

**TICE FIRE PROTECTION &
RESCUE SERVICE DISTRICT**

September 30, 2019

**FINANCIAL STATEMENTS,
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR**

TABLE OF CONTENTS

	<u>Page(s)</u>
Report of Independent Auditor	1 - 2
Management's Discussion and Analysis	3 - 7
Basic Financial Statements	
Statement of Net Position.....	8
Statement of Activities.....	9
Balance Sheet.....	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	11
Statement of Revenues, Expenditures and Changes in Fund Balance.....	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities.....	13
Notes to Basic Financial Statements.....	14 - 33
Required Supplementary Information	
Budgetary Comparison Schedule - Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund - Budget and Actual.....	34
Budgetary Comparison Schedule - Statement of Revenues, Expenditures and Changes in Fund Balance - Impact Fee Fund - Budget and Actual.....	35
Schedule of District Contributions – Pension Plan.....	36
Schedule of the District’s Net Proportionate Share of the Net Pension Liability – Pension Plan.....	37
Schedule of District Contributions – HIS Plan.....	38
Schedule of the District’s Net Proportionate Share of the Net Pension Liability - HIS Plan.....	39
Schedule of Changes in Total OPEB Liability and Related Ratios.....	40
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41 - 42
Independent Auditor's Management Letter	43 - 44
Independent Accountant's Examination Report	45

Report of Independent Auditor

Board of Commissioners
Tice Fire Protection and Rescue Service District
Fort Myers, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Tice Fire Protection and Rescue Service District (the "District"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility (Continued)

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2019, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 11, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Handwritten signature in blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive, flowing style.

Punta Gorda, Florida
June 11, 2020

**MANAGEMENT'S
DISCUSSION & ANALYSIS**

Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019

Our discussion and analysis of the Tice Fire Protection & Rescue Service District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the fiscal year by \$1,642,807 (net position).
- As of the close of the current fiscal year, the District reported ending fund balance of \$1,274,765, an increase of \$7,223. Ending fund balance in comprised of \$242,249 that is restricted for capital additions and \$1,032,516 is available for spending at the District's discretion.
- The District's long-term debt is comprised of compensated absences of \$158,413, capital lease of \$578,136, other post-employment benefits of \$798,979, and net pension liability of \$5,247,951 totaling \$6,783,479.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. This report also includes other supplementary information in addition to the financial statements themselves.

The Statement of Net Position (page 8) and The Statement of Activities (page 9) provide information about the activities of the District and present a longer-term view of the District's finances. The statements are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The governmental financial statements begin on page 10. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliation on pages 11 & 13 that convert this data to an economic resources measurement focus and the accrual basis of accounting for use in the financial

The Statement of Net Position and the Statement of Activities

Government-wide financial statements are intended to allow the 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. For purposes of these statements, only governmental type activities are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the District's assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives.

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 14.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A significant portion of the District's assets (53%) reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and furniture, and vehicles). The District uses these capital assets to provide services to the citizens and property owners, consequently, these assets are not available for future spending. The District's investment in its capital assets is reported net of related debt.

The unrestricted category of net position, has a deficit of \$4,036,606 at year end as a result of the increase in the net pension liability.

**Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

**Summary of Net Position
Fiscal Year Ended September 30,**

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets	\$ 1,351,830	\$ 1,385,475
Capital Assets	2,729,686	3,033,480
Total Assets	<u>4,081,516</u>	<u>4,418,955</u>
Deferred Outflows of Resources	<u>2,298,989</u>	<u>2,572,976</u>
Total Assets and Deferred Outflows of Resources	<u>6,380,505</u>	<u>6,991,931</u>
Liabilities		
Current Liabilities	77,065	117,933
Long-Term Liabilities	<u>6,783,479</u>	<u>6,385,162</u>
Total Liabilities	<u>6,860,544</u>	<u>6,503,095</u>
Deferred Inflows of Resources	<u>1,162,768</u>	<u>1,396,379</u>
Total Liabilities and Deferred Inflows of Resources	<u>8,023,312</u>	<u>7,899,474</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	2,151,550	2,405,526
Restricted for Capital Additions	242,249	209,692
Unrestricted	<u>(4,036,606)</u>	<u>(3,522,761)</u>
Total Net Position	<u>\$ (1,642,807)</u>	<u>\$ (907,543)</u>

**Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

**District's Change in Net Position
Fiscal Year Ended September 30,**

	<u>2019</u>	<u>2018</u>
Revenues		
Property Taxes	\$ 3,165,332	\$ 2,984,142
Charges for Services	4,835	4,985
Grant revenues	9,776	252,816
Interest Income	37,381	26,097
Miscellaneous	66,227	139,089
Impact Fees	28,721	13,758
Total revenues	<u>3,312,272</u>	<u>3,420,887</u>
Expenses		
Public Safety	<u>4,047,536</u>	<u>3,774,346</u>
Total Expenses	<u>4,047,536</u>	<u>3,774,346</u>
(Decrease) Increase in Net Position	<u>(735,264)</u>	<u>(353,459)</u>
Net position – Beginning of the year	(907,543)	234,138
Restatement	-	(788,222)
Net position – Beginning of the year, as restated	<u>(907,543)</u>	<u>(554,084)</u>
Net position – End of the year, as restated	<u>\$ (1,642,807)</u>	<u>\$ (907,543)</u>

Property taxes revenue continue as our primary sources of revenue. In the current fiscal year, the ad-valorem tax revenue slightly increased. Historically, property taxes have increased annually due to an increase in property values and new construction throughout the District. Public safety expenses increased in the current year due to a \$388,185 increase in pension expense.

**Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of September 30, 2019 reflect an investment of \$2,729,686 net of accumulated depreciation.

The following table provides a summary of net capital assets.

	<u>2019</u>	<u>2018</u>
Land	\$ 97,472	\$ 97,472
Buildings & Improvements	1,897,957	1,897,957
Equipment & Furniture	888,667	856,686
Vehicles	<u>2,205,856</u>	<u>2,197,117</u>
Total Assets	5,089,952	5,049,232
Less: Accumulated Depreciation	<u>(2,360,266)</u>	<u>(2,015,752)</u>
Total Capital Assets, net	<u>\$ 2,729,686</u>	<u>\$ 3,033,480</u>

Depreciation expense for the years ended September 30, 2019 and 2018 was \$344,514 and \$342,624, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Local indicators point to a gradual increase in real property values within the District.

The District relies on property taxes for the largest portion of its budget. Taxable property value within the District increased in 2018-19.

When these factors were considered in preparing the District's budget for the 2019-2020 fiscal year, the District adopted the maximum millage rate of 3.65 mills per thousand, which is the same as the 2018-2019 millage rate.

REQUEST FOR INFORMATION

The District's financial statements are designed to present users (citizens, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning this report or requests for additional financial information should be directed to:

Ted Ross, Fire Chief
Tice Fire Protection & Rescue Service District
9351 Workmen Way
Fort Myers, FL 33905
(239)694-2380

**BASIC
FINANCIAL STATEMENTS**

Tice Fire Protection & Rescue Service District
STATEMENT OF NET POSITION
September 30, 2019

Assets

Current assets:

Cash and cash equivalents	\$ 1,312,171
Due from other governments	35,920
Fire inspections receivable	3,739
Total Current Assets	1,351,830

Noncurrent assets:

Land	97,472
Capital assets being depreciated (net of \$2,360,266 accumulated depreciation)	2,632,214
Total noncurrent assets	2,729,686

Total assets	4,081,516
--------------	-----------

Deferred Outflows of Resources

Total Assets and Deferred Outflows of Resources	2,298,989
	6,380,505

Liabilities

Current liabilities:

Accounts payable	5,278
Accrued expenses	71,787
Total current liabilities	77,065

Noncurrent liabilities:

Capital Lease - Due within one year	51,724
Capital Lease - Due in more than one year	526,412
Net pension liability	5,247,951
Other post-employment benefits	798,979
Compensated absences	158,413
Total noncurrent liabilities	6,783,479

Total Liabilities	6,860,544
-------------------	-----------

Deferred Inflows of Resources

Total Liabilities and Deferred Inflows of Resources	1,162,768
	8,023,312

Net Position

Invested in capital assets, net of related debt	2,151,550
Restricted for:	
Capital additions	242,249
Unrestricted	(4,036,606)
Total net position	\$ (1,642,807)

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District
STATEMENT OF ACTIVITIES
Fiscal Year Ended September 30, 2019

Function/Program Activities	Expenses	Program Revenues		Net Expense & Changes In Net Position
		Charges for Services	Operating Grants	Total
Governmental activities:				
Public safety	\$ 4,047,536	\$ 4,835	\$ 9,776	\$ 4,032,925
General revenues:				
Ad-Valorem revenue				3,165,332
Interest income				37,381
Impact fees				28,721
Miscellaneous				66,227
Total general revenues				3,297,661
Change in net position				(735,264)
Net position, beginning, October 1, 2018				(907,543)
Net position, ending, September 30, 2019				\$ (1,642,807)

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2019

	General Fund	Impact Fee Fund (non-major)	Total
ASSETS			
Cash and cash equivalents	\$ 1,093,824	\$ 218,347	\$ 1,312,171
Due from other funds	-	13,433	13,433
Due from other governments	25,451	10,469	35,920
Fire inspections receivable	3,739	-	3,739
	<u>\$ 1,123,014</u>	<u>\$ 242,249</u>	<u>\$ 1,365,263</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 5,278	\$ -	\$ 5,278
Accrued liabilities	71,787	-	71,787
Due to other funds	13,433	-	13,433
	<u>90,498</u>	<u>-</u>	<u>90,498</u>
Fund Balance			
Restricted for capital asset additions	-	242,249	242,249
Unassigned	1,032,516	-	1,032,516
	<u>1,032,516</u>	<u>242,249</u>	<u>1,274,765</u>
	<u>\$ 1,123,014</u>	<u>\$ 242,249</u>	<u>\$ 1,365,263</u>

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2019

Total governmental funds balance	\$	1,274,765
----------------------------------	----	-----------

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

Deferred inflows and outflows related to pensions are reported on the Statement of Net Position, but do not require the use of current financial resources and are not reported on the fund financial statements.		1,136,221
---	--	-----------

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

Cost of assets	\$	5,089,952	
Accumulated depreciation		<u>(2,360,266)</u>	2,729,686

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at fiscal year-end consist of:

Capital Lease		(578,136)	
Net pension liability		(5,247,951)	
Other post-employment benefits		(798,979)	
Compensated absences		<u>(158,413)</u>	<u>(6,783,479)</u>

Total net position	\$	<u><u>(1,642,807)</u></u>
--------------------	----	---------------------------

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended September 30, 2019

	General Fund	Impact Fee Fund (non-major)	Total
Revenues			
Taxes	\$ 3,165,332	\$ -	\$ 3,165,332
Intergovernmental	12,612	-	12,612
Impact Fees	-	28,721	28,721
Interest Income	33,545	3,836	37,381
Proceeds from Insurance	9,639	-	9,639
Miscellaneous	39,267	-	39,267
Total Revenues	3,260,395	32,557	3,292,952
Expenditures			
Public Safety			
Personal Services	2,841,475	-	2,841,475
Operating Expenditures	349,569	-	349,569
Capital Outlay	21,400	-	21,400
Debt Service	73,285	-	73,285
Total Expenditures	3,285,729	-	3,285,729
Excess of Revenues Over/(Under)			
Expenditures	(25,334)	32,557	7,223
Fund balance, beginning, October 1, 2018	1,057,850	209,692	1,267,542
Fund balance, ending, September 30, 2019	<u>\$ 1,032,516</u>	<u>\$ 242,249</u>	<u>\$ 1,274,765</u>

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2019

Net change in fund balance - total governmental fund	\$	7,223
--	----	-------

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

The increase in pension expense is reported in the Statement of Activities, but does not require a use of current financial resources and is reported as an expenditure in the fund financial statements.		(533,104)
---	--	-----------

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and capital asset adjustments exceeded expenditures for capital assets in the current period:

Capital outlay	\$ 21,400		
Donations	19,320		
Less: current year depreciation	<u>(344,514)</u>		(303,794)

The repayment of the principal of long-term debt is an expenditure in the Statement of Revenues, Expenditures and Change in Fund Balance, but reduce long-term liabilities in the Statement of Net Position.		49,818
--	--	--------

In the statement of activities, certain operating expenses; changes in compensated absences and other post employment benefits, are measured by the amounts earned during the year. However, in the governmental funds, expenditures for these items are measured by the amount of financial resources used. This amount represents the decrease in the accrual of compensated absences and the decrease in other post employment benefits.		<u>44,593</u>
---	--	---------------

Change in net position		<u><u>\$ (735,264)</u></u>
------------------------	--	----------------------------

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Defining the Governmental Reporting Entity: The Tice Fire Protection and Rescue Service District (the “District”) is a local governmental unit created by the State of Florida Legislature under Chapter 76-413, Laws of Florida, to provide fire protection and rescue services to a certain prescribed area in Fort Myers, Florida. The District is funded primarily by property taxes and is operated by a five-person Board of Commissioners (the “Commissioners”), who are elected for terms of four years.

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis – for State and Local Governments*. Statement 34 establishes standards for external financial reporting for all state and local governmental entities. This statement requires the 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, there are no component units included in the District’s financial statements.

Fund Accounting: 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, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for in individual funds, based upon the purposes for which they are spent and the means by which spending activities are controlled. The following funds are used by the District:

General Fund - The General Fund is the general operating fund of the District. All financial resources which are not specifically restricted or designated as to use are recorded in the General Fund. At present, the District utilizes only one fund.

Impact Fee Fund (non-major) - The special revenue fund is used to account for impact fees that are legally restricted to expenditure for a particular purpose.

Major Funds - The District reports the general fund as a major fund.

Basic Financial Statements: The basic financial statements include a Statement of Net Position, Statement of Activities, Balance Sheet, and a Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Net Position is presented as assets less liabilities equal net position and shown with two components: amounts invested in capital assets, net of related debt; and unrestricted net position. The Statement of Activities reports functional categories of programs by the District and demonstrates how and to what degree those programs are supported by specific revenue.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Basis of Accounting: Basis of accounting refers to when revenue and expenditures 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 District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Capital Assets: Capital assets include land, buildings and improvements, equipment and furniture and vehicles. Capital assets are reported in the basic financial statements in the statement of net position. The District follows a capitalization policy which calls for capitalization of all fixed assets that have a cost or contributed value of \$1,000 or more and have a useful life in excess of one year. Capital assets are recorded at cost, or estimated historical cost. Contributed capital assets are valued at the estimated fair market value of the asset on the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Assets	Years
Buildings & Improvements	10 - 40
Equipment and Furniture	10
Vehicles	5 - 7

Depreciation on fixed assets acquired through contributions is recorded as an expense and transferred from net position as a reduction of contributed capital. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to earnings.

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 it is, at present, not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting: The following procedures are used by the District in establishing the budgetary data reflected in the basic financial statements:

1. During the summer, the Director submits to the Board of Commissioners, for their consideration, a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is adopted through a resolution by the Board of Commissioners.
4. Budget transfers and amendments are made throughout the year by approval of the Board of Commissioners.
5. Budget amounts, as shown in the Required Supplementary Information are as originally adopted, and as amended by the Board of Commissioners.
6. The budget for the Governmental Fund Type is adopted on a cash basis which is inconsistent with accounting principles generally accepted in the United States.
7. The level of control for appropriations is exercised at the activity level.

Impact Fees: The District receives impact fees in accordance with an interlocal agreement with Lee County, Florida. Impact fees collected by Lee County are remitted on a quarterly basis to the District. The District, with prior Lee County approval, may expend amounts collected on qualifying capital expenditures. Funds received that are not expended within six years must be refunded. Because of the eligibility requirements imposed in the agreement, (1) prior approval before expenditure and (2) refund if not expended, the District records receipts of funds as restricted cash.

Deferred Outflows/Inflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as expended until then. The District presents deferred outflows associated with pensions to be expensed over future periods. Deferred inflows of resources is defined as an acquisition of position by the government that is applicable to a future reporting period. The District presents deferred inflows of resources related to pensions.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance: The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Accordingly, in the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Non-Spendable Fund Balance - Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items not expected to be converted to and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Fund Balance - The total of the committed fund balance, assigned fund balance, and unassigned balance.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the District's Board of Commissioners, the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action (resolution) that imposed the constraint originally.

Assigned Fund Balance - Includes spendable fund balance amounts established by the administration of the District that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for the general fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District's policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance in that order under circumstances where a particular expenditure can be made from more than one fund classification.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Minimum Fund Balance Policy: Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process and the amounts of the individual funds including any minimum balance shall be determined during this process.

Use of 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 as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand and cash on deposit with financial institutions. At September 30, 2019, the carrying amount of the District's deposits were \$1,312,071, the bank balance was \$1,333,235 and petty cash on hand was \$100. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government.

NOTE 3. PROPERTY TAXES

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Lee County, Florida, Tax Collector's office bills and collects property taxes on behalf of the District. The tax rate levied upon the taxable property in the District for the fiscal year ended September 30, 2019 was 3.65 per \$1,000 of assessed taxable property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. On April 1 of each year, unpaid taxes become a lien on the property. The past due certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the District.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 4. CAPITAL ASSETS

Capital assets are recorded in the financial statements at historical cost or estimated historical cost if actual historical cost is not available. A summary of changes for the fiscal year is as follows:

	Balance Oct. 1, 2018	Additions	Deletions	Balance Sept. 30, 2019
Capital assets not being depreciated:				
Land	\$ 97,472	\$ -	\$ -	\$ 97,472
Total capital assets not being depreciated:	<u>97,472</u>	<u>-</u>	<u>-</u>	<u>97,472</u>
Capital assets being depreciated:				
Buildings & improvements	1,897,957	-	-	1,897,957
Equipment and furniture	856,686	31,981	-	888,667
Vehicles	2,197,117	8,739	-	2,205,856
Total capital assets being depreciated	<u>4,951,760</u>	<u>40,720</u>	<u>-</u>	<u>4,992,480</u>
Less accumulated depreciation for:				
Buildings	(612,486)	(49,458)	-	(661,944)
Equipment and furniture	(448,082)	(59,857)	-	(507,939)
Vehicles	(955,184)	(235,199)	-	(1,190,383)
Total accumulated depreciation	<u>(2,015,752)</u>	<u>(344,514)</u>	<u>-</u>	<u>(2,360,266)</u>
Total capital assets being depreciated, net	<u>2,936,008</u>	<u>(303,794)</u>	<u>-</u>	<u>2,632,214</u>
Governmental activities capital assets, net	<u>\$3,033,480</u>	<u>\$ (303,794)</u>	<u>\$ -</u>	<u>\$ 2,729,686</u>

The District received \$19,320 in a donation of a night scan light tower.

NOTE 5. LONG-TERM DEBT

Capital Leases

On December 15, 2017, the District purchased a 2017 E-One HP 78 Ladder on a Typhoon X Chassis for a total cost of \$730,705. The District financed \$380,000 of the purchase price by entering into a leasing agreement with a financial institution carrying a fixed annual interest rate of 3.468%. The lease will be repaid in fifteen annual installments of \$32,919 with a final payment due December 2031. The principal balance as of September 30, 2019 is

\$ 339,836

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 5. LONG-TERM DEBT (Continued)

Capital Leases (Continued)

On August 21, 2016, the District entered into a leasing agreement for twenty-six sets of new bunker gear in the amount of \$41,769 at 3.99% fixed interest rate. The lease will be repaid in five annual installments of \$9,380 with one final payment due August 2020 in the amount of \$9,380. The principal balance as of September 30, 2019 is 9,020

On April 1, 2018, the District purchased a E-One Typhoon Pumper for a total cost of \$420,658. The District financed \$250,000 of the purchase price by entering into a leasing agreement with a financial institution carrying a fixed annual interest rate of 4.11%. The lease will be repaid in ten annual installments of \$30,986 with a final payment due April 2028. The principal balance as of September 30, 2019 is 229,280

Total Capital Leases Payable \$ 578,136

The annual debt service requirements for capital leases payable at September 30, 2019 were as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 51,724	\$ 21,561	\$ 73,285
2021	44,323	19,582	63,905
2022	46,003	17,902	63,905
2023	47,748	16,157	63,905
2024	49,559	14,346	63,905
2025-2029	246,496	42,043	288,539
2030-2032	92,283	6,474	98,757
	<u>\$ 578,136</u>	<u>\$ 138,065</u>	<u>\$ 716,201</u>

The following is a summary of changes in long-term liabilities for the year ended September 30, 2019:

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Amounts Due Within One Year
Other post-employment benefits	\$ 835,794	\$ 41,641	\$ (78,456)	\$ 798,979	\$ -
Net Pension Liability:					
Pension Plan	4,152,327	1,334,101	(869,158)	4,617,270	-
HIS Plan	602,896	84,308	(56,523)	630,681	-
Capital Leases	627,954	-	(49,818)	578,136	51,724
Compensated absences	166,191	16,288	(24,066)	158,413	22,396
Total	<u>\$ 6,385,162</u>	<u>\$ 1,476,338</u>	<u>\$ (1,078,021)</u>	<u>\$ 6,783,479</u>	<u>\$ 74,120</u>

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 5. LONG-TERM DEBT (Continued)

Compensated Absences: The District's employees accumulate sick and vacation leave based on years of continuous service. Upon separation from the District, employees are entitled to all accumulated vacation leave. After 25 years of continuous service, one third of accumulated sick leave is paid to employees upon separation. As of September 30, 2019, the District recorded a liability for accrued vacation of \$140,037 and accrued sick time of \$18,376, totaling \$158,413.

NOTE 6. LINE OF CREDIT

On December 2, 2013, the District opened a \$250,000 line of credit at a financial institution. In accordance with the terms of the agreement, the District pledges and grants to the Lender a first priority security interest in all inventory, equipment, fixtures, goods, accounts, chattel paper, contract rights, documents, instruments, general intangibles, investment property, deposit accounts, letter of credit rights, payment intangibles, supporting obligations, software, and all rents, issues, profits, products, and proceeds thereof, wherever any of the foregoing is located. The initial variable interest rate on the line of credit was 2.66% per annum. During the year the District did not utilize the line of credit.

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The District's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the District. The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under the Florida Retirement System to continue medical insurance coverage as a participant in the District's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Employees Covered by Benefit Terms:

At September 30, 2017, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	26
	<u>30</u>

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Benefits Provided:

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the District are eligible to receive postemployment health care benefits. All retiree and dependent coverage is at the expense of the retiree.

Total OPEB Liability

The measurement date is September 30, 2018.

The measurement period for the OPEB expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2018 through September 30, 2019.

The Sponsor's Total OPEB Liability was measured as of September 30, 2018.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2017, updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.18%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	56

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

Discount Rate:

Given the District's decision not to fund the program, all future payments were discounted using a high-quality municipal bond rate of 4.18%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense:

For the year ended September 30, 2019, the Sponsor will recognize OPEB Expense (Revenue) of \$(10,573).

	Changes in Total OPEB Liability	
	Increases (Decreases) in Total OPEB Liability	
Reporting Period Ending September 30, 2018	\$	835,794
Changes for a Year:		
Service Cost		11,280
Interest		30,361
Changes of Assumptions		(52,214)
Benefit Payments		(26,242)
Net Changes		(36,815)
Reporting Period Ending September 30, 2019	\$	798,979

Changes of assumptions reflect a change in the discount rate from 3.64% for the fiscal year ending September 30, 2018 to 4.18% for the fiscal year ending September 30, 2019.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 3.18%	Current Discount Rate 4.18%	1% Increase 5.18%
Total OPEB Liability	\$ 899,518	\$ 798,979	\$ 713,561

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates:

The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that is one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00% - 7.50%	Healthcare Cost Trend Rates 4.00% - 8.50%	1% Increase 5.00% - 9.50%
Total OPEB Liability	\$ 710,445	\$ 798,979	\$ 902,356

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS

Florida Retirement System:

General Information - All of the employees of the primary government participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, District government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:
www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan:

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS (Continued)

Pension Plan (Continued):

credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three 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 three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular--8.26% and 8.47%; Special Risk Administrative--34.98% and 38.59%; Special Risk--24.50% and 25.48%; Senior Management Service--24.06% and 25.41%; Elected Officers--48.70% and 48.82%; and DROP participants--14.03% and 14.60%. These employer contribution rates include the 1.66% HIS Plan subsidy for the periods October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019. Other than DROP participants, these employer contribution rates include .06% and .06% administrative fee for the periods October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively.

The District's contributions to the Pension Plan totaled \$410,772 for the fiscal year ended September 30, 2019, excluding HIS plan contributions.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS (Continued)

Pension Plan (continued):

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the District reported a liability of \$4,617,270 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District’s proportionate share of the net pension liability was based on the District’s 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was .01341%, which was a decrease of 0.00038% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the District recognized pension expense of \$535,187. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 273,863	\$ (2,865)
Change of assumptions	1,185,915	-
Net difference between projected and actual earnings on Pension Plan investments	-	(255,451)
Changes in proportion and differences between District Pension Plan contributions and proportionate share of contributions	80,919	(192,879)
District Pension Plan contributions subsequent to the measurement date	107,413	-
Total	<u>\$ 1,648,110</u>	<u>\$ (451,195)</u>

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS (Continued)

Pension Plan (continued):

The deferred outflows of resources related to the Pension Plan, totaling \$107,413 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2020	\$ 364,819
2021	123,764
2022	306,599
2023	230,383
2024	53,339
Thereafter	10,598

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

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table that varies by member category and sex, projected generationally with Scale MP-2018, updated to better anticipate expected future experience for those members while in FRS covered employment.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS (Continued)

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 (1):

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed income	18.0%	4.1%	4.1%	3.5%
Global equity	54.0%	8.0%	6.8%	16.5%
Real estate (property)	11.0%	6.7%	6.1%	11.7%
Private equity	10.0%	11.2%	8.4%	25.8%
Strategic investments	6.0%	5.9%	5.7%	6.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.7%

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

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The Pension 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 calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 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 one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	1%, Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 7,981,722	\$ 4,617,270	\$ 1,807,383

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS (Continued)

Pension Plan (continued):

Pension Plan Fiduciary Net Position - Detailed information regarding 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.

Payables to the Pension Plan - At September 30, 2019, the District reported \$8,490 as the amount payable for outstanding contributions to the Pension Plan.

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. 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 Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may 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 fiscal year ended September 30, 2018, the HIS contribution for the period October 1, 2018 through September 30, 2019 was 1.66%. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$31,118 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the District reported a liability of \$630,681 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was .00564%, which was an decrease of 0.00006% from its proportionate share measured as of June 30, 2018.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS (Continued)

HIS Plan (continued):

For the fiscal year ended September 30, 2019, the District recognized HIS expense (credit) of (\$2,083). In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,660	\$ (772)
Change of assumptions	73,024	(51,547)
Net difference between projected and actual earnings on HIS Plan investments	407	-
Changes in proportion and differences between District HIS Plan contribution and proportionate share of contributions	22,448	(55,135)
District HIS Plan contributions subsequent to the measurement date	<u>7,709</u>	<u>-</u>
Total	<u>\$ 111,248</u>	<u>\$ (107,454)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$7,709 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2020	\$ (7,073)
2021	(981)
2022	262
2023	(4,105)
2024	3,635
Thereafter	4,347

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

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.50%

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS (Continued)

HIS Plan (continued):

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables, updated to better anticipate expected future experience for those members while in FRS covered employment.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension 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 HIS 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 Pension Liability to Changes in the Discount Rate - The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 3.50%, 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 one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
District's proportionate share of the net pension liability	\$ 719,955	\$ 630,681	\$ 556,326

HIS Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the HIS Plan - At September 30, 2019, the District reported \$542 payable for outstanding contributions to the HIS Plan.

Investment Plan

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

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 8. RETIREMENT PLANS (Continued)

Investment Plan (Continued):

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. Board 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 District Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2018-19 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class--6.30%, Special Risk Administrative Support class--7.95%, Special Risk class--14.00%, Senior Management Service class--7.67% and District Elected Officers class--11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for 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 five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2019, 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.

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 Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's made no Investment Plan contributions for the fiscal year ended September 30, 2019.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2019

NOTE 9. DEFICIT UNRESTRICTED NET POSITION

The District reported a deficit net position in its unrestricted classification on the Statement of Net Position. The deficit is attributed to the implementation of GASB No. 68 which substantially increased the net pension liability.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Tice Fire Protection & Rescue Service District
BUDGETARY COMPARISON SCHEDULE

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund - Budget and Actual
Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 3,155,832	\$ 3,155,832	\$ 3,165,332	\$ 9,500
Firefighter Sup. Compensation	3,500	3,500	3,000	(500)
Interest Income	10,000	10,000	33,545	23,545
Donations	500	500	5,015	4,515
Sale of Fixed Assets	500	500	-	(500)
Inspection Fees	2,500	2,500	4,835	2,335
Grant Revenue	-	-	9,776	9,776
Proceeds from Insurance	-	-	9,639	9,639
Miscellaneous Revenue	-	-	16,641	16,641
Other Gov't Revenue	6,300	6,300	12,612	6,312
Total Revenues	<u>3,179,132</u>	<u>3,179,132</u>	<u>3,260,395</u>	<u>81,263</u>
Expenditures				
Public Safety				
Personal Services	2,952,028	2,952,028	2,841,475	110,553
Operating Expenditures	329,450	329,450	349,569	(20,119)
Capital Outlay	122,500	122,500	21,400	101,100
Debt Service	73,300	73,300	73,285	15
Total Expenditures	<u>3,477,278</u>	<u>3,477,278</u>	<u>3,285,729</u>	<u>191,549</u>
Excess of Revenues Over/(Under)				
Expenditures	<u>(298,146)</u>	<u>(298,146)</u>	<u>(25,334)</u>	<u>272,812</u>
Fund Balance - October 1, 2018	<u>1,078,386</u>	<u>1,078,386</u>	<u>1,057,850</u>	<u>(20,536)</u>
Fund Balance - September 30, 2019	<u>\$ 780,240</u>	<u>\$ 780,240</u>	<u>\$ 1,032,516</u>	<u>\$ 252,276</u>

Tice Fire Protection & Rescue Service District

BUDGETARY COMPARISON SCHEDULE

Statement of Revenues, Expenditures and Changes in Fund Balance - Impact Fee Fund - Budget and Actual
Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Impact Fees	\$ 15,000	\$ 15,000	\$ 28,721	\$ 13,721
Interest Income	-	-	3,836	3,836
Total Revenues	15,000	15,000	32,557	17,557
Expenditures				
Public Safety				
Capital Outlay	25,000	25,000	-	25,000
Total Expenditures	25,000	25,000	-	25,000
Excess of Revenues Over Expenditures	(10,000)	(10,000)	32,557	42,557
Fund Balance - October 1, 2018	268,760	268,760	209,692	(59,068)
Fund Balance - September 30, 2019	\$ 258,760	\$ 258,760	\$ 242,249	\$ (16,511)

Tice Fire Protection & Rescue Service District
Schedule of District Contributions - Pension Plan
For the Fiscal Year Ended September 30, 2019

Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 410,772	\$ 395,949	\$ 361,933	\$ 362,548	\$ 337,711	\$ 319,111
Contributions in relation to contractually require contribution	<u>(410,772)</u>	<u>(395,949)</u>	<u>(361,933)</u>	<u>(362,548)</u>	<u>(337,711)</u>	<u>(319,111)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$1,825,012	\$ 1,847,836	\$1,753,933	\$1,747,378	\$1,832,671	\$1,883,710
Contributions as a percentage of covered-employee payroll	22.51%	21.43%	20.64%	20.75%	18.43%	16.94%

Note: Data was unavailable prior to 2014.

Tice Fire Protection & Rescue Service District
 Schedule of the District's Proportionate Share of the Net Pension Liability - Pension Plan
 For the Fiscal Year Ended September 30, 2019

For the Last Six Fiscal Years Ended June 30

	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.001341%	0.013786%	0.013474%	0.014090%	0.013300%	0.014300%
District's proportionate share of the net pension liability	\$ 4,617,270	\$ 4,152,327	\$ 3,985,652	\$ 3,557,325	\$ 1,715,139	\$ 870,900
District's covered-employee payroll	\$ 1,885,115	\$ 1,860,478	\$ 1,717,846	\$ 1,738,676	\$ 1,841,757	\$ 1,897,766
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	244.93%	223.19%	232.01%	204.60%	93.13%	45.89%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Note: Data was unavailable prior to 2014.

Tice Fire Protection & Rescue Service District
 Schedule of District Contributions - HIS Plan
 For the Fiscal Year Ended September 30, 2019

Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 31,118	\$ 30,674	\$ 29,115	\$ 29,006	\$ 24,777	\$ 23,105
Contributions in relation to contractually require contribution	<u>(31,118)</u>	<u>(30,674)</u>	<u>(29,115)</u>	<u>(29,006)</u>	<u>(24,777)</u>	<u>(23,105)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$1,874,607	\$ 1,847,836	\$1,753,933	\$1,747,378	\$1,835,333	\$1,833,710
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.35%	1.26%

Note: Data was unavailable prior to 2014.

Tice Fire Protection & Rescue Service District
Schedule of the District's Proportionate Share of the Net Pension Liability - HIS Plan
For the Fiscal Year Ended September 30, 2019

For the Last Six Fiscal Years Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.005637%	0.005696%	0.005389%	0.006000%	0.006000%	0.006300%
District's proportionate share of the net pension liability	\$ 630,681	\$ 602,896	\$ 576,261	\$ 650,676	\$ 608,727	\$ 591,246
District's covered-employee payroll	\$1,885,115	\$ 1,860,478	\$1,717,846	\$1,738,676	\$1,845,276	\$1,897,766
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.46%	32.41%	33.55%	37.42%	32.99%	31.15%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: Data was unavailable prior to 2014.

Tice Fire Protection & Rescue Service District
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Fiscal Year Ended September 30, 2019

For the Last Fiscal Year Ended September 30

Reporting Period Ending Measurement Date	9/30/2019 9/30/2018	9/30/2018 9/30/2017
Total OPEB Liability		
Service Cost	11,280	12,499
Interest	30,361	27,044
Changes of Assumptions	(52,214)	(62,897)
Benefit Payments	(26,242)	(24,131)
Net Change in Total OPEB Liability	(36,815)	(47,485)
Total OPEB Liability - Beginning	835,794	883,279
Total OPEB Liability - Ending	\$ 798,979	\$ 835,794
Covered Employee Payroll (Projected)	\$ 1,892,915	\$ 1,846,747
Total OPEB Liability as a percentage of Covered Employee Payroll	42.21%	45.26%

Notes to Schedule:

Changes of Assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Fiscal Year Ending September 30, 2018:	4.18%
Fiscal Year Ending September 30, 2017:	3.64%

Covered Employee Payroll - Covered payroll is projected to the measurement date based on actual payroll as of the valuation date using applicable salary increase assumptions.

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

Board of Commissioners
Tice Fire Protection and Rescue Service District
Fort Myers, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of Tice Fire Protection and Rescue Service District, (the "District") as of and for the fiscal year ended September 30, 2019, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 11, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida
June 11, 2020

Independent Auditor's Management Letter

Board of Commissioners
Tice Fire Protection and Rescue Service District
Fort Myers, Florida

Report on the Financial Statements

We have audited the financial statements of the Tice Fire Protection and Rescue Service District, (the "District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 11, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Examination Report conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 11, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements. The District had no component units as of September 30, 2019.

Financial Condition and Management

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

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

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

Additional Matters

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 occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Punta Gorda, Florida
June 11, 2020

Independent Accountant's Examination Report

Board of Commissioners
Tice Fire Protection and Rescue Service District
Fort Myers, Florida

Report on Compliance

We have examined the Tice Fire Protection and Rescue Service District's (the "District") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Scope

Our examination was conducted in accordance with AICPA Professional Standards, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider 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 the District's compliance with specified requirements.

Opinion

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Ashley, Brown & Co.

Punta Gorda, Florida
June 11, 2020