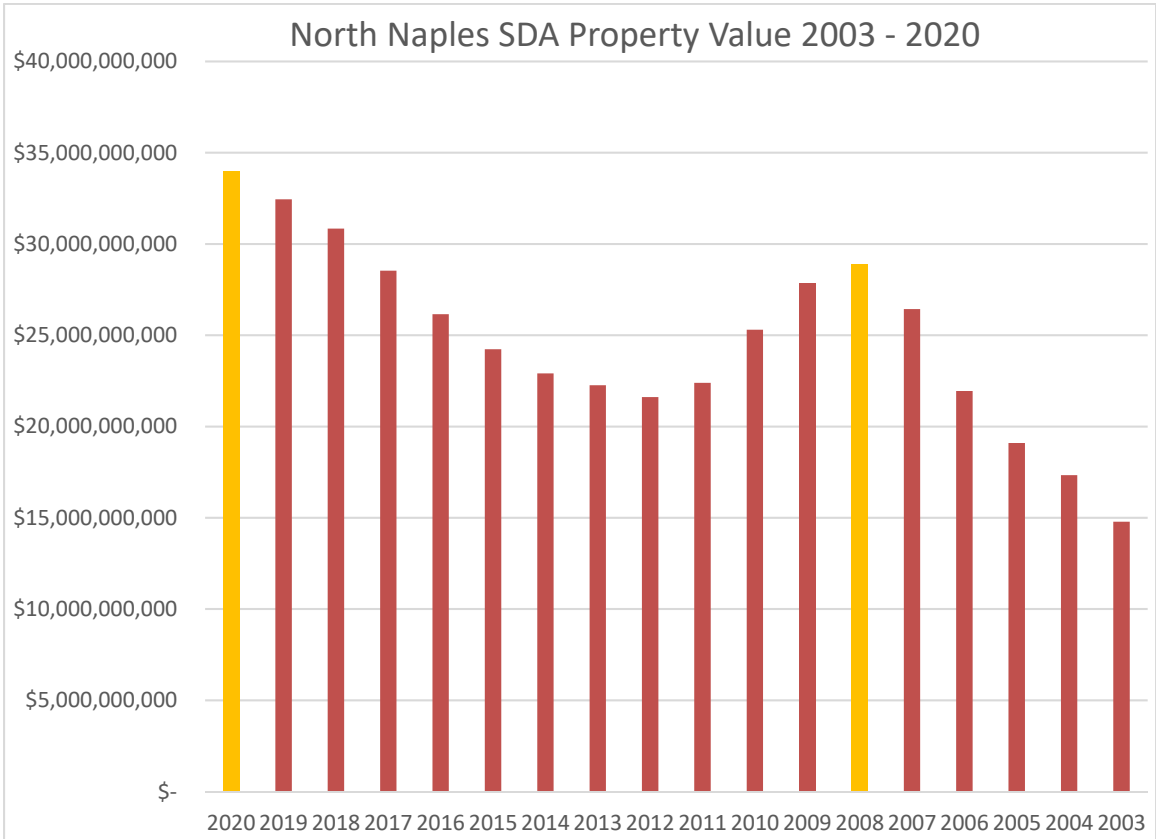
The Board adopted a millage rate of 1.000 mils in the North Naples Service Delivery Area taxing unit, or \$1.00 for every \$1,000 of taxable property value. This millage rate was 3.12 percent more than the rolled back rate (the taxing rate necessary to generate the same Ad Valorem revenue as was generated during the 2018-2019 fiscal year) of .9697.

The assessed value of the property within the Big Corkscrew Island Service Delivery Area increased 10.8 percent for the 2019-2020 fiscal year as compared to the prior year's assessed value, resulting in an increase in Ad Valorem tax revenues of \$1,042,608. The property values in the Big Corkscrew Island Service Delivery Area decreased by 66 percent during the fiscal years 2007-2012, resulting in a decrease in Ad Valorem revenue. Although property values have increased between 2012 and 2020, property value in the Big Corkscrew Island Service Delivery Area is still 28 percent lower in FYE 9-30-20 than it was in FYE 9-30-07.

The Board adopted a millage rate of 3.75 mils in the Big Corkscrew Island Service Delivery Area taxing unit, or \$3.75 for every \$1,000 of taxable property value. This was increased from the prior year millage rate of 3.50 mils. This millage rate was 11.40 percent more than the rolled back rate (the taxing rate necessary to generate the same Ad Valorem revenue as was generated during the 2018-2019 fiscal year) of 3.3663.

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

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



Fund Balance – Governmental Fund Financial Statements

The Board of Fire Commissioners’ directive is to utilize the fund balance and cash reserves of the General Fund to fund capital purchases and improvements, declared emergency situations, and to maintain the District’s financial position. During the 2018-2019 fiscal year, the District received reimbursement of \$843,685 from FEMA for many of the Hurricane Irma expenses incurred. During the 2019-2020 fiscal year, the District received \$1,085,818 in reimbursements associated with the COVID-19 pandemic response. Receipt of these reimbursement funds have been used to replenish the District’s General Fund reserves. At September 30, 2020, the District had General Fund reserves totaling \$19,837,479. This includes the non-spendable amount of \$1,164,084 restricted for prepaid expenses, and \$18,673,395 for assigned reserves.

Assigned reserves have been established and maintained in accordance with anticipated future needs of the District, including operating expenses for the first quarter of the fiscal year prior to the receipt of Ad Valorem revenue, expenditures associated with declared emergencies, and the replacement of capital assets. Additionally, increases in health insurance, and other personnel and operating expenses that require funds to be set aside, or assigned, to prepare for the funding of future expenditures. The following General Fund Assigned Reserves were approved for the fiscal year ended September 30, 2020:

<u>Non Spendable Fund Balance</u>	<u>Amount</u>
General Fund Prepaid Expenses	<u>\$ 1,164,084</u>
<u>Assigned Fund Balance</u>	<u>Amount</u>
Operating Reserve – First Quarter	\$ 9,443,646
Emergency Reserve	8,529,749
Fire Apparatus	700,000
Total Assigned Reserves	<u>\$ 18,673,395</u>
<u>Unassigned Fund Balance</u>	<u>Amount</u>
General Fund – Unassigned	<u>\$ _____ 0</u>
Total General Fund Reserves	<u>\$19,837,479</u>

Impact Fees

With the creation of the North Collier Fire Control and Rescue District in January 2015, an impact fee study was performed to establish impact fee rates for the new District. However, that study was not completed and new rates were not adopted until October 1, 2016. Prior year impact fee assessments were based on a structure’s square footage. The new rate structure bases fees on structure usage classifications and the methodology utilizes population rather than emergency call volume. These rates using the population-based methodology were updated annually prior to October 1st of each year. However, the impact of the change in methodology overall has resulted in a decrease in impact fee receipts. Total annual impact fee receipts decreased 66 percent from fiscal year 2015-2016 to 2019-2020 (from \$2,674,309 to \$911,074). Total Impact Fee Fund expenses for the 19-20 fiscal year were \$96,641, consisting of Collier County collection fees, a completed impact fee study, and the annual debt service payment for land purchased in the Big Corkscrew Service Delivery Area. At the September 24, 2020 Board of Fire

Commissioners meeting, the District approved a new impact fee rate structure methodology based on an incident-based approach for the demand component rather than a population-based approach per the impact fee study produced on August 24, 2020. These new rates per the new rate structure became effective January 1, 2021 via Resolution 20-022.

Inspection Fees

Inspection fee revenue for the year ended September 30, 2020 was \$1,809,386 representing a decrease of \$193,224 or -9.6 percent as compared to inspection fee revenue in the prior fiscal year (2019). In June of 2014, the District terminated its Interlocal Agreement with the Fire Code Official's office to provide fire plan review services and assumed the responsibility for those plan reviews. As a result, \$876,423 of the fund's revenue was attributable to plan review fees. The Inspection Fee Fund had sufficient revenue in the 2019-2020 fiscal year to support the majority of functions associated with new construction inspections and plan reviews, yet had excess expenditures over revenues by \$1,022 during the fiscal year. However, based on receipts for the first half of the 2020-2021 fiscal year for both inspection fees and plan review fees, there will likely be more collected than the previous year. The Board continues to monitor the volume of new construction projects and the fees necessary to support the associated costs.

Budgetary Highlights

Budget versus actual comparisons are reported in the required supplementary information other than management's discussion and analysis on pages 83 through 95 and are reflected by taxing subunit (service delivery area).

The amendments to General Fund revenue were necessary to reflect an increase of \$150,000 in grant revenue (Hurricane FEMA reimbursements), a net decrease of (\$872,188) in debt proceeds associated with the elimination of (\$1,080,000) for heart monitor lease-to-purchase agreement that was not executed by the end of the fiscal year and an increase of \$207,812 for a lease-to-purchase agreement for Chevrolet trucks. By these amendments, General Fund revenue was decreased by (\$702,188).

The amendments to the General Fund expenditures were a result of several factors. Budgeted capital outlay decreased by (\$1,383,000) including a decrease of (\$500,000) in Station Improvements and Equipment due to projects not finalized during the year, a decrease of (\$1,080,000) in medical equipment due to not finalizing the capital lease for the aforementioned heart monitors, and an increase of \$197,000 in vehicle purchases associated with the capital lease for the approved purchase of Chevrolet trucks.

Capital Assets

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

The following is a schedule of the District's capital assets as of September 30, 2020 and 2019.

**Capital Assets
September 30**

Capital Assets	<u>2020</u>	<u>2019</u>
Land	\$15,712,989	\$15,712,989
Construction in Progress	<u>1,319,431</u>	<u>1,319,431</u>
Total Capital Assets not Depreciated	17,032,420	17,032,420
Assets Held Under Capital Lease	4,266,045	4,058,233
Buildings	21,283,328	20,799,903
Vehicles	8,476,780	8,788,161
Office Equipment	1,546,311	1,424,716
Equipment & Machinery	<u>3,941,483</u>	<u>3,957,340</u>
Total Capital Assets Being Depreciated	<u>39,513,947</u>	<u>39,028,353</u>
Accumulated Depreciation		
Assets Held Under Capital Lease	(1,412,562)	(947,042)
Buildings	(9,186,739)	(8,404,324)
Vehicles	(7,197,089)	(7,188,103)
Office Equipment	(967,237)	(823,007)
Equipment & Machinery	<u>(3,090,173)</u>	<u>(3,112,663)</u>
Total Accumulated Depreciation	<u>(21,853,800)</u>	<u>(20,475,139)</u>
Total Capital Assets being Depreciated, Net	<u>17,660,147</u>	<u>18,553,214</u>
Capital Assets – Net of Depreciation	34,692,567	35,585,634
Less: Capital Lease/Note Payables	<u>(2,718,357)</u>	<u>(3,074,490)</u>
Net Assets Invested in Capital Assets Net of Related Debt	<u>\$31,974,210</u>	<u>\$32,511,144</u>

Significant capital asset purchases made during the fiscal year ended September 30, 2020 include:

1. Building improvements (General Fund) totaling \$483,425 including the Taylor Rd. site (including the NCFR shop), Station 40, Station 42, Station 43, Station 44, Station 45, Station 46, Station 48 and Station 10.
2. Vehicles (non-capital lease) totaling \$34,992 including one (1) Honda ATV and two (2) Inflatable boats including the Yamaha tiller engines.
3. Vehicle (capital lease) totaling \$207,812 for six (6) Chevrolet vehicles
4. Fire and Rescue Equipment totaling \$210,659 including rescue saws, ball intake valves, thermal imaging cameras, AC-17 auto cribs, mobile radios, mobile routers, etc.
5. Other equipment totaling \$133,077 (laptop computers, MDT computers, server and router equipment, ice machines, mobile welding machine, floor cleaning machine, and a refrigerator).

6. No capital impact fee eligible expenditures were made during the fiscal year ended September 30, 2020.

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

Debt Administration

As of September 30, 2020, the District had long term obligations of \$34,386,354, as compared to \$33,631,752 at September 30, 2019 an increase of \$754,602 or 2 percent. The increase is largely due to the increase in the net OPEB obligation offset with net decreases in the net Pension Liability of the FPT (Firefighter Pension Trust) and FRS (Florida Retirement System). Additionally, the District added a capital lease for the purchase of six (6) staff vehicles during the fiscal year ended September 30, 2020. That debt consists of:

1. Compensated absences (accrued vacation liability) in the amount of \$2,335,073, as compared to \$2,064,170 at September 30, 2019.
2. Net OPEB obligation of \$9,980,141 as compared to \$8,893,953 at September 30, 2019, representing post-employment health insurance obligations pursuant to GASB No. 75.
3. Capital lease for fire apparatus, radio equipment, and staff vehicles identified above in the total amount of \$2,545,857. This includes the lease to purchase agreement for the three fire engines and one ladder truck was entered into on January 15, 2016, the lease to purchase agreement for one velocity ladder truck was entered into on May 1, 2017, the lease to purchase agreement for radio equipment which was entered into on May 20, 2019, and the lease to purchase agreement for six (6) Chevrolet staff vehicles which was entered into on December 12, 2019.
4. Note payable for the purchase of BCI station in the amount of \$172,500.
5. Pension liability (FRS) in the amount of \$9,403,419 (see Note F).
6. Pension liability (HIS) in the amount of \$1,736,428 (see Note F).
7. Pension liability (Ch. 175) in the amount of \$8,212,936 (see Note F).

Economic Facts and Next Year's Budget Millage Rates

The following factors were being taken into consideration when the fiscal year ending September 30, 2021 budget was prepared:

1. Appraised taxable property values *increased* by \$1,985,194,516, or 5.8 percent for tax year 2020 (FY 2021) in the North Naples service delivery area as compared to an increase of 4.9 percent in 2019. In the Big Corkscrew service delivery area, taxable property values *increased* by \$206,337,663, or 11 percent for tax year 2020 (FY 2021), similar to the increase of 11 percent in 2019.
2. The Board adopted a millage rate of 1.000 mils in the North Naples service delivery area and 3.75 mils in the Big Corkscrew service delivery area for the fiscal year ending September 30, 2021. The Board believes the increase in valuation (at the same millage rate) is necessary to compensate for future capital funding, personnel growth, and unknown, unreimbursed COVID-related expenditures. The Board has expressed the desire to continue to move towards

- one unified taxing rate District wide. However, the alternative addition of a non-ad valorem fire fee assessment was not approved by local voters as of the November 2017 elections. Funding mechanisms and millage caps will be analyzed and reviewed by the District on a regular basis to ensure adequate funding.
3. No use of General Fund reserves has been budgeted; rather, the Board has provided direction to add over \$200,000 to reserves. Limited capital purchases include various station improvements, pumper refurbishment, shop equipment, computer hardware and equipment, radios, and TRT and dive team equipment.
 4. The District will continue to monitor the overall cost to respond to the ongoing COVID-19 pandemic and will research all avenues for Federal, State, and local funding to reimburse expenditures. This may have a large impact on the current and subsequent budget.

Request for Information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to: Ben Van Klinger, Chief Financial Officer, North Collier Fire Control & Rescue District, 1885 Veterans Park Drive, Naples, FL 34109, 239-597-1322, e-mail: bvanklinger@northcollierfire.com.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF NET POSITION
September 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 9,154,519
Restricted cash and cash equivalents	939,176
Investments	10,159,312
Due from other governments	1,531,607
Other receivables, net	124,370
Other assets	<u>1,164,084</u>
Total current assets	<u>23,073,068</u>
Noncurrent assets:	
Capital assets:	
Land	15,712,989
Construction in progress	1,319,431
Depreciable buildings, equipment, and vehicles (net of \$21,853,800 accumulated depreciation)	<u>17,660,147</u>
Total noncurrent assets	<u>34,692,567</u>
TOTAL ASSETS	<u>57,765,635</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>16,231,538</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	1,454,295
Contract deposits	7,500
Unearned revenue	1,608,974
Current portion of long-term obligations	<u>585,633</u>
Total current liabilities	3,656,402
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	<u>33,800,721</u>
TOTAL LIABILITIES	<u>37,457,123</u>
DEFERRED INFLOWS OF RESOURCES	<u>11,028,756</u>
NET POSITION	
Net investment in capital assets	31,974,210
Restricted	164,820
Unrestricted (deficit)	<u>(6,627,736)</u>
TOTAL NET POSITION	<u>\$ 25,511,294</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2020

	<u>Governmental Activities</u>
EXPENSES	
Governmental Activities	
Public Safety - Fire Protection	
Personnel services	\$ 33,929,303
Operating expenses	5,957,932
Depreciation	1,930,396
Interest and fiscal charges	<u>107,838</u>
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	41,925,469
PROGRAM REVENUES	
Charges for services	2,307,075
Operating grants and contributions	<u>514,324</u>
NET PROGRAM EXPENSES	<u>39,104,070</u>
GENERAL REVENUES	
Ad Valorem taxes	39,774,303
Impact fees	83,973
Interest	372,372
Gain on disposition of capital assets	35,514
Other financial assistance - CARES Act	1,000,000
Other	<u>233,516</u>
TOTAL GENERAL REVENUES	<u>41,499,678</u>
INCREASE IN NET POSITION	2,395,608
NET POSITION - Beginning of the year	<u>23,115,686</u>
NET POSITION - End of the year	<u>\$ 25,511,294</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2020

	General Fund	Impact Fee Fund	Inspection Fee Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 9,154,519	\$ -	\$ -	\$ 9,154,519
Restricted cash and cash equivalents	-	865,216	73,960	939,176
Investments	9,451,152	708,160	-	10,159,312
Due from other governments	1,347,075	36,139	148,393	1,531,607
Due from other funds	147,224	-	129,536	276,760
Other receivables, net	124,370	-	-	124,370
Prepaid expenses	1,164,084	-	-	1,164,084
TOTAL ASSETS	<u>\$ 21,388,424</u>	<u>\$ 1,609,515</u>	<u>\$ 351,889</u>	<u>\$ 23,349,828</u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,413,909	\$ 541	\$ 39,845	\$ 1,454,295
Retainage payable	-	-	-	-
Due to other funds	129,536	-	147,224	276,760
Contract deposits	7,500	-	-	7,500
Unearned revenue	-	1,608,974	-	1,608,974
TOTAL LIABILITIES	<u>1,550,945</u>	<u>1,609,515</u>	<u>187,069</u>	<u>3,347,529</u>
 FUND BALANCE				
Nonspendable	1,164,084	-	-	1,164,084
Restricted	-	-	164,820	164,820
Assigned	18,673,395	-	-	18,673,395
Unassigned	-	-	-	-
TOTAL FUND BALANCE	<u>19,837,479</u>	<u>-</u>	<u>164,820</u>	<u>20,002,299</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 21,388,424</u>	<u>\$ 1,609,515</u>	<u>\$ 351,889</u>	<u>\$ 23,349,828</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2020

	<u>Amount</u>	
Total fund balance of governmental funds	\$ 20,002,299	
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land	15,712,989	
Construction in progress	<u>1,319,431</u>	
		17,032,420
Governmental capital assets being depreciated:		
Building, equipment and vehicles	39,513,947	
Less accumulated depreciation	<u>(21,853,800)</u>	
		17,660,147
Deferred outflows and deferred inflows related to pensions are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows - Net OPEB Liability	1,338,955	
Deferred outflows - FRS/HIS	3,618,668	
Deferred outflows - FPT	<u>11,273,915</u>	
		16,231,538
Deferred inflows - Net OPEB Liability	(2,226,110)	
Deferred inflows - FRS/HIS	(3,676,171)	
Deferred inflows - FPT	<u>(5,126,475)</u>	
		(11,028,756)
Long-term obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net OPEB liability	(9,980,141)	
Net pension liability - FRS	(9,403,419)	
Net pension liability - HIS	(1,736,428)	
Net pension liability - FPT	(8,212,936)	
Capital leases	(2,545,857)	
Note payable	(172,500)	
Compensated absences	<u>(2,335,073)</u>	
		(34,386,354)
Elimination of interfund amounts:		
Due to other funds	(276,760)	
Due from other funds	<u>276,760</u>	
		-
Total net position of governmental activities	<u>\$ 25,511,294</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2020

	General Fund	Impact Fee Fund	Inspection Fee Fund	Total Governmental Funds
REVENUES				
Ad Valorem taxes	\$ 39,774,303	\$ -	\$ -	\$ 39,774,303
Intergovernmental revenue:				
State firefighter supplement	74,700	-	-	74,700
Federal grants	419,464	-	-	419,464
Other intergovernmental	20,160	-	-	20,160
Charges for services:				
Inspection fees and other	504,119	-	926,533	1,430,652
Plan review fees	-	-	876,423	876,423
Impact fees	-	83,973	-	83,973
Miscellaneous:				
Interest	353,790	12,668	5,914	372,372
Other	233,000	-	516	233,516
TOTAL REVENUES	<u>41,379,536</u>	<u>96,641</u>	<u>1,809,386</u>	<u>43,285,563</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	30,136,773	-	1,697,963	31,834,736
Operating expenditures	5,815,819	29,668	112,445	5,957,932
Capital outlay	1,069,965	-	-	1,069,965
Debt service:				
Principal reduction	506,445	57,500	-	563,945
Interest and fiscal charges	98,365	9,473	-	107,838
TOTAL EXPENDITURES	<u>37,627,367</u>	<u>96,641</u>	<u>1,810,408</u>	<u>39,534,416</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,752,169</u>	<u>-</u>	<u>(1,022)</u>	<u>3,751,147</u>
OTHER FINANCING SOURCES AND USES				
Proceeds from capital lease	207,812	-	-	207,812
Proceeds from disposition of capital assets	68,150	-	-	68,150
Other financial assistance - CARES Act	1,000,000	-	-	1,000,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	<u>1,275,962</u>	<u>-</u>	<u>-</u>	<u>1,275,962</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,028,131	-	(1,022)	5,027,109
FUND BALANCE - Beginning of the year	<u>14,809,348</u>	<u>-</u>	<u>165,842</u>	<u>14,975,190</u>
FUND BALANCE - End of the year	<u>\$ 19,837,479</u>	<u>\$ -</u>	<u>\$ 164,820</u>	<u>\$ 20,002,299</u>

The accompanying notes are an integral part of this statement.

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

Year Ended September 30, 2020

	<u>Amount</u>	
Net change (revenues and other financing sources over (under) expenditures and other financing uses) in fund balance - total governmental funds	\$ 5,027,109	
The increase (change) in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The loss on disposition of capital assets decreases the net position.		
Plus: expenditures for capital assets	1,069,965	
Less: proceeds on disposition of capital assets	(68,150)	
Plus: gain on disposition of capital assets	35,514	
Less: current year depreciation	<u>(1,930,396)</u>	
		(893,067)
The issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.		
Borrowings (proceeds from issuance):		
Less: capital lease	<u>(207,812)</u>	
		(207,812)
Repayments (principal retirement):		
Plus: capital leases	506,445	
Plus: note payable	<u>57,500</u>	
		563,945
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
(Increase) decrease in Net OPEB liability	(1,086,188)	
(Increase) decrease in net pension liability - FRS	(24,632)	
(Increase) decrease in net pension liability - HIS	124,826	
(Increase) decrease in net pension liability - FPT	146,162	
(Increase) decrease in compensated absences	(270,903)	
Increase (decrease) in deferred outflows - OPEB	510,545	
(Increase) decrease in deferred inflows - OPEB	340,163	
Increase (decrease) in deferred outflows - FRS/HIS	(762,739)	
(Increase) decrease in deferred inflows - FRS/HIS	182,314	
Increase (decrease) in deferred outflows - FTP	(305,515)	
(Increase) decrease in deferred inflows - FTP	<u>(948,600)</u>	
		<u>(2,094,567)</u>
Increase in net position of governmental activities		<u>\$ 2,395,608</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF FIDUCIARY NET
POSITION - FIDUCIARY FUND
September 30, 2020

	Firefighters' Pension Fund
	<u> </u>
ASSETS	
Investments, at fair value:	
Cash and cash equivalents - money market	\$ 1,253,376
Equity securities	69,857,034
Fixed income mutual funds - international	4,352,358
U.S. Government securities	8,467,945
Corporate bonds	9,572,807
Real estate	<u>6,694,744</u>
	100,198,264
Prepaid expenses	-
Due from other governments - State	1,805,743
Due from District	-
Due from employees	-
Due from securities sold	80,792
Accrued investment income	<u>117,083</u>
TOTAL ASSETS	<u>102,201,882</u>
LIABILITIES	
Accounts payable	78,562
Due for securities purchased	24,228
Unearned Revenue	<u>272,417</u>
TOTAL LIABILITIES	<u>375,207</u>
NET POSITION	
Restricted for DROP benefits	607,949
Restricted for defined pension benefits	<u>101,218,726</u>
TOTAL NET POSITION	<u>\$ 101,826,675</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUND
Year Ended September 30, 2020

	Firefighters' Pension Fund
	<u> </u>
ADDITIONS	
Contributions:	
Employer	\$ 2,306,381
Plan members - employees	1,257,090
Buybacks	31,676
State of Florida, insurance premiums excise tax	<u>1,805,743</u>
Total contributions	<u>5,400,890</u>
Investment income:	
Net appreciation (depreciation) including realized gains/losses	6,408,982
Interest and dividends	<u>2,591,377</u>
	9,000,359
Less: investment expenses	<u>(312,620)</u>
Net investment income (loss)	8,687,739
Other income	<u>-</u>
TOTAL ADDITIONS	<u>14,088,629</u>
DEDUCTIONS	
Benefits paid	967,191
DROP distributions	80,343
Administrative expenses	<u>107,870</u>
TOTAL DEDUCTIONS	<u>1,155,404</u>
NET INCREASE IN NET POSITION	12,933,225
NET POSITION - BEGINNING	<u>88,893,450</u>
NET POSITION - ENDING	<u>\$ 101,826,675</u>

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

The North Collier Fire Control and Rescue District provides fire control and protection services, fire safety, inspections, code enforcement, fire hydrant maintenance, firefighter training, and crash and fire rescue services as well as basic and advanced life support services. The District serves a portion of Collier County, Florida. In providing these services, the District operates and maintains ten (10) stations and the related equipment and employs approximately 236 full-time professional firefighters and administrative staff.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Organization, continued

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

Reporting Entity

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

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

Government-wide Financial Statements

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

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

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

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

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

Fund Financial Statements

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Financial Statements, continued

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

Fund financial statements for the District's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in aggregate for governmental funds. The fiduciary fund financial statement includes financial information for the Firefighters' Pension Trust Fund. The fiduciary fund represents assets held by the District in a custodial capacity for the benefit of other individuals.

Governmental Funds

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds, continued

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

Fiduciary Fund

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

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

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

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

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

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

Non-current Government Assets/Liabilities

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

Major Funds

The District reports the following major governmental funds:

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Major Funds, continued

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

Non-Major Fund

The District reports the following non-major fund:

The Inspection Fee Fund is used by the District to account for the receipt and expenditures of its Inspection and Plan Review Fee Programs. Fees are charged for the inspection of new building construction and for fire code plan review. The fees are collected by Collier County and are remitted to the District.

Fiduciary Fund

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

Budgetary Information

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

Investments

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

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

The District follows a capitalization policy which calls for capitalization of all capital assets that have a cost or donated value of \$5,000 or more and have a useful life in excess of one year.

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

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting

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

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

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

The District follows these procedures in establishing budgetary data for the General Fund, the Impact Fee Fund, and the Inspection Fee Fund:

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, continued

Several budget amendments were approved by the Board of Commissioners during the year ended September 30, 2020. Budgeted revenues and expenditures were increased (decreased) as follows:

	<u>Amount</u>
General fund - NN SDA	\$ 1,400,595
General fund - BCI SDA	<u>(1,376,022)</u>
Total General Fund	<u>\$ 24,573</u>
Impact fee fund	<u>\$ 438,722</u>
Inspection fee fund	<u>\$ 27,136</u>

Impact Fees/Deferred Revenue

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

Net Position

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Balances

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

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

The District's assigned fund balances are a result of official action of the District's Board. The District's intent is to maintain a minimum assigned fund balance level of three (3) months of budgeted total expenditures. The assigned fund balance includes the District's operational and capital reserves as well as its disaster reserve. At September 30, 2020, fund balance is also assigned for a variety of specific items by District Board action. Any use of the assigned fund balance requires the District's Board approval.

Due To/From Other Funds

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

Due From Other Governments

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

Indirect Costs

Expenses are allocated between service delivery areas on the same line item based upon a Board approved cost allocation plan. For the year ended September 30, 2020, the costs were allocated on a percentage basis of 87.78% to NN SDA and 12.22% to BCI SDA.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated Absences

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

Encumbrances

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

Management Estimates

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

Interfund Transactions

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Pensions

In the government-wide Statement of Net Position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Pension Fund (FPF), the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments, (including refunds of employees' contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value for the FPF.

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

Deferred Outflows/Inflows of Resources

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reclassifications

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

Subsequent Events

Subsequent events have been evaluated through May 7, 2021, which is the date the basic financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the primary government (exclusive of the Firefighters' Pension Trust Fund) were \$10,093,695 of which \$939,176 was restricted at September 30, 2020. Total cash and cash equivalents included cash on hand of \$1,300 at September 30, 2020.

Deposits

The District's deposit policy (exclusive of the Firefighters' Pension Fund) allows deposits to be held in demand deposit and money market accounts and is consistent with Florida Statutes, Chapter 218.415(17). All District depositories are institutions designated as qualified depositories by the State Treasurer at September 30, 2020.

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020**

NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED

Deposits, continued

Deposits consist of the following at September 30, 2020:

<u>District</u>	Carrying Amount	Bank Balance
<u>Unrestricted</u>		
<u>General Fund</u>		
Depository Accounts	\$ 9,064,617	\$ 9,405,031
Money Market	88,602	88,602
Total General Fund	<u>\$ 9,153,219</u>	<u>\$ 9,493,633</u>
<u>Restricted</u>		
<u>General Fund</u>		
Depository Accounts	\$ -	\$ -
<u>Special Revenue Funds</u>		
Impact Fee		
Depository Accounts	\$ 865,216	\$ 865,216
Inspection Fee		
Depository Accounts	73,960	73,960
Total Special Revenue Funds	<u>939,176</u>	<u>939,176</u>
Total Restricted Funds	<u>\$ 939,176</u>	<u>\$ 939,176</u>

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

The District held no other types of deposits during the year ended September 30, 2020.

NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED

Restricted Cash and Equivalents

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

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

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

NOTE C - INVESTMENTS

District

Florida Statutes and the District's investment policy authorize investments in the Florida Fixed Income Trust (FL FIT). Specifically, the District's investment policy is consistent with Florida Statutes, Chapter 218.415(17). At September 30, 2020, the District's investments in the FL FIT-Cash Pool (CP) consist of the following:

	<u>Cost Basis</u>	<u>Fair Value (NAV)/ Carrying Amount</u>
<u>General Fund - NN</u>		
Florida Fixed Income Trust		
FL FIT - Cash Pool (CP)	\$ 7,445,923	\$ 7,445,923
<u>General Fund - BCI</u>		
Florida Fixed Income Trust		
FL FIT - Cash Pool (CP)	2,005,229	2,005,229
	<u>\$ 9,451,152</u>	<u>\$ 9,451,152</u>
<u>Impact Fee Fund</u>		
Florida Fixed Income Trust		
FL FIT - Cash Pool (CP)	\$ 708,160	\$ 708,160
Total investments	<u>\$ 10,159,312</u>	<u>\$ 10,159,312</u>

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

NOTE C - INVESTMENTS, CONTINUED

District, continued

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

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

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

At September 30, 2020, the Cash Pool's investments consisted of the following: 40% with commercial paper; 6% with institutional money market deposits and mutual funds; and 54% with certificates of deposit.

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

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

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

NOTE C - INVESTMENTS, CONTINUED

District, continued

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

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

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

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

Redemption Fees: As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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

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

Securities Lending: Florida Fixed Income Trust (FL FIT) Cash Pool did not participate in securities lending program during the period October 1, 2019 through September 30, 2020.

Florida Fixed Income Trust (FL FIT) Cash Pool does provide separate audited financial statements for the year ended June 30, 2020.

NOTE C - INVESTMENTS, CONTINUED

District, continued

At September 30, 2020, the District reported Florida Fixed Income Trust (FL FIT) Cash Pool investments of \$10,159,312. The Florida Fixed Income Trust (FL FIT) Cash Pool carried a credit rating of AAAs/S1+ by Fitch Rating and had a dollar weighted average days to maturity (WAM) of 127 days at September 30, 2020. The Cash Pool's duration is as follows: expected target duration 0-.5 years; effective duration of .25 years.

Firefighters' Pension Plan - Investments

Investments held in the Firefighters' Pension Trust Fund (the "Plan") totaled \$100,198,264 (including \$1,253,376 in cash and cash equivalents, \$4,352,358 in mutual funds, \$69,857,034 in equity securities, \$18,040,752 in fixed income securities, and \$6,694,744 in real estate) at September 30, 2020. Such investments are administered in accordance with Firefighters' Pension Board policy. This policy provides for investments in cash and cash equivalents, money markets, mutual funds, equities, treasury notes, federal agency guaranteed securities, corporate bonds, notes and/or equities and real estate.

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

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

Investment Authorization:

The Plan's investment policy is determined by the Plan's Board of Trustees. The policy has been designed by the Board to conduct the operations of the Plan in a manner so that the assets will provide the pension and other benefits provided under applicable laws. As such, the policy is designed by the Board to maximize the Plan's asset value, while assuming risk that is consistent with the Board's risk tolerance. The Trustees are authorized to acquire and retain every kind of property (real, personal or mixed) and every kind of investment specifically including, but not by way of limitation, money markets, mutual funds, bonds, debentures, stocks (preferred or common) and other corporate obligations. Investments are carried at fair value and/or NAV at September 30, 2020. Interest and dividend revenues are recorded as earned. Purchases and sales of investments are recorded on the trade-date basis.

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Investment Authorization, continued:

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

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

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

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

The current target allocation at September 30, 2020, of these investments at market is as follows:

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

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

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Interest Rate Risk, continued:

limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's fixed income investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investment by maturity at September 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate bonds	\$ 9,572,807	\$ 702,992	\$ 3,141,938	\$ 3,589,420	\$ 2,138,457
Mutual funds - Int'l	4,352,358	190,198	973,187	1,711,347	1,477,626
U.S. Agencies	5,750,956	-	5,596	162,319	5,583,041
U.S. Treasuries	<u>2,716,989</u>	<u>-</u>	<u>-</u>	<u>751,055</u>	<u>1,965,934</u>
	<u>\$ 22,393,110</u>	<u>\$ 893,190</u>	<u>\$ 4,120,721</u>	<u>\$ 6,214,141</u>	<u>\$ 11,165,058</u>

Credit Risk:

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

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Credit Risk, continued:

The following table discloses credit rating by fixed income investment type at September 30, 2020, if applicable:

	Fair Value	Percentage of Portfolio
Quality rating of credit risk debt securities		
A	\$ 241,991	0.24 %
A1	322,389	0.33
A2	1,341,256	1.36
A3	1,895,002	1.92
AA	140,146	0.14
Aa1	55,828	0.06
Aa2	170,558	0.17
Aa3	159,208	0.16
AAA	4,638,799	4.69
B	2,437,321	2.46
Ba1	26,927	0.03
Baa1	2,896,791	2.93
Baa2	1,767,334	1.79
Baa3	748,975	0.76
BB	65,285	0.07
BBB	217,618	0.22
Unrated government securities	5,267,682	5.32
Total credit risk debt securities	<u>\$ 22,393,110</u>	<u>22.63 %</u>

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

Concentration of Credit Risk:

The investment policy of the Plan contains limitations on the amount that can be invested in any one equity issuer as well as maximum portfolio allocation percentages. There were no individual equity investments that represented 5% or more of Plan net position at September 30, 2020. In addition, the Plan contains limitations on the amount that can be invested in any one debt issuer, except for the debt securities issued by the U.S. Government. There were no investments in non-U.S. Government debt securities that represented 10% or more of Plan net position at September 30, 2020.

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Custodial Credit Risk:

This is the risk that in the event of the failure of the counterparty, the plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name.

Foreign Currency Risk:

This is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. The Plan's primary exposure to foreign currency risk is derived from its direct investments in international equity and fixed income mutual funds. The Plan owns shares in international equity and international bond funds. In accordance with the Plan's investment policy statement, the US equity and fixed income separate account managers may invest in individual securities designated as foreign as part of the normal course of the investment process. The individual foreign securities may be American Depository Receipts, or NYSE common stock, both transacted in US dollars, or foreign ordinary securities transacted in foreign currency. The investment policy limits the foreign investments to no more than 35% of the Plan's investment balance in equities and no more than 10% in fixed income. As of September 30, 2020, the Plan's exposure to foreign currency risk related to foreign equity funds and bonds is as follows:

	Fair Value	Percentage of Portfolio
International equity funds and fixed income (bonds)	<u>\$ 22,043,618</u>	<u>22%</u>

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Fair Value Measurements:

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

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

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

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

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

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

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

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

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Fair Value Measurements, continued:

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

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

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

The following table presents the Plan's fair value hierarchy for investments at fair value as of September 30, 2020:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Equity securities:				
Common stocks	\$ 20,531,197	\$ 20,531,197	\$ -	\$ -
Foreign stocks	1,793,102	1,793,102	-	-
Domestic equity mutual funds	32,938,027	-	32,938,027	-
International equity mutual funds	14,594,708	-	14,594,708	-
REIT	-	-	-	-
Total equity securities	<u>69,857,034</u>	<u>22,324,299</u>	<u>47,532,735</u>	<u>-</u>
Debt securities				
U.S. treasury securities	2,716,989	2,716,989	-	-
U.S. agency securities	5,750,956	-	5,750,956	-
Corporate bonds	9,572,807	-	9,572,807	-
Fixed income mutual funds	4,352,358	-	4,352,358	-
Total debt securities	<u>22,393,110</u>	<u>2,716,989</u>	<u>19,676,121</u>	<u>-</u>
Total investments by fair value	92,250,144	<u>\$ 25,041,288</u>	<u>\$ 67,208,856</u>	<u>\$ -</u>
<u>Investments measured at the net asset value (NAV)</u> *				
Real estate fund	6,694,744			
Money market funds (exempt)	<u>1,253,376</u>			
Total investments	<u>\$ 100,198,264</u>			

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

NOTE C - INVESTMENTS, CONTINUED

Firefighters' Pension Plan - Investments, continued

Fair Value Measurements, continued:

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

Investments measured at the NAV

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible</u>	<u>Redemption Notice Period</u>
Real estate fund	\$ 6,694,744	\$ -	Quarterly	90 Days

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

NOTE D - DUE TO/FROM OTHER FUNDS

Interfund receivables and payables at September 30, 2020, are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
Impact Fee Fund	\$ 147,224	\$ -
Inspection Fee Fund	-	129,536
Total General Fund	<u>147,224</u>	<u>129,536</u>
Special Revenue Funds:		
Impact Fee Fund		
General Fund	-	-
Inspection Fee fund	-	-
Inspection Fee Fund		
General Fund	129,536	147,224
Impact Fee Fund	-	-
Total Special Revenue Funds	<u>129,536</u>	<u>147,224</u>
Total	<u>\$ 276,760</u>	<u>\$ 276,760</u>

Interfund receivables and payables were eliminated for presentation purposes in the Statement of Net Position at September 30, 2020.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE E - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2020:

	Balance October 1 2019	Increases/ Additions	Decreases/ Retirements	Adjustments/ Reclassifications	Balance September 30 2020
Capital Assets Not Being Depreciated:					
Land	\$ 15,712,989	\$ -	\$ -	\$ -	\$ 15,712,989
Construction in progress	<u>1,319,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,319,431</u>
Total Capital Assets Not Being Depreciated	<u>17,032,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,032,420</u>
Capital Assets Being Depreciated:					
Assets held under capital lease	4,058,233	207,812	-	-	4,266,045
Buildings	20,799,903	483,425	-	-	21,283,328
Office equipment	1,424,716	133,077	(11,482)	-	1,546,311
Vehicles	8,788,161	34,992	(346,373)	-	8,476,780
Equipment & machinery	<u>3,957,340</u>	<u>210,659</u>	<u>(226,516)</u>	<u>-</u>	<u>3,941,483</u>
Total Capital Assets Being Depreciated	<u>39,028,353</u>	<u>1,069,965</u>	<u>(584,371)</u>	<u>-</u>	<u>39,513,947</u>
Less Accumulated Depreciation:					
Assets held under capital lease	(947,042)	(465,520)	-	-	(1,412,562)
Buildings	(8,404,324)	(782,415)	-	-	(9,186,739)
Office equipment	(823,007)	(155,324)	11,094	-	(967,237)
Vehicles	(7,188,103)	(324,788)	315,802	-	(7,197,089)
Equipment & machinery	<u>(3,112,663)</u>	<u>(202,349)</u>	<u>224,839</u>	<u>-</u>	<u>(3,090,173)</u>
Total Accumulated Depreciation	<u>(20,475,139)</u>	<u>(1,930,396)</u>	<u>551,735</u>	<u>-</u>	<u>(21,853,800)</u>
Total Capital Assets being Depreciated, Net	<u>18,553,214</u>	<u>(860,431)</u>	<u>(32,636)</u>	<u>-</u>	<u>17,660,147</u>
Capital Assets, Net	<u>\$ 35,585,634</u>	<u>\$ (860,431)</u>	<u>\$ (32,636)</u>	<u>\$ -</u>	<u>34,692,567</u>
				Related Debt	<u>(2,718,357)</u>
				Net investment in capital assets	<u>\$ 31,974,210</u>

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE E - CAPITAL ASSETS ACTIVITY, CONTINUED

Depreciation expense was charged to the following functions during the year ended September 30, 2020:

	<u>Amount</u>
General Government	
Total Depreciation Expense	<u>\$1,930,396</u>

The District has capital assets held under capital leases with a total cost of \$4,266,045 at September 30, 2020. The capital assets held under capital lease has accumulated depreciation of \$1,412,562 and depreciation expense of \$465,520 for the year ended September 30, 2020.

NOTE F - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2020:

	Balance October 1 2019	Additions	Retirements And Adjustments	Balance September 30 2020	Amounts Due Within One Year
Net OPEB Liability	\$ 8,893,953	\$ 1,086,188	\$ -	\$ 9,980,141	\$ -
Net Pension Liability - FRS	9,378,787	24,632	-	9,403,419	-
Net Pension Liability - HIS	1,861,254	-	(124,826)	1,736,428	-
Net Pension Liability - FPT	8,359,098	-	(146,162)	8,212,936	-
Capital Leases	2,844,490	207,812	(506,445)	2,545,857	528,133
Note Payable - Station	230,000	-	(57,500)	172,500	57,500
Compensated Absences	2,064,170	270,903	-	2,335,073	-
	<u>\$33,631,752</u>	<u>\$ 1,589,535</u>	<u>\$ (834,933)</u>	<u>\$34,386,354</u>	<u>\$ 585,633</u>

The following is a summary of long-term obligations at September 30, 2020:

	<u>Amount</u>
Net OPEB liability - actuarially determined - GASB No. 75	\$ 9,980,141
Net pension liability - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	9,403,419
Net pension liability - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	1,736,428

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE F - LONG-TERM OBLIGATIONS, CONTINUED

	<u>Amount</u>
Net pension liability - Firefighters' Pension Trust (FPT) plan. This amount is actuarially determined through calculation based upon the audited financial statements of the FPT Plan.	8,212,936
\$445,486 capital lease payable dated May 20, 2019, for radio equipment to a financial institution over a 7 year period ending June 1, 2026 in equal annual payments of \$77,900 at a 5.2% fixed interest rate.	391,312
\$207,812 capital lease payable dated December 12, 2019, for six staff vehicles to a financial institution over a 5 year period ending December 31, 2024 in equal monthly payments of \$3,918 at a 5.14% fixed interest rate.	176,015
\$2,546,268 capital lease payable dated January 15, 2016 for one (1) ladder truck and three (3) pumper trucks payable to a financial institution in ten (10) annual payments of \$295,233 ending December 14, 2025 including interest at 2.822%.	1,608,807
\$888,147 capital lease payable beginning May 1, 2018 for a ladder truck payable to a financial institution in five (5) annual payments of \$192,494 ending May 1, 2022 including interest at 2.74%.	369,723
\$1,150,000 note payable dated January 15, 2003 for BCI Station to a financial institution over a 20 year period ending November 1, 2022 in equal annual principal payments on November 1 of \$57,500 plus accrued interest at a variable rate of 120% of the 5 year treasury rate. The note is collateralized by Impact Fees. Interest rate at September 30, 2020 was .3894%	172,500
Non-current portion of compensated absences. Employees of the District are entitled to paid vacation based on length of service and job classification. (Combined SDA)	<u>2,335,073</u>
	34,386,354
Less Current Portion	(585,633)
Long-Term Portion	<u>\$ 33,800,721</u>

The annual debt service requirements at September 30, 2020, were as follows:

Years Ending September 30	Capital Leases Payable Principal (1)	Capital Leases Payable Principal (1)	Capital Leases Payable Principal (1)	Capital Leases Payable Principal (1)	Note Payable Principal (2)	Total Principal
2021	\$ 57,060	\$ 38,879	\$ 249,831	\$ 182,363	\$ 57,500	\$ 585,633
2022	60,099	40,925	256,881	187,360	57,500	602,765
2023	63,299	43,079	264,131	-	57,500	428,009
2024	66,671	45,346	271,585	-	-	383,602
2025	70,221	7,786	279,249	-	-	357,256
2026 - 2027	<u>73,962</u>	<u>-</u>	<u>287,130</u>	<u>-</u>	<u>-</u>	<u>361,092</u>
	<u>\$ 391,312</u>	<u>\$ 176,015</u>	<u>\$ 1,608,807</u>	<u>\$ 369,723</u>	<u>\$ 172,500</u>	2,718,357
						Net OPEB Liability 9,980,141
						Net Pension Liability - FRS 9,403,419
						Net Pension Liability - HIS 1,736,428
						Net Pension Liability - FPT 8,212,936
						Compensated absences 2,335,073
						<u>Total long-term debt \$ 34,386,354</u>

(1) Debt service paid through General Fund

(2) Debt service paid through Impact Fee Fund

Interest expense for the year ended September 30, 2020, was \$107,838 including interest expense on capital leases of \$98,365.

NOTE G - RETIREMENT PLANS

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

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

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

General Information about the Florida Retirement System

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS except those already participating in Plan 2. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans (Pension and HIS Plans) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information dated June 30, 2020, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

NOTE G - RETIREMENT PLANS, CONTINUED

General Information about the Florida Retirement System, continued

The District's total FRS and HIS pension expense was \$1,313,666 for the year ended September 30, 2020 and is recorded in the government-wide financial statements. Total District actual FRS and HIS retirement contribution expenditures were \$833,435, \$954,512 and \$981,054 for the years ended September 30, 2020, 2019 and 2018, respectively. The District contributed 100% of the required contributions.

FRS Pension Plan

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

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

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

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

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

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

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2020 were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60	16.98
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/19 - 6/30/20.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.

* As defined by the Plan.

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan. At September 30, 2020, the District reported an FRS pension liability of \$9,403,419 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At September 30, 2020, the District's proportionate share was .021696122 percent, which was a decrease of .005537229 percent from its proportionate share measure as of September 30, 2019.

For the year ended September 30, 2020, the District recognized FRS pension expense of \$1,221,479. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 359,888	\$ -
Change of assumptions	1,702,319	-
Net difference between projected and actual earnings on pension plan investments	559,889	-
Changes in proportion and differences between District contributions and proportionate share of contributions	359,217	2,876,204
District contributions subsequent to the measurement date	<u>194,254</u>	<u>-</u>
Total	<u>\$ 3,175,567</u>	<u>\$ 2,876,204</u>

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

The deferred outflows of resources related to the FRS pension, totaling \$194,254 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 5.9 years as follows:

Fiscal Years Ending September 30	Amount
2021	\$ 47,161
2022	47,161
2023	47,161
2024	47,162
2025	(92,811)
Thereafter	<u>9,275</u>
Total	<u>\$ 105,109</u>

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

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

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	<u>4.4%</u>	5.5%	5.3%	6.9%
Total	<u>100.0%</u>			
Assumed inflation - Mean			2.4%	1.7%

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

Money-weighted Rate of Return. The annual money-weighted rate of return on FRS Pension Plan investments for the year ended September 30, 2020 was 3.35%.

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

NOTE G - RETIREMENT PLANS, CONTINUED

FRS Pension Plan, continued

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

	1% Decrease <u>(5.80%)</u>	Current Discount Rate <u>(6.80%)</u>	1% Increase <u>(7.80%)</u>
District's proportionate share of the net pension liability	<u>\$ 15,015,680</u>	<u>\$ 9,403,419</u>	<u>\$ 4,716,034</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report (FRS "CAFR") dated June 30, 2020.

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

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

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

Payables to the Pension Plan. At September 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions in the Pension Plan.

NOTE G - RETIREMENT PLANS, CONTINUED

HIS Plan

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

Benefits Provided. For the year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the year ended September 30, 2020, the contribution rate ranged between 1.66 percent and 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2020, the District reported a HIS liability of \$1,736,428 for its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability was used to calculate the net pension liability determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net HIS liability was based on the District's 2019-20 fiscal

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE G - RETIREMENT PLANS, CONTINUED

HIS Plan, continued

year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At September 30, 2020, the District's proportionate share was .014221549 percent, which was a decrease of .002413129 percent from its proportionate share measured as of September 30, 2019.

For the fiscal year ended September 30, 2020, the District recognized HIS expense of \$92,187. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 71,030	\$ 1,340
Change of assumptions	186,717	100,967
Net difference between projected and actual earnings on HIS pension plan investments	1,386	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	162,965	697,660
District contributions subsequent to the measurement date	<u>21,003</u>	<u>-</u>
Total	<u>\$ 443,101</u>	<u>\$ 799,967</u>

The deferred outflows of resources related to HIS, totaling \$21,003 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, 2021. 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 7.2 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2021	\$ (60,823)
2022	(60,823)
2023	(60,823)
2024	(60,825)
2025	(61,170)
Thereafter	<u>(73,405)</u>
Total	<u>\$ (377,869)</u>

NOTE G - RETIREMENT PLANS, CONTINUED

HIS Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Real Payroll Growth	0.85 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.21 percent
Actuarial Cost Method	Individual entry age

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

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

Discount Rate. The discount rate used to measure the total HIS liability was decreased from 3.50 % to 2.21%. In general, the discount rate for calculating the total HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net HIS liability calculated using the discount rate of 2.21 percent, as well as what the District's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
District's proportionate share of the net HIS liability	<u>\$ 2,007,233</u>	<u>\$ 1,736,428</u>	<u>\$ 1,514,775</u>

NOTE G - RETIREMENT PLANS, CONTINUED

HIS Plan, continued

Pension Plan Fiduciary Net Position. Detailed information about the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report (FRS "CAFR") dated June 30, 2020.

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

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

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

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

Payables to the Pension Plan. At September 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions to the HIS plan.

FRS - Defined Contribution Pension Plan

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

FRS - Defined Contribution Pension Plan, continued

are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-20 fiscal year were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	8.47	10.00
Florida Retirement System, Senior Management Service	3.00	25.41	27.29
Florida Retirement System, Special Risk	3.00	25.48	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60	16.98
Florida Retirement System, Reemployed Retiree	(2)	N/A	N/A
Florida Retirement System, Elected Official	3.00	48.82	49.18

Notes:

- (1) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/19 - 6/30/20.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs for the Investment Plan. Rates for 7/1/20 - 6/30/21.

* As defined by the Plan.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

NOTE G - RETIREMENT PLANS, CONTINUED

FRS - Defined Contribution Pension Plan, continued

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

The District's Investment Plan pension expense included within the FRS expense totaled \$95,758 for the year ended September 30, 2020.

Payables to the Investment Plan. At September 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions to the Plan.

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

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

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

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

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

During the years ended September 30, 2020, 2019, and 2018 there were employee contributions in the amount of \$1,257,090, \$1,027,420, and \$412,640, respectively, to the Plan. The employer contributed 100% of its required contributions, as well as those required contributions of the participating firefighters (0.5% pick-up).

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

NOTE G - RETIREMENT PLANS, CONTINUED

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

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

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

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

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

Pursuant to the actuarial study dated October 1, 2019 for the year ended September 30, 2020, the District's contribution (District only) requirement was 35.89% of the actuarially determined covered payroll. Actual District contributions to the Plan for the years ended September 30, 2020, 2019 and 2018, were \$2,306,381, (includes cash of \$2,041,502 and application of unearned revenue of \$264,879), \$2,769,139 and \$2,990,030, respectively. The State contributions (excise tax) for the years ended September 30, 2020, 2019 and 2018 were \$1,805,743, \$1,874,326, and \$1,741,988, respectively. Employees contributed (3% prior to January 1, 2019 and 8.48% after December 31, 2018) \$1,257,090, \$1,027,420 and \$412,640 to the Plan for the years ended September 30, 2020, 2019 and 2018, respectively. At September 30, 2020, the Plan's total net position was restricted for retiree benefits.

Payables to the Pension Plan. At September 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions payable to the pension plan.

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

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

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

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

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

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

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

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

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

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

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

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

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

NOTE G - RETIREMENT PLANS, CONTINUED

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

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

The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of October 1, 2019 were (a) life expectancy of participants - MP 2018 (combined healthy, sex distinct) Mortality Table was used, (b) retirement age assumptions (the assumed average retirement age was 55), (c) annual investment return of 7.2% (net of fees) and (d) the rate of inflation at 2.5%. The actuarial valuation reflected assumed average rates of return of 7.2% (net of fees). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan terminated, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actual money-weighted rate of return on Plan assets was 9.4%.

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

A copy of the Plan and Plan audit as of and for September 30, 2020 can be obtained by writing to the District at 1885 Veterans Park Drive, Naples, Florida 34109-0492, or by calling (239) 597-3222.

NOTE G - RETIREMENT PLANS, CONTINUED

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

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

	Firefighters' Pension Trust Fund - Plan 2
Year established and governing authority	District Resolution 96- 004 (July 11, 1996)
Governing body	Board of Trustees of Plan
Determination of contribution requirements:	Actuarially determined
Employer (District)	Amount required in excess of Member and applicable State contributions needed in order to pay current costs and amortize any unfunded past service cost over 30 years
Plan members	3.0% of covered payroll - prior to 1/1/19 8.48% of covered payroll - after 12/31/18
Funding of administrative costs:	Employer
Period required to vest	10 years
Annual salary increase	Graduated Scale based on Credited Service (see below)
Post retirement benefit increase	Cost of living increase of 3% each year
Eligibility for distribution (Normal retirement)	Earlier of 55 with 6 years of credited service or 25 years credited service regardless of age
Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Early retirement	Yes
Assumed inflation	2.5%
Actuarial assumption/method changes since prior valuation:	
Actuarial Cost Method	Entry Age Normal actuarial cost method. Prior valuations utilized Frozen
Amortization Method	Level Dollar Amount, Closed
Remaining Amortization Period	27 years (as of 10/1/17)
Net-of-Fees Investment Return	7.20%
Annual Salary Increase	Flat 6% per year to graduated scale (9% per year for first 10 years & 3% per year for 10+ years)
Actuarial valuation date	October 1, 2019
Measurement date	September 30, 2020
Actuarial Experience Study	July 1, 2018

NOTE G - RETIREMENT PLANS, CONTINUED

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

Net Pension Liability of the Fund - The components of the actuarially determined net pension liability of the District at September 30, 2020 were as follows:

	<u>Amount</u>
Total pension liability	\$ 110,312,027
Plan fiduciary net position	<u>(102,099,091)</u>
District's net pension liability	<u>\$ 8,212,936</u>
Plan fiduciary net position as a percentage of the total pension liability	92.55%

The total pension liability was determined by an actuarial valuation as of October 1, 2019 and updated to the measurement date of September 30, 2020 using certain actuarial assumptions, the most significant of which were 7.2 percent for the investment rate of return (net of fees), 3.0-9.0 percent for projected salary increases and 2.5 percent for inflation.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equities	45%	53.37%	7.5%
International equities	15%	16.36%	8.5%
Fixed income	15%	16.47%	2.5%
International fixed income	5%	5.87%	3.5%
Global Tactical Asset Allocation	10%	0.00%	3.5%
Real estate	10%	6.68%	4.5%
Cash and cash equivalents	<u>minimal</u>	<u>1.25%</u>	not available
* annual arithmetic return	<u>100%</u>	<u>100%</u>	

NOTE G - RETIREMENT PLANS, CONTINUED

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that plan participant contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the participant rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of Return Sensitivity. The sensitivity of the net pension liability to changes in the discount rate was measured as follows. The net pension liability of the District was calculated using the discount rate of 7.2 percent. It was also calculated using a discount rate that was 1-percentage-point lower (6.2 percent) and 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease 6.2%	Current Discount Rate 7.2%	1% Increase 8.2%
Net pension liability (asset)	\$ 25,506,443	\$ 8,212,936	\$ (5,841,698)

Deferred Inflows/Outflows of Resources Related to Pensions

On September 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE G - RETIREMENT PLANS, CONTINUED

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,454,983	\$ 3,887,115
Change of assumptions	2,444,529	1,239,360
Net difference between projected and actual earnings on plan investments	527,160	-
Contributions subsequent to the measurement date	<u>3,847,243</u>	<u>-</u>
	<u>\$ 11,273,915</u>	<u>\$ 5,126,475</u>

For the year ended September 30, 2020, the District recognized pension expense of \$10,286,794 related to this Plan.

The deferred outflows of resources related to the pension, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

<u>Years Ending September 30</u>	<u>Amount</u>
2021	\$ (10,251)
2022	(48,359)
2023	635,109
2024	842,213
2025	670,947
Thereafter	<u>210,538</u>
Total	<u>\$ 2,300,197</u>

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

	<u>Firefighters' Pension Trust Fund - Plan 2</u>
Active plan members	156
Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	<u>11</u>
Total	<u>187</u>
Number of participating employers	<u>1</u>
Number of participating state agencies	<u>1</u>

NOTE G - RETIREMENT PLANS, CONTINUED

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

The following is a schedule of changes in net pension liability for the fiscal year ended September 30, 2020:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balances at September 30, 2019	\$ 97,252,548	\$ 88,893,450	\$ 8,359,098
Changes for the fiscal year:			
Service cost	5,214,372	-	5,214,372
Interest	7,583,575	-	7,583,575
Differences between expected and actual experience	16,869	-	16,869
Changes of assumptions	722,935	-	722,935
Changes in benefit terms	-	-	-
Adjustment*	537,587	537,587	-
Contributions - Employer	-	2,041,500	(2,041,500)
Contributions - State	-	1,805,743	(1,805,743)
Contributions - Employee	-	1,256,800	(1,256,800)
Contributions - Buy Back	31,676	31,676	-
Net investment income	-	8,687,741	(8,687,741)
Benefit payments, including refunds of employee contributions	(1,047,535)	(1,047,535)	-
Administrative expense	-	(107,871)	107,871
Net changes	<u>13,059,479</u>	<u>13,205,641</u>	<u>(146,162)</u>
Balances at September 30, 2020	<u>\$ 110,312,027</u>	<u>\$ 102,099,091</u>	<u>\$ 8,212,936</u>

* Includes \$537,296 unearned revenue and \$291 employee contribution receivable.

Annual Pension Cost, Net Pension Obligation and Reserves

Current year annual pension costs for the Firefighters' Pension Trust Fund are shown in the trend information provided. The Firefighters' Pension Trust Fund had a net unfunded actuarial accrued liability at October 1, 2020 of \$8,902,058.

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

NOTE G - RETIREMENT PLANS, CONTINUED

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

Trend Information

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

- (1) The District considers its annual pension cost to be its actuarially determined required annual pension contribution including the employer and state contribution. For 2018 required contribution reduced by \$0 excess State money reserve.
- (2) For 2020 the District contributions include application of \$264,879 of prepaid contributions.

Pension Trust Required Supplementary Information

Schedule of Funding Progress Firefighters' Pension Trust Fund:

Actuarial Valuation Date	Actuarial Value of Assets ** (AVA) (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as
			Actuarial Accrued Liability (UAAL) (b-a)			a % of Covered Payroll (b-a)/c
10/01/20	\$ 102,099,091	\$ 111,001,149	\$ 8,902,058	92.0%	\$ 14,829,151	60.0%
10/01/19	\$ 88,893,030	\$ 98,664,952	\$ 9,771,922	90.1%	\$ 14,434,146	67.7%
10/01/18	\$ 80,928,687	\$ 84,102,348	\$ 3,173,661	96.2%	\$ 13,739,853	23.1%
10/01/17	\$ 70,747,813	\$ 73,738,012	\$ 2,990,199	95.9%	\$ 13,771,976	21.7%
10/01/16	\$ 58,512,948	\$ 61,707,055	\$ 3,194,107	94.8%	\$ 11,890,295	26.9%
10/01/15	\$ 51,534,195	\$ 51,541,750	\$ 7,555	100.0%	\$ 9,671,942	0.1%
10/01/14	\$ 49,189,571	\$ 47,467,581	\$ (1,721,990)	103.6%	\$ 8,770,495	-19.6%
10/01/13	\$ 42,143,137	\$ 41,366,768	\$ (776,369)	101.9%	\$ 9,092,235	-8.5%
10/01/12	\$ 33,983,491	\$ 33,924,855	\$ (58,636)	100.2%	\$ 8,254,150	-0.7%
10/01/11	\$ 26,196,164	\$ 26,153,965	\$ (42,199)	100.2%	\$ 8,291,830	-0.5%
10/01/10	\$ 22,990,534	\$ 23,284,830	\$ 294,296	98.7%	\$ 7,737,940	3.8%
10/01/09	\$ 17,833,111	\$ 18,108,267	\$ 275,156	98.5%	\$ 7,522,834	3.7%
10/01/08	\$ 16,719,426	\$ 16,890,153	\$ 170,727	99.0%	\$ 7,082,194	2.4%

** reflected by actuary as Plan Fiduciary Net Position

NOTE G - RETIREMENT PLANS, CONTINUED

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

	Firefighters' Pension Trust Fund
Valuation date	10/01/18
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Mortality table	MP-2018 Combined Healthy
Remaining amortization period	27 years (as of 10/1/17)
Actuarial asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate	7.2% (net of fees)
Projected salary increase	Graduated based on Service (9% per year for first 10 years & (3% per year for 10 or more years)
Inflation	2.5%
Post retirement cost of living adjustment	3%
Measurement date	September 30, 2019

Changes of Assumptions

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

Benefit changes effective January 1, 2019:

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

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

For the year ended September 30, 2020, the following changes to assumptions occurred: 1) mortality tables changed from RP-2000 to MP-2018, and 2) investment rate changed from 7.4% to 7.2%.

NOTE G - RETIREMENT PLANS, CONTINUED

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

The Board of Fire Commissioners established the 401(a) Plan for the general employees and elected officials who are ineligible to participate in the Florida Retirement System. The Plan was effective on January 1, 2013. At September 30, 2020, the Plan had two (2) active participants.

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

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

Total District contributions to the Plan for the years ended September 30, 2020, 2019 and 2018 were \$7,956, \$1,098 and \$1,174, respectively.

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

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

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

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

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

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

Defined Benefit Plan

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

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

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

Post Employment Health Plan (PEHP)

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

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

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

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

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

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

General - Funding Policy

The District paid \$270,650 for retiree's and ERIP participants' health care premiums as part of the Defined Benefit Plan on a pay-as-you-go basis for the year ended September 30, 2020.

The District also contributed \$309,000 to the PEHP Plan for the year ended September 30, 2020.

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

Post Employment Health Plan (PEHP), continued

General - Funding Policy, Continued

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

Plan Description - Defined Benefit

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

All retired full-time employees are eligible for OPEB benefits if actively employed by the District immediately before retirement. As of September 30, 2020, there were forty-three (48) retirees eligible to receive benefits. At September 30, 2020 there were two hundred thirty four (236) active District employees. The benefits are provided both with contractual or labor agreements.

Actuarial Methods and Assumptions

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

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

Actuarial Methods and Assumptions, continued

At September 30, 2020, the District's Net OPEB Liability of \$9,980,141 was measured as of September 30, 2019, and was determined by an actuarial valuation as of October 1, 2018 using the alternate measurement method. OPEB expense for the year ended September 30, 2020 was \$723,646. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

The following simplifying assumptions were made:

Mortality - Life expectancies were based on RP2000 Mortality Tables for Males and Females projected 10 years.

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

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

Amortization Period: Rolling 20 year amortization

Amortization Method: level percentage of payroll

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

Entry age normal cost method was used.

Inflation Rate	2.50%
Salary Increases	6.00%
Discount Rate	3.58%
Initial Trend Rate	8.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	56

The FRS salary scale was used

Participation percentage: 50%

The actuarial assumptions used in the valuation reported for September 30, 2019 were based on results of an actuarial experience study performed for the FRS Retirement Plan for July 1, 2018.

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

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

Changes in the Net OPEB Liability

	<u>Amount</u>
Balance at September 30, 2019	\$ 8,893,953
Changes for the Year:	
Service Cost	557,861
Interest Cost on Total OPEB Liability	385,797
Change in Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions	591,573
Benefit Payments	<u>(449,043)</u>
Net Changes	<u>1,086,188</u>
Balance at September 30, 2020	<u>\$ 9,980,141</u>

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

	1% Decrease	Current Rate	1% Increase
	<u>2.58%</u>	<u>3.58%</u>	<u>4.58%</u>
Net OPEB Liability	\$ 11,100,367	\$ 9,980,141	\$ 9,023,294

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

	1% Decrease	Trend Rate	1% Increase
	<u>3.00-7.00%</u>	<u>4.00-8.00%</u>	<u>5.00-9.00%</u>
Net OPEB Liability	\$ 8,776,252	\$ 9,980,141	\$ 11,438,189

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

Changes in the Net OPEB Liability, continued

For the year ended September 30, 2020, the District recognized OPEB expense credit of \$723,646. At September 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources*</u>	<u>Deferred Inflows of Resources*</u>
Differences Between Expected and Actual Experience	\$ 324,946	\$ -
Changes in Assumptions	525,843	2,226,110
Employer contribution subsequent to measurement date	<u>488,166</u>	<u>-</u>
Total	<u>\$ 1,338,955</u>	<u>\$ 2,226,110</u>

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

Year Ended September 30:	<u>Amount</u>
2021	\$ (228,012)
2022	(228,012)
2023	(228,012)
2024	(228,012)
2025	(228,009)
Thereafter	<u>(235,264)</u>
Total	<u>\$ (1,375,321)</u>

Changes in Assumptions:

- Decreased discount rate from 4.18% to 3.58%

NOTE I - RISK MANAGEMENT

During the year ended September 30, 2020, the District provided health benefits as follows:

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

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

The District's HSA contributions for the year ended September 30, 2020 were \$1,131,209.

The District incurred \$5,309,208 in health related claims, third party administration costs, disability, premiums and reinsurance premiums including HSA contributions (noted above) and workers compensation insurance during the year ended September 30, 2020, for the self-insurance and fully-funded insurance programs.

It is the policy of the District to purchase third party commercial insurance for other remaining forms of potential risks to which it is exposed. The District's risk management activities are reported in the General Fund. No accrual has been recorded for claims and incidents not reported to the insurer. The District paid \$472,669 for building, auto and other liability insurances for the year ended September 30, 2020. The District had no significant reductions in insurance coverage from the prior year. Reported claims have not exceeded the insurance coverage for the years ended September 30, 2011 through September 30, 2020.

NOTE J - PROPERTY TAXES

Property taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE J - PROPERTY TAXES, CONTINUED

of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related record keeping of all property taxes is performed for the District by the Collier County Tax Collector. No accrual for the property tax levy becoming due in November 2020 is included in the accompanying basic financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. As of September 30, 2020, \$180,896 was recorded in the General Fund and was due from the Collier County Tax Collector to the District for ad valorem taxes and excess fees, and interest.

Important dates in the property tax cycle are as follows:

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

For the year ended September 30, 2020, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$1.00 per \$1,000 (1.0 mills) of the 2019 net taxable value of real property located within the North Naples Service Delivery Area.

For the year ended September 30, 2020, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$3.75 per \$1,000 (3.75 mills) of the 2019 net taxable value of real property located within the Big Corkscrew Island Service Delivery Area.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE K - IMPACT FEE FUND ACTIVITY

During the year ended September 30, 2020, the Impact Fee Fund had the following activity:

	<u>Amount</u>
Unearned revenue, October 1, 2019	\$ 745,734
Impact fee receipts	911,074
Impact fee refunds	-
Due from other Governments	36,139
Interest and other income	12,668
Operating expenses	(29,668)
Principal reduction	(57,500)
Loan interest	(9,473)
Capital outlay	-
Transfers in (out)	<u>-</u>
Unearned revenue, September 30, 2020	<u>\$ 1,608,974</u>

NOTE L - FUND BALANCE/NET POSITION ALLOCATIONS

Fund Balance/Net Position were allocated for the following purposes at September 30, 2020:

<u>Nonspendable - General Fund</u>	NN Amount	BCI Amount	Total Amount
Nonspendable fund balance - General Fund prepaid expenses	<u>\$ 1,164,084</u>	<u>\$ -</u>	<u>\$ 1,164,084</u>
<u>Assigned fund balance - General Fund</u>	NN Amount	BCI Amount	Total Amount
General Fund - Expenses - Oct - Dec	\$ 8,289,632	\$ 1,154,014	\$ 9,443,646
General Fund - Emergency reserve	6,779,691	1,750,058	8,529,749
General Fund - Fire apparatus	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Total General Fund	<u>\$ 15,769,323</u>	<u>\$ 2,904,072</u>	<u>\$ 18,673,395</u>
<u>Unassigned - General Fund</u>	NN Amount	BCI Amount	Total Amount
General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Restricted Fund Balance/Net Position - Inspection Fee Fund</u>			Total Amount
Inspection Fee Fund			<u>\$ 164,820</u>

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE M - LEASED VEHICLES

On October 13, 2016, the District leased seventeen (17) vehicles under a forty eight (48) month operating lease agreement with a monthly payment of \$7,583 beginning March 2017. The minimum annual lease payments are as follows:

Year Ending <u>September 30</u>	<u>Amount</u>
2021	<u>\$ 37,915</u>
	<u>\$ 37,915</u>

Lease expense for the year ended September 30, 2020 was \$80,964

NOTE N - COMMITMENTS AND CONTINGENCIES

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

In September 2020, the Board Approved a capital lease in the amount of \$1,106,574 for the purchase of twenty-three (23) cardiac monitors not yet received at September 30, 2020. These monitors nor the lease payable are recorded at September 30, 2020 as the monitors were delivered in January 2021 and as of May 7, 2021 have yet to be operational. The lease requires sixty (60) monthly payments of approximately \$19,347 including interest at 2.75% beginning January 28, 2021.

NOTE O - DEFICIT UNRESTRICTED NET POSITION (NET ASSETS)

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

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

During the year ended September 30, 2019, the District's unrestricted net position (net assets) balance was a deficit of \$(9,561,300), due substantially to recording the current year actuarially determined net pension liability of \$19,599,139 and the net OPEB liability of \$8,893,953. The District's total available fund balance at September 30, 2019 remains approximately equal to four (4) months of actual expenditures. However, the Board assigned fund balance of \$13,786,863 to fund operations for the first quarter of the subsequent fiscal year.

NOTE P - COVID 19

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

The District has adapted its operations to accommodate the current environment. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to instability in financial markets. Management is actively monitoring the local situation on its financial condition, liquidity, operations, donors, industry, and workforce. Given the daily evolution of COVID-19 and the global and local responses to curb its spread, the District is not able to estimate the future effects of COVID-19 on its results of operation, financial condition, or liquidity for fiscal year 2020-21.

NOTE Q - SUBSEQUENT EVENT

On March 24, 2021, the District approved the sale of the Yarberry Lane property as surplus land for \$3,505,000.

**COMBINING FINANCIAL STATEMENTS
BY SERVICE DELIVERY AREA**

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
COMBINING BALANCE SHEET - GENERAL FUND - BY SERVICE
DELIVERY AREA
September 30, 2020

	North Naples Service Delivery Area	Big Corkscrew Island Service Delivery Area	Eliminations	Total General Fund
ASSETS				
Cash and cash equivalents	\$ 7,612,117	\$ 1,542,402	\$ -	\$ 9,154,519
Restricted cash and cash equivalents	-	-	-	-
Investments	7,445,923	2,005,229	-	9,451,152
Due from other governments	1,312,585	34,490	-	1,347,075
Due from other funds	827,001	-	(679,777)	147,224
Other receivables, net	122,642	1,728	-	124,370
Prepaid expenses	1,164,084	-	-	1,164,084
TOTAL ASSETS	\$ 18,484,352	\$ 3,583,849	\$ (679,777)	\$ 21,388,424
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,413,909	\$ -	\$ -	\$ 1,413,909
Retainage payable	-	-	-	-
Due to other funds	129,536	679,777	(679,777)	129,536
Contract deposits	7,500	-	-	7,500
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	1,550,945	679,777	(679,777)	1,550,945
FUND BALANCE				
Nonspendable	1,164,084	-	-	1,164,084
Restricted	-	-	-	-
Assigned	15,769,323	2,904,072	-	18,673,395
Unassigned	-	-	-	-
TOTAL FUND BALANCE	16,933,407	2,904,072	-	19,837,479
TOTAL LIABILITIES AND FUND BALANCE	\$ 18,484,352	\$ 3,583,849	\$ (679,777)	\$ 21,388,424

The accompanying notes are an integral part of this statement.

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GENERAL FUND -
BY SERVICE DELIVERY AREA
Year Ended September 30, 2020**

	General Fund		
	North Naples Service Delivery Area	Big Corkscrew Island Service Delivery Area	Total General Fund
REVENUES			
Ad Valorem taxes	\$ 32,932,850	\$ 6,841,453	\$ 39,774,303
Intergovernmental revenue:			
State firefighter supplement	74,700	-	74,700
Federal grants	419,464	-	419,464
Other Intergovernmental	20,160	-	20,160
Charges for services	502,318	1,801	504,119
Miscellaneous:			
Interest	257,962	95,828	353,790
Other	212,264	20,736	233,000
TOTAL REVENUES	34,419,718	6,959,818	41,379,536
EXPENDITURES			
Current			
Public safety			
Personnel services	26,454,059	3,682,714	30,136,773
Operating expenditures	5,081,454	734,365	5,815,819
Capital outlay	939,215	130,750	1,069,965
Debt service:			
Principal reduction	444,557	61,888	506,445
Interest and fiscal charges	86,345	12,020	98,365
Reserves	-	-	-
TOTAL EXPENDITURES	33,005,630	4,621,737	37,627,367
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,414,088	2,338,081	3,752,169
OTHER FINANCING SOURCES AND (USES)			
Proceeds from capital lease	207,812	-	207,812
Proceeds from disposition of capital assets	68,150	-	68,150
Other financial assistance - CARES Act	1,000,000	-	1,000,000
Transfer in	-	-	-
Transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	1,275,962	-	1,275,962
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,690,050	2,338,081	5,028,131
FUND BALANCE - Beginning	14,243,357	565,991	14,809,348
FUND BALANCE - Ending	\$ 16,933,407	\$ 2,904,072	\$ 19,837,479

The accompanying notes are an integral part of this statement.

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

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT - NN
Year Ended September 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 32,319,165	\$ 32,319,165	\$ 32,932,850	\$ 613,685
Intergovernmental revenue:				
State firefighter supplement	63,202	63,202	74,700	11,498
Federal grants	54,720	203,946	419,464	215,518
Other Intergovernmental	28,441	28,441	20,160	(8,281)
Charges for services	564,601	564,601	502,318	(62,283)
Miscellaneous:				
Interest	267,553	267,553	257,962	(9,591)
Other	<u>277,676</u>	<u>277,677</u>	<u>212,264</u>	<u>(65,413)</u>
Subtotal - revenues	33,575,358	33,724,585	34,419,718	695,133
Cash brought forward	<u>12,226,382</u>	<u>14,243,357</u>	-	<u>(14,243,357)</u>
TOTAL REVENUES	<u>45,801,740</u>	<u>47,967,942</u>	<u>34,419,718</u>	<u>(13,548,224)</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	27,809,619	27,809,619	26,454,059	1,355,560
Operating expenditures	5,348,909	5,348,909	5,081,454	267,455
Capital outlay	2,536,819	1,322,822	939,215	383,607
Debt service:				
Principal reduction	416,646	416,646	444,557	(27,911)
Interest and fiscal charges	79,861	79,861	86,345	(6,484)
Reserves	<u>10,563,177</u>	<u>13,177,769</u>	-	<u>13,177,769</u>
TOTAL EXPENDITURES	<u>46,755,031</u>	<u>48,155,626</u>	<u>33,005,630</u>	<u>15,149,996</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(953,291)</u>	<u>(187,684)</u>	<u>1,414,088</u>	<u>1,601,772</u>
OTHER FINANCING SOURCES AND (USES)				
Proceeds from capital lease	948,024	182,417	207,812	25,395
Proceeds from disposition of capital assets	5,267	5,267	68,150	62,883
Other financial assistance - CARES Act	-	-	1,000,000	1,000,000
Transfer in	-	-	-	-
Transfer out	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>953,291</u>	<u>187,684</u>	<u>1,275,962</u>	<u>1,088,278</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>2,690,050</u>	<u>\$ 2,690,050</u>
FUND BALANCE - Beginning			<u>14,243,357</u>	
FUND BALANCE - Ending			<u>\$ 16,933,407</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - DETAILED STATEMENT - NN
Year Ended September 30, 2020

	General Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 32,319,165	\$ 32,319,165	\$ 32,932,850	\$ 613,685
Intergovernmental revenue:				
State firefighter supplement	63,202	63,202	74,700	11,498
Federal grants	54,720	203,946	419,464	215,518
Other Intergovernmental	28,441	28,441	20,160	(8,281)
Charges for services	564,601	564,601	502,318	(62,283)
Miscellaneous:				
Interest	267,553	267,553	257,962	(9,591)
Other	277,676	277,677	212,264	(65,413)
Subtotal - revenues	33,575,358	33,724,585	34,419,718	695,133
Cash brought forward	12,226,382	14,243,357	-	(14,243,357)
TOTAL REVENUES	45,801,740	47,967,942	34,419,718	(13,548,224)
EXPENDITURES				
Current				
Public safety				
Personnel services:				
Salaries				
Firefighters & Admin.	15,928,540	15,928,540	15,687,651	240,889
Commissioners	26,334	26,334	26,334	-
Overtime	647,563	647,563	544,378	103,185
Vacation pay	158,004	158,004	89,107	68,897
Sick leave	680,594	680,594	688,833	(8,239)
Professional/Incentives and holiday pay	738,577	738,577	748,852	(10,275)
Payroll taxes				
Social Security	1,391,890	1,391,890	1,325,368	66,522
Benefits				
Retirement	2,699,102	2,699,102	2,402,758	296,344
Health insurance (including HSA)	4,565,958	4,353,969	3,718,553	635,416
Disability insurance	87,654	87,654	57,538	30,116
Unemployment	-	-	-	-
Workers compensation	653,327	653,327	696,981	(43,654)
Medical clinic/employee physicals	220,665	220,665	191,638	29,027
Post employment health plan (PEHP)	8,778	220,767	271,240	(50,473)
Retirement recognition	2,633	2,633	4,828	(2,195)
Subtotal - Personnel services	27,809,619	27,809,619	26,454,059	1,355,560

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - DETAILED STATEMENT - NN (CONTINUED)
Year Ended September 30, 2020

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating expenditures:				
Insurance	429,030	429,030	414,909	14,121
Uniforms	123,436	123,436	101,039	22,397
Communications	28,090	28,090	37,530	(9,440)
Telephone	362,531	362,531	306,380	56,151
Utilities	242,273	242,273	244,249	(1,976)
Maintenance				
Vehicle	410,235	410,235	360,833	49,402
Equipment	67,592	67,592	1,539	66,053
Computer	549,236	549,236	478,301	70,935
Hydrant	42,134	42,134	38,487	3,647
Building	386,960	386,960	365,188	21,772
Supplies				
Office	57,935	57,935	65,050	(7,115)
Protective gear	96,014	96,014	208,779	(112,765)
Station	52,861	52,861	84,959	(32,098)
Emergency medical	190,000	190,000	280,799	(90,799)
Enterprise Lease/Rental	110,542	110,542	80,964	29,578
Hurricane/emergency	-	-	-	-
Equipment				
Office	22,823	22,823	17,661	5,162
Fire	125,756	125,756	168,544	(42,788)
Shop	24,008	24,008	20,899	3,109
Warehouse/logistics	4,389	4,389	4,920	(531)
Professional and other fees				
Legal and professional	389,831	389,831	295,170	94,661
Property appraiser fees	229,164	229,164	268,330	(39,166)
Tax collector fees	690,373	690,373	654,134	36,239
Accounting	70,224	70,224	56,004	14,220
Miscellaneous				
Travel	72,419	72,419	21,054	51,365
Water/sewer fee St. 44	8,778	8,778	-	8,778
Public information officer	1,492	1,492	8,651	(7,159)
Fuel and oil	257,634	257,634	166,319	91,315
Legal advertisements	8,427	8,427	10,553	(2,126)
Dues and subscriptions	28,485	28,485	8,245	20,240
CERT team	5,267	5,267	5,354	(87)
Dive team	5,355	5,355	3,057	2,298
Fire prevention	-	-	4,131	(4,131)
Training	217,519	217,519	119,582	97,937
Hazardous materials	12,070	12,070	6,008	6,062
Technical rescue	10,226	10,226	25,438	(15,212)
Boat team	4,213	4,213	3,597	616
K-9 search and rescue	-	-	-	-
Honor guard	-	-	-	-
OPS	-	-	-	-
Peer fitness	-	-	-	-
Bad Debt Expense	-	-	120,000	(120,000)
Miscellaneous	11,587	11,587	24,797	(13,210)
Operational Reserves				
Contingency	-	-	-	-
Subtotal - Operating expenditures	5,348,909	5,348,909	5,081,454	267,455

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - DETAILED STATEMENT - NN (CONTINUED)
Year Ended September 30, 2020

	General Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
Capital outlay:				
Land	-	-	-	-
Station improvements	782,647	343,747	424,350	(80,603)
Fire & rescue equipment	126,710	126,710	76,665	50,045
Protective gear	151,530	151,530	-	151,530
Medical equipment	1,024,832	76,808	33,849	42,959
Station equipment	-	-	14,126	(14,126)
Communication equipment	27,826	27,826	47,953	(20,127)
Office equipment	-	-	-	-
Computers	87,780	87,780	96,697	(8,917)
TRT	3,072	3,072	14,485	(11,413)
Vehicle purchase	11,411	184,338	213,133	(28,795)
Shop equipment	29,406	29,406	5,994	23,412
Hazardous materials equipment	2,633	2,633	6,861	(4,228)
Fire apparatus	285,285	285,285	-	285,285
Dive equipment	3,687	3,687	5,102	(1,415)
Subtotal - Capital outlay	2,536,819	1,322,822	939,215	383,607
Debt service:				
Principal reduction	416,646	416,646	444,557	(27,911)
Interest and fiscal charges	79,861	79,861	86,345	(6,484)
Subtotal - Debt service	496,507	496,507	530,902	(34,395)
Reserves:				
Reserves	10,563,177	13,177,769	-	13,177,769
TOTAL EXPENDITURES	46,755,031	48,155,626	33,005,630	15,149,996
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(953,291)	(187,684)	1,414,088	1,601,772
OTHER FINANCING SOURCES AND (USES)				
Proceeds from capital lease	948,024	182,417	207,812	25,395
Proceeds from disposition of capital assets	5,267	5,267	68,150	62,883
Other financial assistance - CARES Act	-	-	1,000,000	1,000,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	953,291	187,684	1,275,962	1,088,278
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	2,690,050	\$ 2,690,050
FUND BALANCE - Beginning			14,243,357	
FUND BALANCE - Ending			<u>\$ 16,933,407</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT - BCI
Year Ended September 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 6,704,907	\$ 6,704,907	\$ 6,841,453	\$ 136,546
Intergovernmental revenue:				
State firefighter supplement	8,798	8,798	-	(8,798)
Federal grants	7,618	28,392	-	(28,392)
Other intergovernmental	3,959	3,959	-	(3,959)
Charges for services	78,599	78,599	1,801	(76,798)
Miscellaneous:				
Interest	37,247	37,247	95,828	58,581
Other	38,656	38,657	20,736	(17,921)
Subtotal - revenues	6,879,784	6,900,559	6,959,818	59,259
Cash brought forward	1,856,207	565,991	-	(565,991)
TOTAL REVENUES	8,735,991	7,466,550	6,959,818	(506,732)
EXPENDITURES				
Current				
Public safety				
Personnel services	3,871,421	3,871,421	3,682,714	188,707
Operating expenditures	744,633	744,633	734,365	10,268
Capital outlay	353,157	184,154	130,750	53,404
Debt service:				
Principal reduction	58,002	58,002	61,888	(3,886)
Interest and fiscal charges	11,118	11,118	12,020	(902)
Reserves	3,830,369	2,623,350	-	2,623,350
TOTAL EXPENDITURES	8,868,700	7,492,678	4,621,737	2,870,941
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(132,709)	(26,128)	2,338,081	2,364,209
OTHER FINANCING SOURCES AND USES				
Proceeds from capital lease	131,976	25,395	-	(25,395)
Proceeds from disposition of capital assets	733	733	-	(733)
Transfer in / (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	132,709	26,128	-	(26,128)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	2,338,081	\$ 2,338,081
FUND BALANCE - Beginning			565,991	
FUND BALANCE - Ending			\$ 2,904,072	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - DETAILED STATEMENT - BCI
Year Ended September 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 6,704,907	\$ 6,704,907	\$ 6,841,453	\$ 136,546
Intergovernmental revenue:				
State firefighter supplement	8,798	8,798	-	(8,798)
Federal grants	7,618	28,392	-	(28,392)
Other intergovernmental	3,959	3,959	-	(3,959)
Charges for services	78,599	78,599	1,801	(76,798)
Miscellaneous:				
Interest	37,247	37,247	95,828	58,581
Other	38,656	38,657	20,736	(17,921)
Subtotal - revenues	6,879,784	6,900,559	6,959,818	59,259
Cash brought forward	1,856,207	565,991	-	(565,991)
TOTAL REVENUES	8,735,991	7,466,550	6,959,818	(506,732)
EXPENDITURES				
Current				
Public safety				
Personnel services:				
Salaries				
Firefighters & Admin.	2,217,438	2,217,438	2,183,904	33,534
Salaries - harmonization	-	-	-	-
Commissioners	3,666	3,666	3,666	-
Overtime	90,147	90,147	75,784	14,363
Vacation pay	21,996	21,996	12,405	9,591
Sick leave	94,747	94,747	95,894	(1,147)
Incentives and holiday pay	102,819	102,819	104,248	(1,429)
Payroll taxes				
Social Security	193,767	193,767	184,507	9,260
Benefits				
Retirement	375,746	375,746	334,492	41,254
Health insurance	635,634	606,123	517,666	88,457
Disability insurance	12,202	12,202	8,010	4,192
Benefits harmonization	-	-	-	-
Unemployment	-	-	-	-
Workers compensation	90,951	90,951	97,028	(6,077)
Medical clinic/employee physicals	30,719	30,719	26,678	4,041
Post employment health plan (PEHP)	1,222	30,733	37,760	(7,027)
Retirement recognition	367	367	672	(305)
Subtotal - Personnel services	3,871,421	3,871,421	3,682,714	188,707

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - DETAILED STATEMENT - BCI (CONTINUED)
Year Ended September 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating expenditures:				
Insurance	59,726	59,726	57,760	1,966
Uniforms	17,184	17,184	14,066	3,118
Communications	3,910	3,910	5,225	(1,315)
Telephone	50,469	50,469	42,652	7,817
Utilities	33,727	33,727	34,002	(275)
Maintenance				
Vehicle	57,110	57,110	50,232	6,878
Equipment	9,410	9,410	214	9,196
Computer	76,460	76,460	66,585	9,875
Hydrant	5,866	5,866	5,358	508
Building	53,871	53,871	50,839	3,032
Supplies				
Office	8,065	8,065	9,056	(991)
Protective gear	13,366	13,366	29,064	(15,698)
Station	7,359	7,359	11,828	(4,469)
Emergency medical	26,450	26,450	39,091	(12,641)
Enterprise Lease/Rental	15,389	15,389	11,271	4,118
Hurricane/emergency	-	-	-	-
Equipment				
Office	3,177	3,177	2,459	718
Fire	17,507	17,507	23,463	(5,956)
Shop	3,342	3,342	2,909	433
Warehouse/logistics	611	611	685	(74)
Professional and other fees				
Legal and professional	54,269	54,269	41,091	13,178
Property appraiser fees	31,902	31,902	37,355	(5,453)
Tax collector fees	96,108	96,108	134,552	(38,444)
Accounting	9,776	9,776	7,796	1,980
Miscellaneous				
Travel	10,082	10,082	2,931	7,151
Water/sewer fee St. 44	1,222	1,222	-	1,222
Public information officer	208	208	1,204	(996)
Public education officer	-	-	-	-
Fuel and oil	35,866	35,866	23,153	12,713
Legal advertisements	1,173	1,173	1,469	(296)
Dues and subscriptions	3,965	3,965	1,148	2,817
CERT team	733	733	745	(12)
Dive team	745	745	426	319
Fire prevention	-	-	575	(575)
Training	30,281	30,281	16,647	13,634
Hazardous materials	1,680	1,680	836	844
Technical rescue	1,424	1,424	3,541	(2,117)
Boat team	587	587	501	86
K-9 search and rescue	-	-	-	-
Miscellaneous	1,613	1,613	3,636	(2,023)
Operational Reserves				
Contingency	-	-	-	-
Subtotal - Operating expenditures	<u>744,633</u>	<u>744,633</u>	<u>734,365</u>	<u>10,268</u>

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - DETAILED STATEMENT - BCI (CONTINUED)
Year Ended September 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Capital outlay:				
Land	-	-	-	-
Station improvements	108,954	47,854	59,075	(11,221)
Fire & rescue equipment	17,639	17,639	10,673	6,966
Protective gear	21,095	21,095	-	21,095
Medical equipment	142,669	10,693	4,712	5,981
Station equipment	-	-	1,966	(1,966)
Communication equipment	3,874	3,874	6,676	(2,802)
Computers	12,220	12,220	13,461	(1,241)
TRT	428	428	2,017	(1,589)
Hazardous material equipment	367	367	955	(588)
Vehicle purchase	1,589	25,662	29,671	(4,009)
Fire apparatus	39,715	39,715	-	39,715
Shop equipment	4,094	4,094	834	3,260
Dive equipment	513	513	710	(197)
Subtotal - Capital outlay	<u>353,157</u>	<u>184,154</u>	<u>130,750</u>	<u>53,404</u>
Debt service:				
Principal reduction	58,002	58,002	61,888	(3,886)
Interest and fiscal charges	11,118	11,118	12,020	(902)
Subtotal - Debt service	<u>69,120</u>	<u>69,120</u>	<u>73,908</u>	<u>(4,788)</u>
Reserves:				
Reserves	<u>3,830,369</u>	<u>2,623,350</u>	<u>-</u>	<u>2,623,350</u>
TOTAL EXPENDITURES	<u>8,868,700</u>	<u>7,492,678</u>	<u>4,621,737</u>	<u>2,870,941</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(132,709)</u>	<u>(26,128)</u>	<u>2,338,081</u>	<u>2,364,209</u>
OTHER FINANCING SOURCES AND USES				
Proceeds from capital lease	131,976	25,395	-	(25,395)
Proceeds from disposition of capital assets	733	733	-	(733)
Transfer in / (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	<u>132,709</u>	<u>26,128</u>	<u>-</u>	<u>(26,128)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>2,338,081</u>	<u>\$ 2,338,081</u>
FUND BALANCE - Beginning			<u>565,991</u>	
FUND BALANCE - Ending			<u>\$ 2,904,072</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - COMBINED SERVICE DELIVERY AREAS -
BUDGET AND ACTUAL - IMPACT FEE FUND - SUMMARY STATEMENT
Year Ended September 30, 2020

	Impact Fee Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Fees:				
Impact fees	\$ 500,000	\$ 706,500	\$ 83,973	\$ (622,527)
Miscellaneous:				
Interest	24,000	12,500	12,668	168
Transfer from General Fund	-	-	-	-
Other	-	-	-	-
Subtotal - revenues	524,000	719,000	96,641	(622,359)
Cash brought forward	502,012	745,734	-	(745,734)
TOTAL REVENUES	1,026,012	1,464,734	96,641	(1,368,093)
EXPENDITURES				
Current				
Public safety				
Operating expenditures	7,922	31,122	29,668	1,454
Capital outlay	-	-	-	-
Debt service:				
Principal	57,500	57,500	57,500	-
Interest and fiscal charges	8,625	9,473	9,473	-
Reserves	951,965	1,366,639	-	1,366,639
TOTAL EXPENDITURES	1,026,012	1,464,734	96,641	1,368,093
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES AND (USES)				
Transfers in (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	-	\$ -
FUND BALANCE - Beginning				-
FUND BALANCE - Ending				\$ -

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - COMBINED SERVICE DELIVERY AREAS -
BUDGET AND ACTUAL - IMPACT FEE FUND - DETAILED STATEMENT
Year Ended September 30, 2020

	Impact Fee Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Fees:				
Impact fees	\$ 500,000	\$ 706,500	\$ 83,973	\$ (622,527)
Miscellaneous:				
Interest	24,000	12,500	12,668	168
Transfer from General Fund	-	-	-	-
Other	-	-	-	-
Subtotal - revenues	524,000	719,000	96,641	(622,359)
Cash brought forward	502,012	745,734	-	(745,734)
TOTAL REVENUES	<u>1,026,012</u>	<u>1,464,734</u>	<u>96,641</u>	<u>(1,368,093)</u>
EXPENDITURES				
Operating expenditures:				
Impact fee collection	7,922	16,122	14,939	1,183
Professional fees	-	15,000	14,729	271
Subtotal - Operating expenditures	7,922	31,122	29,668	1,454
Capital outlay:				
Preplanning	-	-	-	-
Construction in progress	-	-	-	-
Emergency signal-station #42	-	-	-	-
Temporary station lease	-	-	-	-
Subtotal - Capital outlay	-	-	-	-
Debt service:				
Principal	57,500	57,500	57,500	-
Interest and fiscal charges	8,625	9,473	9,473	-
Subtotal - Debt service	66,125	66,973	66,973	-
Reserves:	951,965	1,366,639	-	1,366,639
TOTAL EXPENDITURES	<u>1,026,012</u>	<u>1,464,734</u>	<u>96,641</u>	<u>1,368,093</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - Beginning				-
FUND BALANCE - Ending			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT Page 93 of 113
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -COMBINED SERVICE DELIVERY AREA -
INSPECTION FEE FUND - SUMMARY STATEMENT
Year Ended September 30, 2020

	Inspection Fee Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
	Budget	Budget	Actual	(Unfavorable)
REVENUES				
Charges for services				
Inspection fees	\$ 880,000	\$ 880,000	\$ 926,533	\$ 46,533
Plan review fees	1,150,000	1,150,000	876,423	(273,577)
Miscellaneous:				
Interest	20,000	4,500	5,914	1,414
Other	-	1,000	516	(484)
Subtotal - revenues	2,050,000	2,035,500	1,809,386	(226,114)
Cash brought forward	124,206	165,842	-	(165,842)
TOTAL REVENUES	<u>2,174,206</u>	<u>2,201,342</u>	<u>1,809,386</u>	<u>(391,956)</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	1,892,818	1,892,818	1,697,963	194,855
Operating expenditures	144,500	144,500	112,445	32,055
Capital outlay	-	-	-	-
Reserves	136,888	164,024	-	164,024
TOTAL EXPENDITURES	<u>2,174,206</u>	<u>2,201,342</u>	<u>1,810,408</u>	<u>390,934</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	(1,022)	<u>\$ (1,022)</u>
FUND BALANCE - Beginning			<u>165,842</u>	
FUND BALANCE - Ending			<u>\$ 164,820</u>	

The accompanying notes are an integral part of this statement.

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - COMBINED SERVICE
DELIVERY AREA - INSPECTION FEE FUND - DETAILED STATEMENT
Year Ended September 30, 2020

	Inspection Fee Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable (Unfavorable)
REVENUES				
Charges for services:				
Inspection fees	\$ 880,000	\$ 880,000	\$ 926,533	\$ 46,533
Plan review fees	1,150,000	1,150,000	876,423	(273,577)
Miscellaneous:				
Interest	20,000	4,500	5,914	1,414
Other	-	1,000	516	(484)
Subtotal - revenues	2,050,000	2,035,500	1,809,386	(226,114)
Cash brought forward	124,206	165,842	-	(165,842)
TOTAL REVENUES	2,174,206	2,201,342	1,809,386	(391,956)
EXPENDITURES				
Current				
Public safety				
Personnel services:				
Salaries				
Regular	1,151,485	1,151,485	1,096,709	54,776
Overtime	45,000	45,000	46,886	(1,886)
Sick leave	54,108	54,108	35,998	18,110
Vacation pay	-	-	-	-
Professional/Incentives and holiday pay	9,600	9,600	8,350	1,250
Payroll taxes				
Social Security	92,993	92,993	90,878	2,115
Benefits				
Retirement	143,674	143,674	145,642	(1,968)
Post employment health plan (PEHP)	-	26,500	-	26,500
Health insurance	324,686	313,705	222,609	91,096
Disability insurance	6,689	6,689	-	6,689
Medical clinic/employee physicals	15,519	-	-	-
Unemployment compensation	-	-	-	-
Workers compensation	49,064	49,064	50,891	(1,827)
Subtotal - Personnel services	1,892,818	1,892,818	1,697,963	194,855

The accompanying notes are an integral part of this statement.

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NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - COMBINED SERVICE
DELIVERY AREA - INSPECTION FEE FUND - DETAILED STATEMENT (CONTINUED)
Year Ended September 30, 2020

	Inspection Fee Fund			
	Original	Final	Actual	Variance
	Budget	Budget		Favorable (Unfavorable)
Operating expenditures:				
Uniforms	1,000	1,000	2,606	(1,606)
Telephone	1,000	1,000	-	1,000
Utilities	2,500	2,500	-	2,500
Rent	50,000	50,000	50,000	-
Maintenance				
Computer software & supplies	50,000	50,000	43,541	6,459
Hydrant	-	-	-	-
Supplies				
Office	2,000	2,000	263	1,737
Miscellaneous				
Dues & subscriptions	6,000	6,000	4,477	1,523
Fire prevention	4,000	4,000	2,712	1,288
Training	20,000	20,000	6,845	13,155
Travel	8,000	8,000	2,001	5,999
Subtotal - Operating expenditures	<u>144,500</u>	<u>144,500</u>	<u>112,445</u>	<u>32,055</u>
Capital outlay:				
Office facility	-	-	-	-
Vehicles	-	-	-	-
Subtotal - Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:				
Principal reduction				-
Interest and fiscal charges	-	-	-	-
Subtotal - Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reserves:	<u>136,888</u>	<u>164,024</u>	<u>-</u>	<u>164,024</u>
TOTAL EXPENDITURES	<u>2,174,206</u>	<u>2,201,342</u>	<u>1,810,408</u>	<u>390,934</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>(1,022)</u>	<u>\$ (1,022)</u>
FUND BALANCE - Beginning			<u>165,842</u>	
FUND BALANCE - Ending			<u>\$ 164,820</u>	

The accompanying notes are an integral part of this statement.

**NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended September 30, 2020**

<u>Grantor Agency/Program Title</u>	<u>Federal CFDA/ Number</u>	<u>Grantor's Number</u>
FEDERAL AGENCY		
<u>U.S. Department of Treasury</u>		
<u>TYPE A - MAJOR</u>		
Passed through Collier County Board of County Commissioners Coronavirus Relief Fund - CARES Act	21.019	FAIN# Y2265
<u>U.S. Department of Homeland Security</u>		
<u>TYPE B - NON MAJOR</u>		
Passed through the Florida Department of Financial Services from Federal Emergency Management Agency (FEMA)		
Disaster Grant - Public Assistance - Hurricane Michael	97.036	DR4399
Disaster Grant - Public Assistance - Hurricane Dorian	97.036	EM3419
Disaster Grant - Public Assistance - Hurricane Irma	97.036	DR4337/Z0400
Passed through State of Florida Division of Emergency Management		
Hazard Mitigation Grant Program	97.039	19-HM-4377-11BF/H0148
<u>Federal Emergency Management Agency (FEMA)</u>		
Assistance to Firefighters Grant (AFG) - COVID-19 Supplemental Grant	97.044	EMW-2020-FG-01554
Staffing of Adequate Fire and Emergency Response SAFER - Assistance to Firefighters Grants	97.083	EMW-2015-FF-00426
		Total
		TOTAL FEDERAL FINANCIAL AWARDS

(1) Recorded as due from other governments at 9/30/2020.

<u>Program or Award Amount</u>	<u>Receipts/ Revenue</u>	<u>Disbursements/ Expenditures</u>	<u>Pass through to Subrecipients</u>
\$ 1,000,000	\$ 1,000,000 (1)	\$ 1,000,000	\$ -
208,394	208,394	208,394	-
23,512	23,512	23,512	-
902,850	2,625	2,625	-
<u>1,134,756</u>	<u>234,531</u>	<u>234,531</u>	<u>-</u>
75,396	75,396 (1)	75,396	-
85,818	85,818 (1)	85,818	-
<u>527,473</u>	<u>23,719</u>	<u>23,719</u>	<u>-</u>
<u>1,823,443</u>	<u>419,464</u>	<u>419,464</u>	<u>-</u>
<u>\$ 2,823,443</u>	<u>\$ 1,419,464</u>	<u>\$ 1,419,464</u>	<u>\$ -</u>

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2020

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NOTE A - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and is in accordance with the provisions of the OMB Uniform Guidance.

Expenditures reported on the Schedule of Expenditures of Federal Awards include cash disbursements, whether capitalized or expensed, during the fiscal year as well as grant related amounts recorded as payable at year end. Revenues reported on the Schedule of Expenditures of Federal Awards include cash receipts, whether recognized or deferred, as well as grant receivables recorded at year end.

NOTE B - INDIRECT COSTS

The District did not routinely allocate indirect costs to Federal Awards. Costs charged to such programs were direct costs.

The District has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

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

Fiscal year ending September 30:	2020	2019	2018	2017
District's proportion of the net pension liability	0.021696122%	0.027233351%	0.031414516%	0.038802719%
District's proportionate share of the net pension liability	\$ 9,403,419	\$ 9,378,787	\$ 9,462,215	\$ 11,477,584
District's covered-employee payroll	\$ 4,887,399	\$ 5,436,629	\$ 5,753,921	\$ 6,933,311
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	192.40%	172.51%	164.45%	165.54%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%

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)**

	2020	2019	2018	2017
Contractually required contribution	\$ 775,095	\$ 887,696	\$ 912,380	\$ 1,119,238
Contributions in relation to the contractually required contribution	<u>775,095</u>	<u>887,696</u>	<u>912,380</u>	<u>1,119,238</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,887,399	\$ 5,436,629	\$ 5,753,921	\$ 6,933,311
Contributions as a percentage of covered-employee payroll	15.86%	16.33%	15.86%	16.14%

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

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

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

2016	2015	2014
0.040983896%	0.038209683%	0.041592399%
\$ 10,348,466	\$ 4,935,293	\$ 2,537,748
\$ 6,745,995	\$ 6,326,722	\$ 6,293,887
153.40%	78.01%	40.32%
84.88%	92.00%	96.09%

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

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

Fiscal year ending September 30:	2020	2019	2018	2017
District's proportion of the net pension liability	0.014221549%	0.016634678%	0.019013168%	0.021233558%
District's proportionate share of the net pension liability	\$ 1,736,428	\$ 1,861,254	\$ 2,012,375	\$ 2,270,390
District's covered-employee payroll	\$ 4,887,399	\$ 5,436,629	\$ 5,753,921	\$ 6,933,311
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.53%	34.24%	34.97%	32.75%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%

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)**

	2020	2019	2018	2017
Contractually required contribution	\$ 58,340	\$ 66,816	\$ 68,674	\$ 84,244
Contributions in relation to the contractually required contribution	58,340	66,816	68,674	84,244
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,887,399	\$ 5,436,629	\$ 5,753,921	\$ 6,933,311
Contributions as a percentage of covered-employee payroll	1.19%	1.23%	1.19%	1.22%

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

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

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

2016	2015	2014
0.021530658%	0.021138780%	0.021145042%
\$ 2,509,309	\$ 2,155,823	\$ 1,977,113
\$ 6,745,995	\$ 6,326,722	\$ 6,293,887
37.20%	34.07%	31.41%
0.97%	0.50%	0.99%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL PENSION LIABILITY:			
Net Change in Total Pension Liability	\$ 13,059,479	\$ 13,150,199	\$ 10,364,336
Total Pension Liability - Beginning of Year	<u>97,252,548</u>	<u>84,102,349</u>	<u>73,738,012</u>
Total Pension Liability - End of Year	<u>\$ 110,312,027</u>	<u>\$ 97,252,548</u>	<u>\$ 84,102,348</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>
PLAN FIDUCIARY NET POSITION:			
Net Change in Fiduciary Net Position	\$ 13,205,641	\$ 7,964,763	\$ 10,180,873
Fiduciary Net Position - Beginning of Year	<u>88,893,450</u>	<u>80,928,687</u>	<u>70,747,813</u>
Fiduciary Net Position - End of Year	<u>\$ 102,099,091</u>	<u>\$ 88,893,450</u>	<u>\$ 80,928,686</u>
NET PENSION LIABILITY - ENDING	<u>\$ 8,212,936</u>	<u>\$ 8,359,098</u>	<u>\$ 3,173,662</u>
PLAN FIDUCIARY ENDING NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	92.55%	91.40%	96.23%
COVERED EMPLOYEE PAYROLL	\$ 14,829,151	\$ 14,434,146	\$ 13,739,853
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	55.38%	57.91%	23.10%

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

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

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

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

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

95.94%	94.82%	99.99%
--------	--------	--------

\$ 13,771,976	\$ 11,890,295	\$ 9,674,942
---------------	---------------	--------------

21.71%	26.86%	0.08%
--------	--------	-------

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,306,381	\$ 2,769,139	\$ 2,990,030	\$ 2,933,393
Contributions in relation to the contractually required contribution	<u>2,306,381</u>	<u>2,769,139</u>	<u>2,990,030</u>	<u>2,933,393</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 14,829,151	\$ 14,434,146	\$ 13,739,853	\$ 13,771,976
Contributions as a percentage of covered-employee payroll	15.55%	19.18%	21.76%	21.30%

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

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

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,735,437	\$ 1,107,133	\$ 1,518,926
1,735,437	1,107,133	1,518,926
\$ -	\$ -	\$ -
\$ 11,890,295	\$ 9,671,942	\$ 8,770,495
14.60%	11.45%	15.44%

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

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

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -
FIREFIGHTERS' PENSION TRUST FUND
September 30, 2020

	Firefighters' Pension Trust Fund
Valuation date	10/01/18
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Mortality table	MP-2018 Combined Healthy
Remaining amortization period	27 years (as of 10/1/17)
Actuarial asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate	7.2% (net of fees)
Projected salary increase	Graduated based on Service (9% per year for first 10 years & (3% per year for 10 or more years)
Inflation	2.5%
Post retirement cost of living adjustment	3%
Measurement date	September 30, 2019

Changes of Assumptions

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

Benefit changes effective January 1, 2019:

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

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

For the year ended September 30, 2020, the following changes to assumptions occurred: 1) mortality tables changed from RP-2000 to MP-2018, and 2) investment rate changed from 7.4% to 7.2%.

Changes of Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments was reduced from 6.90% to 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate was decreased from 3.50% to 2.21% and was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018.

Florida Retirement System Pension Plan

There were changes in actuarial assumptions. As of June 30, 2020, the inflation rate assumption decreased to 2.40 percent from 2.60, the real payroll growth assumption was increased to .85 percent from .65, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return was reduced from 6.90 percent to 6.80 percent.

Health Insurance Subsidy Pension Plan

The municipal rate used to determine total pension liability decreased from 3.50 percent to 2.21 percent.

Pension Expense and Deferred Outflows/Inflows of Resources

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

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

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

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2020 was reduced from 6.4 to 5.9 years for FRS and remained at 7.2 years for HIS.

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

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

Net OPEB Liability	2020	2019	2018
Service Cost	\$ 557,861	\$ 684,930	\$ 723,937
Interest Cost on Total OPEB Liability	385,797	387,918	326,072
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	417,788	-
Changes in Assumptions	591,573	(2,363,827)	(620,125)
Benefit Payments	(449,043)	(406,464)	(373,760)
Net Change in net OPEB Liability	1,086,188	(1,279,655)	56,124
Net OPEB Liability - Beginning of Year	8,893,953	10,173,608	10,117,484
Net OPEB Liability - End of Year	<u>\$ 9,980,141</u>	<u>\$ 8,893,953</u>	<u>\$ 10,173,608</u>

Measurement Date 9/30/2019 9/30/2018 9/30/2017

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

Plan Fiduciary Net Position as of September 30:

	2020	2019	2018
Contributions - Employer (including PEHP)	\$ 449,043	\$ 406,464	\$ 373,760
Net Investment Income	-	-	-
Benefit Payments	(449,043)	(406,464)	(373,760)
Administrative Expense	-	-	-
Net Change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-
Fiduciary Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Net OPEB Liability	9,980,141	8,893,953	10,173,608
Fiduciary Net Position as a % of Net OPEB Liability	0.00%	0.00%	0.00%

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

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

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

Notes to the Schedule:

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

Population covered by Plan: 278

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

ADDITIONAL REPORTS



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the basic financial statements of the governmental activities and each major and non-major fund of North Collier Fire Control and Rescue District (the "District") as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated May 7, 2021.

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 corrected on a timely basis. A significant deficiency is a deficiency, or a combination of

INTEGRITY SERVICE EXPERIENCE

deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of This Report

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 7, 2021



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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited North Collier Fire Control and Rescue District's compliance with the types of compliance requirements described in the OMB Compliance Supplement Supplement, as applicable, that could have a direct and material effect on each of North Collier Fire Control and Rescue District's major federal programs for the year ended September 30, 2020. North Collier Fire Control and Rescue District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of North Collier Fire Control and Rescue District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about North Collier Fire Control and Rescue District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

INTEGRITY SERVICE EXPERIENCE

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of North Collier Fire Control and Rescue District's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, North Collier Fire Control and Rescue District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

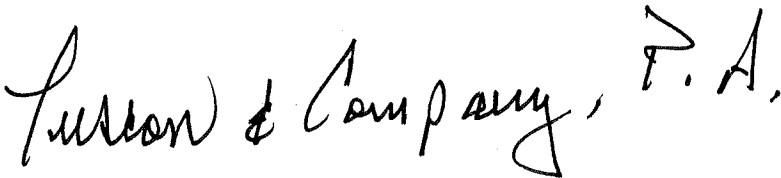
Management of North Collier Fire Control and Rescue District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered North Collier Fire Control and Rescue District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of North Collier Fire Control and Rescue District's internal control over compliance.

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

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

Purpose of the Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 7, 2021

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED
COSTS - FEDERAL AWARDS
Year ended September 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued			Unmodified	
Internal control over financial reporting:				
Control deficiency(ies) identified?	_____	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u> X </u>	No
Material weakness(es) identified?	_____	Yes	<u> X </u>	None reported
Noncompliance material to financial statements noted?	_____	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:				
Control deficiency(ies) identified?	_____	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u> X </u>	No
Material weakness(es) identified?	_____	Yes	<u> X </u>	None reported
Type of auditors report issued on compliance for major programs			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section 200.516(a)?	_____	Yes	<u> X </u>	No

Identification of major programs (Type A):

CFDA	
<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	U.S. Department Treasury Coronavirus Relief Fund

Dollar threshold used to distinguish between

Type A and Type B programs Threshold used was \$750,000.

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED
COSTS - FEDERAL AWARDS
Year ended September 30, 2020

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Listing of Subrecipients and matching amounts passed-through:

None - not applicable

Section II- Financial Statement Findings

There were no deficiencies, material weaknesses, or instances of noncompliance related to the financial statements.

Section III- Federal Award Findings and Questioned Costs

There were no audit findings related to Federal Awards required to be reported by 2 CFR, Section 200.516(a).

Section IV- Status of Federal Prior Year Findings

There were no prior year findings.



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

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

We have examined North Collier Fire Control and Rescue District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for North Collier Fire Control and Rescue District's compliance with those requirements. Our responsibility is to express an opinion on North Collier Fire Control and Rescue District's compliance based on our examination.

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

In our opinion, North Collier Fire Control and Rescue District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
 Fort Myers, Florida
 May 7, 2021

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INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

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

We have audited the accompanying basic financial statements of North Collier Fire Control and Rescue District (the "District") as of and for the year ended September 30, 2020 and have issued our report thereon dated May 7, 2021.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated May 7, 2021, should be considered in conjunction with this report to management.

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

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

INTEGRITY SERVICE EXPERIENCE

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, we have applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit, we determined that the District did not meet any of the criteria of a deteriorating financial condition described in Auditor General Rule Section 10.554(1)(i)(6).c.
- Pursuant to Section 10.554(1)(i)5b.2, Rules of the Auditor General, if a deteriorating financial condition(s) is noted then a statement is so required along with the conditions causing the auditor to make such a conclusion. No such conditions were noted.
- Pursuant to Section 10.554(1)(i)5.c., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this District (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.

- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the District's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated May 7, 2021, included herein.
- Section 10.557(3)(m), Rules of the Auditor General, requires a notarized affidavit, related to impact fees, signed and sworn to by the Chief Financial officer be included in the audit report. Such affidavit is included as Exhibit 2.

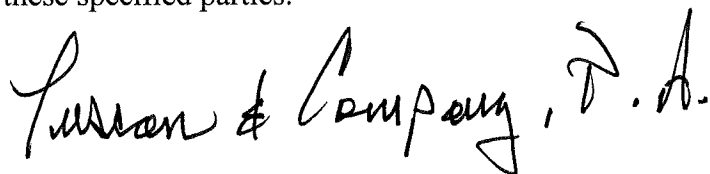
PRIOR YEAR COMMENTS:

There were no financially significant prior year comments.

CURRENT YEAR COMMENTS:

There were no financially significant comments noted.

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

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

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 7, 2021

EXHIBIT 1



June 24, 2021

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

We are pleased to note that the audit report for the fiscal year 2019/2020 for the North Collier Fire Control and Rescue District reflected no current or prior year comments which require management's response.

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

Sincerely,

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT

NORTH COLLIER FIRE CONTROL AND RESCUE DISTRICT

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

BOARD OF FIRE COMMISSIONERS

M. James Burke ■ James A. Calamari ■ Christopher L. Crossan ■ Norman E. Feder ■ J. Christopher Lombardo

EXHIBIT 2

IMPACT FEE AFFIDAVIT

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

1. I am the Chief Financial Officer of the North Collier Fire Control and Rescue District (NCFR), which is an independent special district of the State of Florida;
2. NCFR adopted Resolution No. 19-023 implementing an impact fee; and
3. NCFR has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Ben Van Klingerren, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF COLLIER

SWORN TO AND SUBSCRIBED before me this 1st day of April, 2021.

NOTARY PUBLIC

Print Name LORI FREIBURG

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

1/8/2024



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