GREATER NAPLES FIRE RESCUE DISTRICT
FIREFIGHTERS' PENSION PLAN
FINANCIAL STATEMENTS, TOGETHER WITH
ADDITIONAL REPORTS

YEARS ENDED
SEPTEMBER 30, 2016 AND 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Greater Naples Fire Rescue District
Firefighters' Pension Plan
14575 Collier Boulevard
Naples, Florida 34119

Report on the Financial Statements

We have audited the accompanying Statements of Fiduciary Net Position of the Greater Naples Fire Rescue District Firefighters' Pension Plan (the "Plan") as of September 30, 2016 and 2015 and the related Statements of Changes in Fiduciary Net Position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's 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 audits. We conducted our audits 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 Plan'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 Plan'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Greater Naples Fire Rescue District Firefighters' Pension Plan as of September 30, 2016 and 2015, and the changes in its fiduciary net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i - iv 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) 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) 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 basic financial statements that collectively comprise the Greater Naples Fire Rescue District Firefighters' Pension Plan's financial statements. The required supplementary information other than MD&A - schedules of changes in the employer net pension liability and related ratios, schedules of contributions by employer and other contributing entities, schedules of investment returns and schedule of funding progress and schedule of contributions by employer and other contributing entities are presented for purposes of additional analysis and is not a required part of 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 information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The Exhibit - Management's Response to Independent Auditor's Report to Management is not a required part of the basic financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated January 30, 2017, on our consideration of Greater Naples Fire Rescue District Firefighters' Pension Plan'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 Greater Naples Fire Rescue District Firefighters' Pension

Plan'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 January 30, 2017, on our consideration of Greater Naples Fire Rescue District Firefighters' Pension Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 30, 2017

Management’s Discussion and Analysis
(Required Supplementary Information)-Unaudited
September 30, 2016 and 2015

Our discussion and analysis of the Greater Naples Fire Rescue District Firefighters' Pension Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the fiscal years ended September 30, 2016 and 2015. Please read it in conjunction with the Plan's financial statements, which follow this discussion.

Financial Highlights

- The Plan's assets exceeded its liabilities at the close of the fiscal years ended September 30, 2016 and 2015 by $23,317,766 and $20,500,333, respectively, (reported as net position restricted for pension benefits). The increase of $2,817,433 and $813,698 for the years ended September 30, 2016 and 2015, respectively, has resulted from Plan contributions being offset by a downturn in the investment markets for the year ended September 30, 2015 and from significant increases in the fair value of the Plan's investments and routine contributions for the year ended September 30, 2016.

- The Plan's funded ratio, a comparison of the actuarial value of assets to the actuarial accrued pension benefit liability, changed from 82.14% as of the October 1, 2010 to 84.42% as of the October 1, 2011 valuation, to 119.44% as of the October 1, 2012 valuation, to 128.56% as of October 1, 2013, to 120.47% as of October 1, 2014, to 112.7% as of October 1, 2015 and to 116.43% as of October 1, 2016.

- The Plan’s total plan assets increased at September 30, 2016 to $23,352,046 as compared to September 30, 2015 of $20,604,005, an increase of $2,748,041 or 13%.

- For the year ended September 30, 2016, plan liabilities decreased by $69,392 (or 67%) as compared to that of September 30, 2015, primarily due to an decrease in unearned revenue which represented prepaid District contributions.

- For the year ended September 30, 2016, District contributions to the Plan increased by $58,611 (or 11%) based on the actuarial valuation. Actual District contributions were $575,788 and $517,177 for 2016 and 2015, respectively. The increase in actuarially required District contributions was primarily due to change in salary rates. The District contributed 100% of its required contribution for the years ended September 30, 2016 and 2015. The Plan used State contributions of $531,384 and $661,600 for the years ended September 30, 2016 and 2015 because it has not reached its frozen limit of $902,451. Florida Statute Chapter 175.351 was amended by Chapter 2015-39 which may affect the frozen limit amount in the future. The Plan also had $0 and $71,568 carried forward as unearned revenue of the Plan which represented prepaid District contribution at September 30, 2016 and 2015, respectively.

- For the year ended September 30, 2015, District contributions to the Plan increased by $11,161 (or 2%) based on the actuarial valuation. Actual District contributions were $517,177 and $506,016 for 2015 and 2014, respectively. The increase in actuarially required District contributions was primarily due to the Plan’s change in salary rates. The District contributed 100% of its required contribution for the years ended September 30, 2015 and 2014. The Plan used State contributions of $661,600 and $720,074 for the years ended September 30, 2015 and 2014 because it has not reached its frozen limit of $902,451. The Plan also had $71,568 and $201,909 carried forward as unearned revenue of the Plan which represented prepaid District contribution at September 30, 2015 and 2014, respectively.

- The Plan initiated a stop/restart in 2009. In addition to an increase in the State frozen limit (noted previously) the Plan initiated a “Share Plan”. The Share Plan allocated $1,217,569 of State Insurance Premium Tax revenue to the Plan participants in addition to the stated benefits from normal retirement. At September 30, 2016, the Share Plan’s balance was $995,910 due to Plan distributions of $49,132. At September 30, 2015, the Share Plan’s balance was $1,045,042 due to share Plan distributions of

$116,627 during the year.

- For the year ended September 30, 2016, Plan member contributions increased by $6,143 (or 5%). Actual Plan member contributions were $107,492 and $113,635 for 2016 and 2015 respectively. Plan member contributions fluctuate from year to year, based on the number of active members and pay rates.

- For the year ended September 30, 2015, Plan member contributions increased by $3,077 (or 3%). Actual Plan member contributions were $113,635 and $110,558 for 2015 and 2014 respectively. Plan member contributions have fluctuated from year to year, based on the number of active members and pay rates.

- For the year ended September 30, 2016, administrative expenses decreased by $3,511 (or 2%) from that of 2015 due primarily to an decrease in audit, bookkeeping, actuarial and administrator fees.

- For the year ended September 30, 2015, administrative expenses decreased by $1,200 (or 1%) from that of 2014.

Using the Audited Financial Statements

The financial statements reflect the activities of the Greater Naples Fire Rescue District Firefighters' Pension Plan and are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented on a full accrual basis, reflect all trust activities as incurred as well as a snapshot in time of account balances of investments at year end.

Statement of Fiduciary Net Position

The following are condensed Statements of Fiduciary Net Position Restricted for Pension Benefits for the Plan at September 30:

	2016	2015	2014
Cash and cash equivalents	$ 1,200,294	$ 902,677	$ 1,181,488
Receivables/prepaids	443,192	216,337	258,315
Investments	21,708,560	19,484,991	18,490,836
Total assets	23,352,046	20,604,005	19,930,639
Liabilities	34,280	103,672	244,004
Net position restricted for pension benefits	$ 23,317,766	$ 20,500,333	$ 19,686,635

Statement of Changes in Fiduciary Net Position

The Statement of Changes in Fiduciary Net Position Restricted For Pension Benefits, displays the effect of pension fund transactions that occurred during the fiscal year, where Additions — Deductions = Net Increase (or decrease) in Net Position. The table below reflects a condensed comparative summary of the changes in net position and reflects the activities of the Plan for the fiscal years ended September 30:

Management's Discussion and Analysis
(Required Supplementary Information)-Unaudited
September 30, 2016 and 2015

	2016	2015	2014
Additions:			
Contributions			
District	$ 575,788	$ 517,177	$ 506,016
Plan members	107,492	113,635	110,558
Buybacks	-	-	-
State of Florida	531,384	661,600	720,074
Total	1,214,664	1,292,412	1,336,648
Net investment income (loss)	1,918,305	(143,891)	1,575,197
Total Additions	3,132,969	1,148,521	2,911,845
Deductions:			
Benefits Paid to Members	100,331	49,013	45,866
Share distribution	49,132	116,627	-
Refunds of contribution	5,600	5,199	3,227
Administrative expenses	160,473	163,984	165,184
Total deductions	315,536	334,823	214,277
Net increase	2,817,433	813,398	2,697,568
Net position restricted for pension benefits at beginning of year	20,500,333	19,686,635	16,989,067
Net position restricted for pension benefits at end of year	$ 23,317,766	$ 20,500,333	$ 19,686,635

The Plan's investment activity, measured as of the end of any month, quarter or year, is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Actual returns for the years ended September 30, 2016, 2015 and 2014 affected the Plan's net position as a result of market flux.

The benefit payments are a function of changing payments to retirees, their beneficiaries (if the retiree is deceased) and new retirements during the period. During the year ended September 30, 2009, the Plan began paying its first benefits to a Plan participant. During the years ended September 30, 2016 and 2015, benefits were paid in the amount of $100,331 and $49,013, respectively, to participants. The Plan incurred legal fees of approximately $43,800 and $36,900, respectively, due to increased routine legal advice for the years ended September 30, 2016 and 2015, respectively.

Asset Allocation

At September 30, 2016, the domestic equity portion comprised 36% ($8,495,002) of total plan assets. The allocation to fixed income securities was 38% ($8,879,793), while cash and cash equivalents was 5% ($1,200,294) and receivables/prepaids were 1% ($443,192). The portion of investments allocated to international equity and real estate was $3,037,383 or 13% and $1,296,382 or 7%, respectively, of total assets.

At September 30, 2015, the domestic equity portion comprised 36% ($7,551,412) of total assets. The allocation to fixed income securities was 41% ($8,418,015), while cash and cash equivalents was 4% ($902,677) and receivables/prepaids were 1% ($216,337). The portion of investments allocated to international equity and real estate were $2,597,323 or 12% and $918,241 or 5%, respectively, of total assets.

The target asset allocations as of September 30, were as follows:

	2016	2015
Domestic equity	35%	35%
Fixed income	28%	28%
International equity	12%	12%
Real Estate	5%	5%
Infrastructure	5%	5%
Cash	2%	2%
High yield bonds	5%	5%
Convertibles	8%	8%

Net Pension Liability

For the years ended September 30, 2016 and 2015, the components of the Plan's net pension liability were:

	Total Pension Liability	Plan's Net Position	Plan's Net Pension Liability (Asset)	Plan's Net Position as a % of Total Pension Liability
9/30/2016	$ 21,209,968	$ 23,317,766	$ (2,107,798)	109.94%
9/30/2015	$ 18,695,947	$ 20,500,333	$ (1,804,386)	109.65%

Overall Plan Status

- As part of the 2009 Plan stop/restart initiative, the District was granted a credit of $902,451 to be offset against required District contributions. The District used the entire credit within the fiscal year ended September 30, 2010. The credit was made possible by the State agreeing to allow unapplied State Insurance Premium Tax revenue to be applied therefore creating the credit of $902,451.
- At September 30, 2016, the Plan had an unfunded actuarial accrued credit (asset) of $3,289,694 placing the Plan in a position of being actuarially overfunded.
- At September 30, 2015, the Plan had an unfunded actuarial accrued credit (asset) of $2,314,169 placing the Plan in a position of being actuarially overfunded.
- The Plan experienced a rate of return of 9.34% and (.72)% for the years ended September 30, 2016 and 2015, respectively.

Contacting the Plan's Financial Management

This financial report is designed to provide the Retirement Board of Trustees, our membership, taxpayers, investors, and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Plan Administrator Joyceanna J. Rautio, Greater Naples Fire Rescue District Firefighters' Pension Plan, 14575 Collier Boulevard, Naples, FL 34119.

GREATER NAPLES FIRE RESCUE DISTRICT
FIREFIGHTERS' PENSION PLAN
STATEMENTS OF FIDUCIARY NET POSITION
September 30, 2016 and 2015

	2016			
	Salem Trust	American Core Realty	Westwood Trust	Total
ASSETS				
Cash and cash equivalents	$ 1,200,294	$ -	$ -	$ 1,200,294
Receivables:				
Contributions - State of Florida	106,923	-	-	106,923
Contributions - District	316,185	-	-	316,185
Accrued investment income	18,917	-	-	18,917
Total Receivables	442,025	-	-	442,025
Prepaid insurance	1,167	-	-	1,167
Investments, at Fair Value:				
Domestic equities	7,418,017	-	1,076,985	8,495,002
International equities	3,037,383	-	-	3,037,383
Fixed income	8,879,793	-	-	8,879,793
Real estate	-	1,296,382	-	1,296,382
Total Investments	19,335,193	1,296,382	1,076,985	21,708,560
TOTAL ASSETS	20,978,679	1,296,382	1,076,985	23,352,046
LIABILITIES				
Accounts payable	34,280	-	-	34,280
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	34,280	-	-	34,280
NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 20,944,399	$ 1,296,382	$ 1,076,985	$ 23,317,766

The accompanying notes are an integral part of this statement.

2015			
Salem Trust	American Core Realty	Westwood Trust	Total
$ 902,677	$ -	$ -	$ 902,677
200,787	-	-	200,787
-	-	-	-
14,438	-	-	14,438
215,225	-	-	215,225
1,112	-	-	1,112
6,680,185	-	871,227	7,551,412
2,597,323	-	-	2,597,323
8,418,015	-	-	8,418,015
-	918,241	-	918,241
17,695,523	918,241	871,227	19,484,991
18,814,537	918,241	871,227	20,604,005
32,104	-	-	32,104
71,568	-	-	71,568
103,672	-	-	103,672
$ 18,710,865	$ 918,241	$ 871,227	$ 20,500,333

The accompanying notes are an integral part of this statement.

GREATER NAPLES FIRE RESCUE DISTRICT FIREFIGHTERS' PENSION PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Years Ended September 30, 2016 and 2015

	2016			
ADDITIONS ATTRIBUTED TO:	Salem Trust	American Core Realty	Westwood Trust	Total
Contributions (cash):				
District (employer)	$ 575,788	$ -	$ -	$ 575,788
Plan members (employee)	107,492	-	-	107,492
State of Florida	531,384	-	-	531,384
Total contributions	1,214,664	-	-	1,214,664
Transfers in (out)	(419,258)	300,000	119,258	-
Investment income:				
Net appreciation (depreciation) in fair value of investments	1,183,650	11,358	79,105	1,274,113
Realized gain (loss)	62,023	34,261	-	96,284
Interest	5,166	-	16,650	21,816
Dividends	554,061	-	3	554,064
Partnership income	-	44,479	-	44,479
Other income	-	-	-	-
Less: investment expense	(51,236)	(11,957)	(9,258)	(72,451)
Net investment income	1,753,664	78,141	86,500	1,918,305
TOTAL ADDITIONS	2,549,070	378,141	205,758	3,132,969
DEDUCTIONS ATTRIBUTED TO:				
Benefits paid to members (includes taxes)	100,331	-	-	100,331
Share Plan Distribution	49,132	-	-	49,132
Refunds	5,600	-	-	5,600
Administrative Expenses:				
Audit fees	23,645	-	-	23,645
Actuarial fees	21,846	-	-	21,846
Administrator fees	45,953	-	-	45,953
Bookkeeping	9,000	-	-	9,000
Conferences and dues	12,610	-	-	12,610
Insurance	3,619	-	-	3,619
Legal fees	43,800	-	-	43,800
Misc. expenses	-	-	-	-
Total administrative expenses	160,473	-	-	160,473
TOTAL DEDUCTIONS	315,536	-	-	315,536
Net increase (decrease) in net position	2,233,534	378,141	205,758	2,817,433
Net position restricted for pension benefits:				
NET POSITION BEGINNING	18,710,865	918,241	871,227	20,500,333
NET POSITION ENDING	$ 20,944,399	$ 1,296,382	$ 1,076,985	$ 23,317,766

The accompanying notes are an integral part of this statement.

2015			
Salem Trust	American Core Realty	Westwood Trust	Total
$ 517,177	$ -	$ -	$ 517,177
113,635	-	-	113,635
661,600	-	-	661,600
1,292,412	-	-	1,292,412
(230,653)	-	230,653	-
(311,374)	58,725	(539,248)	(791,897)
105,217	13,808	-	119,025
12,626	-	57,982	70,608
451,157	-	2	451,159
-	40,834	-	40,834
38,646	-	-	38,646
(51,968)	(9,645)	(10,653)	(72,266)
244,304	103,722	(491,917)	(143,891)
1,306,063	103,722	(261,264)	1,148,521
49,013	-	-	49,013
116,627	-	-	116,627
5,199	-	-	5,199
26,340	-	-	26,340
23,287	-	-	23,287
55,195	-	-	55,195
10,755	-	-	10,755
9,110	-	-	9,110
2,397	-	-	2,397
36,900	-	-	36,900
-	-	-	-
163,984	-	-	163,984
334,823	-	-	334,823
971,240	103,722	(261,264)	813,698
17,739,625	814,519	1,132,491	19,686,635
$ 18,710,865	$ 918,241	$ 871,227	$ 20,500,333

The accompanying notes are an integral part of this statement.

NOTE A - DESCRIPTION OF PLAN

The following description of Greater Naples Fire Rescue District Firefighters' Pension Plan (the "Plan") provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a single employer defined benefit pension plan covering all eligible employees (firefighters), as later defined, of Greater Naples Fire Rescue District ("Employer and Plan Sponsor"). The Plan was originally adopted on July 29, 1996 by Resolution 96-03 as amended by Resolution 97-01 dated August 11, 1997, Resolution 98-02 dated May 19, 1998, Resolution 99-001 dated January 12, 1999, Resolution 99-021 dated November 9, 1999, Resolution 2001-02 dated April 18, 2001, Resolution 2003-02 dated April 8, 2003, Resolution 2003-03 dated June 24, 2003, and Resolution 2004-08 dated September 14, 2004. The Plan was then restated as Resolution 96-03 dated July 13, 2005 and further amended by Resolutions 2009-04 and 2009-05 both dated August 11, 2009. During fiscal year 2010, the Plan was amended by Resolution 2010-01 dated March 19, 2010 and subsequently by Resolution 2010-03 dated September 14, 2010 and approved November 10, 2010. The Plan was amended again effective September 2, 2013 by Resolutions 2013-01 and 2013-2. The Plan is intended to provide participants with future retirement benefits. The Plan was established in accordance with the provisions of Florida Statutes Chapters 112 and 175 and by the authority of Chapter 95-338 of the Laws of Florida.

The voters of the East Naples Fire Control and Rescue District and Golden Gate Fire Control and Rescue District elected to merge to form the Greater Naples Fire Rescue District on November 4, 2014. Implementation of the merger was complete on January 1, 2015. The Greater Naples Fire Rescue District has applied for and been accepted to allow all future employees to join the Florida Retirement System (FRS). Therefore, the District by motion on November 18, 2014 voted to close this Plan to new participants. Effective March 1, 2015, FRS issued ballots to allow Plan members to choose to join FRS or remain in this Plan. As such, on March 10, 2015, the Board of Fire Commissioners officially voted (Resolution 2015-04) to change the name of the Plan to Greater Naples Fire Rescue District Firefighters' Pension Plan. Also on March 10, 2015, the Fire Commission passed Resolution 2015-05 levying an excise tax (State Insurance Premium Tax) on property insurance policies within the District's boundaries to fund this Plan and passed Resolution 2015-06 to implement certain updated IRS requirements for the Plan.

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Plan Administration

For the years ending September 30, 2016 and 2015, the administration of the Plan was the responsibility of the Greater Naples Fire Rescue District Firefighters' Pension Plan's Board of Trustees. Specifically, there are generally five (5) Trustees for the Plan including two Trustees which are elected by the Plan Members, two District Resident Trustees appointed by the Fire District (the Plan Sponsor), and one Trustee elected by a vote of the other four Trustees and appointed by the Board of Fire Commissioners as a ministerial duty.

Effective January 1, 2013, the Trustees changed Plan investment custodians to Salem Trust Company. As part of this transition, the investment consultant was changed to Burgess, Chambers and Associates (BCA) and three new investment managers were hired to provide advice on active investments. In addition, BCA recommended and the Board approved various passive investments as well including American Core Realty.

The Plan contracted a third-party accounting firm to provide the Plan with bookkeeping services in order to maintain routine accounting records and to report to the Board of Trustees. The Plan also has a contracted plan administrator to routinely coordinate Plan activities as well as to advise the Board of Trustees. The Plan further contracts for other professionals such as legal counsel, actuaries and auditors.

Contributions

Greater Naples Fire Rescue District (Employer) is required to contribute an actuarially determined amount equal to or greater than the difference between the total contributions from all other sources for the year and the actuarially determined cost including any unfunded past service liability. For the years ended September 30, 2016 and 2015, the employer cash contributions were $504,220 plus an application of $71,568 previously recorded as prepaid (unearned revenue) and cash contributions of $386,836 including $130,341 recorded as prepaid (unearned revenue), respectively. For the years ended September 30, 2016 and 2015, the Plan, on behalf of the District, also carried forward $0 and $71,568, respectively, as an unearned revenue of the Plan and as prepaid contributions from the District. The District's actuarially determined contributions were $575,788 and $517,177 for the years ended September 30, 2016 and 2015, respectively. The District met its requirement for both years.

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Contributions, continued

During the year ended September 30, 2013, the District began cash funding the actuarially determined underfunded balance which they had elected to fund over a five year period in conjunction with the revised October 1, 2008 and the October 1, 2009 actuarial valuation reports which were approved by the Board during January 2011 and State approved as of April 27, 2011. Both of these funding amounts are included in the employer contributions for the years ended September 30, 2016 and 2015. At September 30, 2016 and 2015, the Plan was overfunded in the amount of $3,289,694 and $2,314,169, respectively.

The Plan's participants are required to make regular contributions to the Plan. As the result of Resolution 2013-2, the contribution rate was changed from 1% to 3% of covered salary as defined. This increase was effective September 2, 2013. Previously, Trustees had approved (Resolution 96-03) to reduce the effect of the employee contribution to the Plan's participants. That resolution increased the affected employees salary by 1% as well as the associated FICA tax for a total increase of 1.0765%. The 2013 union contract removed the effect of Resolution 96-03 for union employees and the 1.0765% increase in salary effective September 2, 2013. Therefore, the District is no longer responsible for any portion of the employees' required Plan contribution. The Board approved an increase in the salary of the Chief (a non-union employee) in the amount of 3.0765% in order to assume all costs associated with the 175 Plan. These contributions were classified as member (employee) contributions. For the years ended September 30, 2016 and 2015, the employee contributions were $107,492 and $113,635, respectively.

State of Florida contributions are received each year by the Plan pursuant to Florida Statute Chapter 175. These contributions consist of State Insurance Premium Tax revenue imposed on the insured (1.85% of gross hazard insurance premium receipts) properties within the boundaries of the District. Any state premium tax revenues received in excess of the amount that was received for calendar year 1997 must first be used to fund the cost of compliance with minimum benefits. Any additional revenues must be used to provide extra benefits for the firefighters included in the Plan. As of the valuation date, October 1, 2009, there was no minimum benefit requirement outstanding. As of October 1, 2008, the accumulated excess of State Insurance Premium Tax revenue was $2,120,020. This amount was being held in

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Contributions, continued

reserve to fund the Supplemental Retirement Benefit Share Plan in the amount of $1,217,569 and $902,451 as a prepaid contribution that the District could have used to offset employer contributions through September 30, 2010.

In August 2009, as a result of District Resolutions 2009-04 and 2009-05, the District and Union agreed that $902,451 of this State Insurance Premium Tax revenue could be used to offset the District's required contributions to the Plan for the years ended September 30, 2009 and September 30, 2010. During the year ended September 30, 2009, however, none of the $902,451 credit being held as excess State Insurance Premium Tax revenue was used. The remaining $902,451 was used to offset District required contribution's for the year ending September 30, 2010.

In addition, the baseline State Insurance Premium Tax revenue referred to as the frozen amount was increased from $71,067 to $902,451 as a result of Resolutions 2009-04 and 2009-05. This frozen amount will be reduced to $659,404 in accordance with Resolution 2009-05 upon determination of the Plan's actuary. Florida Statute Chapter 175.351 was amended by Chapter 2015-39 which may affect the frozen limit amount in the future.

Effective October 1, 2009, the remainder of the state insurance premium tax revenue of $1,217,569 plus any future excess State Insurance Premium Tax revenues received must be used to fund the District's Supplemental Retirement Benefit (Share Plan). At September 30, 2016 and 2015, the Share Plan's net position was $995,910 and $1,045,042, respectively. During the years ended September 30, 2016 and 2015, Share Plan benefit distributions were $49,132 and $116,627, respectively.

During the year ended September 30, 2016, the District decreased the amount of prepaid balance by $71,568, resulting in a prepaid balance of $0 at September 30, 2016. During the year ended September 30, 2015, the District decreased the amount of prepaid balance by $130,341, resulting in a prepaid balance of $71,568 at September 30, 2015.

The Plan is required to have an actuarial valuation every three years. Effective October 1, 2006, the Board resolved to have an actuarial valuation each year.

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Forfeitures

Non-vested members of the Share Plan will forfeit their Share Plan balance if they terminate employment with less than six years of credited service. In the event of a Share Plan forfeiture, the account balance of the terminated non-vested members account would be allocated based on number of shares to each eligible Share Plan participant's account. For the years ended September 30, 2016 and 2015, the Plan had forfeitures in the amount of $6,279 and $0, respectively.

Refunds

All members who request a written refund within 5 years after termination of employment before they are vested are refunded their accumulated contributions or paid a monthly early retirement benefit depending on the number of years of credited service. For the years ended September 30, 2016 and 2015, the Plan had $5,600 and $5,199 in benefits refunded to non-vested terminated employees.

Plan Eligibility

All full-time firefighters hired by the District on or after January 1, 1996, are eligible for membership into the Plan on the date of their employment. However, as of November 18, 2014, the Board of Fire Commissioners voted to place all newly hired full-time firefighters in the Florida Retirement System (FRS). This effectively closed the Chapter 175 plan (this Plan) to new participants.

Credited Service

Credited service is equal to the qualified employee's total length of service with the Employer. Certain options exist to purchase credited service.

Plan Reserves (Net Position)

All Plan reserves (net position) are held for the exclusive retirement benefit of the Plan's participants and the related administration of the Plan as defined by the Plan documents and/or amended by the Board.

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Plan Membership

Employee membership as of October 1, 2016, (the date of the most recent actuarial evaluation) was as follows:

Active plan members:	Amount
Vested	40
Nonvested	3
Total active plan members	43
Non-active plan members:	
Terminated vested (deferred)	9
Disabled - receiving benefits	2
Service retiree(s) vested	1
Total non-active plan members	12
Total	55

Note: Effective November 18, 2014, this Plan was closed to new participants.

Vesting

A member of the Plan vests after completing six (6) years of credited service.

Terminated Vested Benefits

At September 30, 2016 and 2015, the Plan held terminated vested benefits of $1,131,280 and $948,657, respectively.

Pension Benefits

Normal Retirement:
Any member who has attained the age of 55 with 6 years of credited service or 25 years of credited service, regardless of age, may retire with normal retirement benefits for life. Upon normal retirement a member will receive a benefit based on average monthly salary and credited service. Normal retirement date is the month in which the circumstances noted above occur.

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Pension Benefits, continued

Early Retirement:
A member who has attained age 50 and completed six years of credited service may retire at any time with reduced benefits. Upon early retirement a member will receive a benefit for life based on the accrued benefit reduced by 3% for each year prior to normal retirement.

Late Retirement:
A member may continue to work past the normal retirement date.

Dollar Limitation:
Annual benefits cannot exceed $160,000.

Disability Retirement:
If a member becomes totally and permanently disabled as provided by the Plan, the member may retire on a non-service incurred disability and be eligible for benefits only if the member has at least eight years of credited service. If disability is the result of a line of duty injury a member may retire and receive retirement benefits regardless of length of service. At September 30, 2016, the actuarial present value of accrued benefits owed to disability retirees is $710,636.

Death Benefits:
Upon the death of a vested member, a survivor benefit will be payable to the designated beneficiary. The accrued benefit is payable for ten years. Upon the death of a non-vested member, the designated beneficiary will receive a refund of the members accumulated contributions.

Vested Retirement Benefit:
Normal retirement benefit is equal to 3% of members Average Final Compensation (AFC) which is one twelfth (1/12) of the AFC of the five (5) best years of credited service multiplied by number of years of credited service plus an additional benefit of $5 per month (health insurance benefit) multiplied by the number of years of credited service (see below). Compensation is defined as cash compensation paid for services rendered including up to 300 hours of overtime excluding lump sum payments for unused leave time, effective October 1, 2012. Any member who terminates

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Pension Benefits, continued

Vested Retirement Benefit, continued:
employment for reasons other than retirement, disability or death may be entitled to a benefit. If a member has more than six years of credited service, this benefit will be equal to the members accrued benefit. If a member has less than six years of credited service, they will receive a refund of their own contributions.

The monthly benefit of each retiree and beneficiary receiving the above benefits under the Plan shall be increased by 3% (COLA) at the beginning of each fiscal year.

Retirees also receive $5 times credited service with a minimum monthly benefit of $50 and a maximum benefit of $150 per month. This benefit is intended to help the retiree pay for health insurance.

Supplemental Retirement Benefit (Share Plan):
The supplemental retirement benefit was funded solely by State Insurance Premium Tax on property hazard insurance revenues. The total initial funding was $1,217,569, which consisted of excess State insurance tax premiums. For Plan years beginning after the frozen amount is adjusted to $659,404, all State Insurance Premium Tax revenues collected in excess of the frozen limits shall be added to the Supplemental Retirement Benefit Plan and then allocated to the individual participant's Share Account including investment earnings/losses thereon.

Effective September 30, 2008, each member who was employed on or before September 30, 2008 as a firefighter is eligible for this benefit referred to as the Share Plan. Each eligible member in the Share Plan will receive one share for each month of credited service retroactively from date of hire through September 2008 and annually thereafter. Each member's Share Plan account will be annually credited/debited with its share of premium tax revenues, investment earnings/losses and interest. Upon termination, a Share Plan member with six or more years of service will be entitled to a distribution of 100% of the member's Share Plan balance. Share Plan members with less than six years of service will forfeit their Share Plan balance which will then be re-allocated to all remaining Share Plan participant accounts. In November 2011, the Board approved freezing the re-distribution of the non-vested laid off Share Plan Members for a period of two years.

NOTE A - DESCRIPTION OF PLAN, CONTINUED

Pension Benefits, continued

Supplemental Retirement Benefit (Share Plan), continued:
At September 30, 2016 and 2015, the Share Plan's net position balance was $995,910 and $1,045,042 respectively. This balance is included as part of the Plan's total net position restricted for Pension benefits of $23,317,766 and $20,500,333 at September 30, 2016 and 2015, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The Greater Naples Fire Rescue District Firefighters' Pension Plan prepared its financial statements using the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America and Government Accounting Standards in accordance with the Plan Resolutions. Employer, State Tax Revenues and Plan member contributions are recognized as revenue in the period in which the contributions are due. These financial statements were intended to present the Plan's net position restricted for Pension benefits and changes in the Plan's net position.

These financial statements include the net position (net assets) of the Plan including the State Insurance Premium tax revenue collected and the net position (net assets) of the Supplemental Retirement Benefit referred to as the Share Plan.

Reclassification

Certain amounts in the prior year financial statements, primarily related to the investment categories on the statement of fiduciary net position, have been reclassified to conform with the presentation in the current year financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Implementation of Governmental Accounting Standards Board Statements

The Plan adheres to the GASB Statement No. 67, "Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25."

Investments

The Plan's investments were reported at fair value including accrued interest using quoted market prices on a trade-date basis to determine fair value. Unrealized gains and losses are presented as part of net investment income on the statement of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of securities were recorded on a trade-date basis. Interest and dividend income was recorded on the accrual basis and included as part of net investment income.

Fair Value of Financial Investments

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

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

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair Value of Financial Investments, continued

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

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

The table below presents assets and liabilities measured at fair value on a recurring basis by level within the hierarchy at September 30, 2016 and 2015:

September 30, 2016	Total	Level 1	Level 2	Level 3
Domestic Equities	$ 8,495,002	$ 7,210,681	$ 1,284,321	$ -
International Equities	3,037,383	3,037,383	-	-
Fixed Income:				
High Yield Bond	1,121,392	1,121,392	-	-
Convertible Securities	1,785,231	1,785,231	-	-
Aggregate Bond	5,973,170	5,973,170	-	-
Real Estate	1,296,382	-	-	1,296,382
	$ 21,708,560	$ 19,127,857	$ 1,284,321	$ 1,296,382

September 30, 2015	Total	Level 1	Level 2	Level 3
Domestic Equities	$ 7,551,412	$ 6,472,440	$ 1,078,972	$ -
International Equities	2,597,323	2,597,323	-	-
Fixed Income:				
High Yield Bond	965,280	965,280	-	-
Convertible Securities	1,595,252	1,595,252	-	-
Aggregate Bond	5,857,483	5,857,483	-	-
Real Estate	918,241	-	-	918,241
	$ 19,484,991	$ 17,487,778	$ 1,078,972	$ 918,241

Level 2: Classifications consist of commingled funds where detailed holdings were available and the funds fair value could be determined based on market prices, such as money markets and certificates of deposits.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair Value of Financial Investments, continued

Level 3: Classifications consist of the following:

Real Estate
A real estate investment fund which holds multiple real estate investments.

A rollfoward of the fair value measurements using unobservable inputs (Level 3) as of September 30, 2016 and 2015 were as follows:

	2016	2015
Beginning balance	$ 918,241	$ 814,519
Transfers	300,000	-
Net Appreciation in FV of investment	11,358	58,725
Realized gain(loss)	34,261	13,808
Interest	-	-
Dividends	-	-
Partnership income	44,479	40,834
Other income	-	-
Less: Investment income	(11,957)	(9,645)
Ending balance	$ 1,296,382	$ 918,241

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, receivables, statutory deposits, inventory, prepaid expenses, deferred contract acquisition charges, accounts payable, various other payables and accrued expenses. The carrying amounts of these items approximate fair value due to the short term nature of the financial instruments.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Recognition

Transactions are accounted for using the settlement date. Realized gains or losses are determined on the basis of actual cost. In accordance with the policy of stating investments at fair value, any change in unrealized appreciation or depreciation for the year is reflected in the statement of changes in fiduciary net position. Unrealized gains and losses are reflected as a net investment income. Realized gains and losses are also reflected as net investment income.

Investment Expenses

The Plan pays expenses and administrative charges incurred by the Plan.

Custodial Credit Risk

Throughout the year, the Plan may have cash balances on deposit with a financial institution in excess of FDIC insurance limits of $250,000 and/or the limits of SIPC insurance per participant. Such investments (amounts in excess of FDIC and/or SIPC limits) are fully collateralized but not insured. Management does not believe the Plan is exposed to undue credit risk. The Plan has incurred no losses due to exposure to credit risk.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The Plan utilizes the services of individual investment managers for its investments in an effort to mitigate market risk. The investments held by these investment managers are uninsured and unregistered, with securities held by the counterparty's agent in the Plan's name.

There were no Plan losses during the year due to default by counterparties.

Projection of Benefits

To the extent possible the actuaries have incorporated known factors and certain assumptions, as noted, into the projection of benefits. However, the projection of benefits does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Tax Status

The Plan has received a favorable tax determination letter which was effective through January 31, 2014. The Plan applied with the Internal Revenue Service to renew its determination letter which was received on November 18, 2014 and is effective through January 31, 2019. The Plan's Trustees and legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Plan Termination

Although the District has not proceeded with any formal action to terminate the Plan, the Plan may be terminated at any time by the employer. In the event of such termination, all participants or their beneficiaries would immediately be 100% vested. In the event that the Plan is terminated, the Plan participants are entitled to all accrued nonforfeitable benefits up to the date of Plan termination. The Plan sponsor is required to administer and fund Plan net position sufficient to fund the accrued nonforfeitable benefits per District Resolution 2010-01. Effective November 18, 2014, the Board of Fire Commissioners voted to close this Plan to new participants.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the statement of fiduciary net position and the changes to fiduciary net position during the reporting period. Accordingly, actual results could differ from these estimates.

Subsequent Events

Subsequent events have been evaluated through January 30, 2017, which is the date the basic financial statements were available to be issued.

NOTE C - CASH AND CASH EQUIVALENTS

As of September 30, 2016 and 2015, the carrying amount of the Plan's cash and cash equivalents was $1,200,294 and $902,677, respectively. The Plan considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The Plan's cash and cash equivalents were held by the Plan's custodian and consist of the following at September 30:

	2016	2015
Cash	$ -	$ -
Money Market Funds	1,200,294	902,677
	$ 1,200,294	$ 902,677

The Plan's cash and cash equivalents, including its depository and money market accounts, are federally insured up to $250,000 per financial institution through Federal Deposit Insurance Corporation (FDIC) insurance and/or the limits of the Securities Investor Protection Corporation (SIPC) insurance.

NOTE D - INVESTMENTS

Equity-type Investments

The Plan invests in various equity investments. The Plan's investments are recorded at fair market value in accordance with the reporting requirements governing the Plan. All such investments are subject to various market and economic risk factors as well as the national and global economies and may lose value and/or principal.

The Plan's investment policy allows investment in equity securities listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ or the OTC market. The total of equity-type investments of the Plan is not to exceed 70% of the Plan's total market value. In addition, the equity position in any one company's equities shall not exceed 5% of the Plan's total assets at cost. Foreign securities at market value shall not exceed 25% of the Plan's assets at market value.

NOTE D - INVESTMENTS, CONTINUED

Equity-type Investments, continued

As of September 30, the equity investments consisted of the following:

2016 Type	Cost	Market Value	% of Portfolio Market Value
Domestic Equities	$ 7,077,515	$ 8,495,002	36.38%
International Equities	2,779,074	3,037,383	13.01%
	$ 9,856,589	$ 11,532,385	49.38%

2015 Type	Cost	Market Value	% of Portfolio Market Value
Domestic Equities	$ 6,562,084	$ 7,551,412	36.65%
International Equities	2,479,508	2,597,323	12.61%
	$ 9,041,592	$ 10,148,735	49.26%

Fixed Income Investments

The Plan's investment policy allows investment in fixed income securities. These fixed income securities are limited to 42% of the Plan's total assets. In FY 2013, the Plan moved from investing directly in individual bonds to investing in bond mutual funds. As such, at September 30, 2016 and 2015, the Plan assets included investments in fixed income bond mutual funds. Therefore, the credit ratings below are noted by mutual fund investment if available. The average credit ratings of these fixed income investments are as follows:

Fixed Income - Mutual Funds	2016 Fair Value	Percentage of MV	Rating within Fund
		% of assets	
High Yield Bond ETF	$ 1,121,392	4.80%	Ba1/BB+ or below
Convertible Securities ETF	1,785,231	7.64%	*
Aggregate Bond ETF	5,973,170	25.58%	Baa3/BBB- or higher
Total fixed income securities	$ 8,879,793	38.03%	

* - Information not available for fund

NOTE D - INVESTMENTS, CONTINUED

Fixed Income Investments, continued

As of September 30, 2015, the credit ratings of the fixed income investments are reflected below:

Fixed Income - Mutual Funds	2015 Fair Value	Percentage of MV	Rating within Fund
		% of assets	
High Yield Bond ETF	$ 965,280	4.68%	Ba1/BB+ or below
Convertible Securities ETF	1,595,252	7.74%	*
Aggregate Bond ETF	5,857,483	28.43%	Baa3/BBB- or higher
Total fixed income securities	$ 8,418,015	40.86%	

* - Information not available for fund

Investment Risk

The Board of Trustees has developed an investment policy which has been structured to maximize the Plan's returns while limiting the credit, foreign currency and interest rate risk. Credit risk is the risk that a portfolio will lose value as a result of a real or perceived change in the ability of an issuer to repay its debts. To reduce this risk, the investment policy limits investments in fixed income securities to those rated within the highest four classifications. In addition, investments in fixed income securities rated below investment grade shall be limited to a high yield mandate. To reduce the interest rate risk or the risk that changes in market interest rates will adversely affect the fair value of an investment, the investment policy of the Plan diversifies its investments by security type and limits holdings with any one issuer. In addition, the Plan has employed qualified investment managers who specialize in investments within certain asset classes and moved to bond mutual funds from individual bond issues. Plan management believes this diversification will reduce the risk of loss and preserve the Plan's assets.

NOTE D - INVESTMENTS, CONTINUED

Interest Rate Risk

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

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

	2016 Average Investment Maturities within fund (in years)				
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	Over 10
High Yield Bond ETF	$ 1,121,392	$ -	$ -	$ 1,121,392	$ -
Convertible Securities ETF	1,785,231	-	-	-	1,785,231
Aggregate Bond ETF	5,973,170	-	-	5,973,170	-
	$ 8,879,793	$ -	$ -	$ 7,094,562	$ 1,785,231

	2015 Average Investment Maturities within fund (in years)				
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	Over 10
High Yield Bond ETF	$ 965,280	$ -	$ -	$ 965,280	$ -
Convertible Securities ETF	1,595,252	-	-	-	1,595,252
Aggregate Bond ETF	5,857,483	-	-	5,857,483	-
	$ 8,418,015	$ -	$ -	$ 6,822,763	$ 1,595,252

NOTE D - INVESTMENTS, CONTINUED

Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in the currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments. The Plan's exposure to foreign currency risk derives mainly from its investments in foreign equity and international equity funds. The Plan's exposure to foreign currency risk related to foreign equity and international equity funds as of September 30 are as follows:

	2016 Market Value	2015 Market Value
Foreign Equity	$ 410,673	$ 413,401
American Europacific	2,626,710	2,183,922
	$ 3,037,383	$ 2,597,323

Real Estate

The Plan changed its investment policy during the year ended September 30, 2013 to allow for investment in real estate. As such, the Plan invested in a real estate investment fund which holds multiple real estate investments to mitigate the related investment risk. At September 30, 2016 and 2015, the Plan's real estate investments totaled $1,296,382 and $918,241, respectively.

Rate of Return

The Plan's actual annual money-weighted rate of return on Plan investments net of Plan investment expenses for the year ended September 30, 2016 and 2015 was 9.34% and (0.72)%, respectively, as compared to the actuarially assumed rate of 7.75% per year. A money-weighted rate of return expresses investment performance, net of pension plan investment expense adjusted for the changing amounts actually invested. Pension plan investment expense is accounted for using the accrual basis of accounting.

NOTE E - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at September 30:

	2016	2015
State of Florida Insurance Premium Tax	$ 106,923	$ 200,787
Greater Naples Fire Rescue District	316,185	-
	$ 423,108	$ 200,787

NOTE F - UNEARNED REVENUE

During the years ended September 30, 2016 and 2015, respectively, the Plan had unearned revenue of $0 and $71,568 which represents District contributions in excess of its required contribution. The amount can be used by the District to offset future required contributions.

NOTE G - FUNDING STATUS AND FUNDING PROGRESS

For the years ended September 30, 2016 and 2015, the components of the Plan's net pension liability were:

	Total Pension Liability	Plan's Net Position	Plan's Net Pension Liability (Asset)	Plan's Net Position as % of Total Pension Liability
9/30/2016	$ 21,209,968	$ 23,317,766	$ (2,107,798)	109.94%
9/30/2015	$ 18,695,947	$ 20,500,333	$ (1,804,386)	109.65%
9/30/2014	$ 14,899,999	$ 19,686,653	$ (4,786,654)	132.13%

The funded status of the Plan as of October 1, 2016, the most recent actuarial valuation date, is as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Unfunded) Overfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/1/2016	$ 23,317,766	$ 20,028,072	$ 3,289,694	116.43%	$ 3,583,083	91.81%
10/1/2015	$ 20,500,333	$ 18,186,164	$ 2,314,169	112.70%	$ 3,787,836	61.09%
10/1/2014	$ 19,686,653	$ 16,340,961	$ 3,345,692	120.47%	$ 3,685,271	90.79%
10/1/2013	$ 17,002,054	$ 13,224,911	$ 3,777,143	128.56%	$ 3,333,117	113.32%
10/1/2012	$ 14,186,654	$ 11,877,576	$ 2,309,078	119.44%	$ 3,369,504	68.53%
10/1/2011	$ 9,575,689	$ 11,342,735	$ (1,767,046)	84.42%	$ 4,391,782	-40.24%
10/1/2010	$ 7,934,740	$ 9,659,572	$ (1,724,832)	82.14%	$ 4,353,278	-39.62%
10/1/2009	$ 5,546,976	$ 7,970,793	$ (2,423,817)	69.59%	$ 4,617,655	-52.49%

NOTE G - FUNDING STATUS AND FUNDING PROGRESS, CONTINUED

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Additional information as of the actuarial valuation date of October 1, 2014 applicable to the year ended September 30, 2016 follows:

Valuation Date	October 1, 2014
Applicable to year ended	September 30, 2016
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Dollar Amount, Closed
Mortality Rates	RP 2000 Combined Healthy Table
Remaining Amortization Method	28 Years (as of 10/1/2014)
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	7.75%
Investment Rate of Return	7.75% net of investment related expenses & compounded annually
Projected Salary Increases*	5.5% to 15% based on service
Cost of Living Adjustments	3%
Post Employment COLA	3%
*Includes Inflation at :	3%
Frozen Limit	$902,451
Member Contribution Rate	3% (of compensation as defined)
District Contribution Rate	8.37% (of compensation as defined)

For the year ended September 30, 2016, there were no changes in assumptions used, however, there were three (3) plan amendments (2015-04, 2015-05 and 2015-06) effective during the fiscal year ended September 30, 2015.

Three Year Trend Information

Year Ending	Actuarially Determined Contribution(*)	Percentage of Annual Pension Cost	(APC) Annual Pension Cost	Net Pension Obligation
9/30/2016	$ 1,107,172	100%	N/A	N/A
9/30/2015	$ 1,178,777	100%	N/A	N/A
9/30/2014	$ 1,226,090	100%	$ 1,230,937	$ (26,744)
9/30/2013	$ 1,713,798	100%	$ 1,719,456	$ (31,591)
9/30/2012	$ 1,507,286	100%	$ 1,513,985	$ (37,249)

N/A - after implementation of GASB Statement No. 67.
(*) defined as employer and State contributions.

NOTE G - FUNDING STATUS AND FUNDING PROGRESS, CONTINUED

Year Ending	Actuarial PV of Accrued Plan Benefits Vested	Actuarial PV of Accrued Plan Benefits Other	Actuarial PV of Accrued Plan Benefits Non-Vested	Total Actuarial PV of Accrued Plan Benefits
9/30/2016	$ 12,184,053	$ -	$ 1,257,144	$ 13,441,197
9/30/2015	$ 10,366,969	$ -	$ 1,299,312	$ 11,666,281
9/30/2014	$ 9,109,166	$ -	$ 1,091,095	$ 10,200,261
9/30/2013	$ 7,860,977	$ -	$ 761,700	$ 8,622,677
9/30/2012	$ 6,912,080	$ -	$ 697,242	$ 7,609,322
9/30/2011	$ 4,272,074	$ -	$ 939,939	$ 5,212,013

At September 30, 2016, the actuarially determined present value of accrued benefits including interest at 7.75% was:

	Amount
Vested Accrued Benefits	
Inactives and share plan balances	$ 3,530,918
Actives	8,114,319
Member Contributions	538,816
Total	12,184,053
Non-Vested Accrued Benefits	1,257,144
	$ 13,441,197

The target asset allocations were as follows as of September 30:

	2016	2015
Domestic Equity	35%	35%
Fixed Income (Bonds)	28%	28%
International Equity	12%	12%
Real Estate	5%	5%
Infrastructure (MLPs)	5%	5%
Cash	2%	2%
Fixed Income (High Yield Bonds)	5%	5%
Convertibles (Bonds)	8%	8%
	100%	100%

NOTE H - PLAN NET POSITION

At September 30, 2016, the Plan's net position of $23,317,766 consists of active and retired members' equity of $22,321,856 and share plan benefits of $995,910. During the year ended September 30, 2016, the Share Plan had distributions of $49,132.

At September 30, 2015, the Plan's net position of $20,500,333 consists of active and retired members' equity of $19,455,291 and share plan benefits of $1,045,042. During the year ended September 30, 2015, the Share Plan had distributions of $116,627.

NOTE I - SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability (asset), calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

Net Pension Liability	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
2016	$ 1,669,202	$ (2,107,798)	$ (5,123,819)
2015	$ 1,296,184	$ (1,804,386)	$ (4,332,412)

SUPPLEMENTARY SCHEDULES

GREATER NAPLES FIRE RESCUE DISTRICT
FIREFIGHTERS' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)
SCHEDULES OF CHANGES IN THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES NET PENSION LIABILITY AND RELATED RATIOS - LAST 10 FISCAL YEARS

	2016	2015	2014
Total pension liability			
Service cost	$ 1,229,729	$ 1,309,059	$ 1,076,925
Interest	1,538,231	1,249,582	1,073,926
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(686,689)	1,408,146	-
Changes in assumptions	587,813	-	-
Benefit payments, including refunds of member contributions	(155,063)	(170,839)	(62,080)
Net change in total pension liability	2,514,021	3,795,948	2,088,771
Total pension liability - beginning	18,695,947	14,899,999	12,811,228
Total pension liability - ending (a)	$ 21,209,968	$ 18,695,947	$ 14,899,999
Plan Fiduciary Net Position			
Contributions - employer	$ 575,788	$ 517,177	$ 506,016
Contributions - state	531,384	661,600	720,074
Contributions - employee	107,493	113,635	110,558
Net investment income	1,918,305	(143,909)	1,574,687
Benefit payments, including refunds of member contributions	(155,063)	(170,839)	(62,081)
Administrative expenses	(160,474)	(163,984)	(164,655)
Net change in plan fiduciary net position	2,817,433	813,680	2,684,599
Total fiduciary net position - beginning	20,500,333	19,686,653	17,002,054
Total fiduciary net position - ending (b)	$ 23,317,766	$ 20,500,333	$ 19,686,653
Net pension liability (asset) - ending (a) - (b)	$ (2,107,798)	$ (1,804,386)	$ (4,786,654)
Plan fiduciary net position as a percentage of the total pension liability	109.94%	109.65%	132.13%
Covered employee payroll*	$ 3,583,083	$ 3,787,836	$ 3,685,271
Net pension liability (asset) as a percentage of covered employee payroll	-58.83%	-47.64%	-129.89%

Notes to schedule:

* The Covered Employee Payroll figures are based on Pensionable Salary.

This schedule is presented to illustrate the requirement to show information for 10 years. This information was actuarially determined. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

GREATER NAPLES FIRE RESCUE DISTRICT
FIREFIGHTERS' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)
SCHEDULES OF CONTRIBUTIONS BY EMPLOYER AND OTHER CONTRIBUTING ENTITIES - LAST 10 FISCAL YEARS

	2016	2015	2014
Actuarial determined contribution	$ 1,107,172	$ 1,178,777	$ 1,226,090
Contributions in relation to the actuarially determined contribution	1,107,172	1,178,777	1,226,090
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employee payroll	$ 3,583,083	$ 3,787,836	$ 3,685,271
Contributions as a percentage of covered-employee payroll	30.90%	31.12%	33.27%
Required contribution percentage	33.90%		

Notes to Schedule:

Valuation date: October 1, 2014

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Individual Entry Age Normal Actuarial Cost Method (level percent of pay).

Amortization method: Level Dollar, Closed.

Remaining amortization period: 28 years (as of 10/1/2014).

Asset valuation method: Fair market value, net of investment related expenses

Inflation: 3% per year for all categories of retirement.

Salary increases:

Years of Service	% Increase in Salary
Less than 2	15.0%
2-9	7.0%
10-14	6.5%
15-19	6.0%
20 and Higher	5.5%

Interest Rate: 7.75% per year, compounded annually, net of investment related expenses.

Payroll Growth: None.

Post Retirement COLA: 3% per year for all categories or retirement.

Normal Retirement Age: Earlier of 1) Age 55 with 6 years of Credited Service or 2) the completion of 25 years of Credited Service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement Age: Attainment of age 50 with 6 years of Credited Service. Members are assumed to retire with an immediate subsidized benefit at the same rate assumed for termination of service.

Mortality: RP 2000 Combined Healthy - Sex Distinct. Disabled lives set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

GREATER NAPLES FIRE RESCUE DISTRICT
FIREFIGHTERS' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)
SCHEDULES OF INVESTMENT RETURNS - LAST 10 FISCAL YEARS

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	9.34%	-0.72%	8.97%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

GREATER NAPLES FIRE RESCUE DISTRICT
FIREFIGHTERS' PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)
SCHEDULES OF FUNDING PROGRESS AND SCHEDULE OF CONTRIBUTIONS BY EMPLOYER AND OTHER CONTRIBUTING ENTITIES

September 30, 2016

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets		Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/1/2016	$ 23,317,766		$ 20,028,072	$ 3,289,694	116.43%	$ 3,583,083	91.81%
10/1/2015	$ 20,500,333		$ 18,186,164	$ 2,314,169	112.72%	$ 3,787,836	61.09%
10/1/2014	$ 19,686,653		$ 16,340,961	$ 3,345,692	120.47%	$ 3,685,271	90.79%
10/1/2013	$ 17,002,054		$ 13,224,911	$ 3,777,143	128.56%	$ 3,333,117	113.32%
10/1/2012	$ 14,186,654		$ 11,877,576	$ 2,309,078	119.44%	$ 3,369,504	68.53%
10/1/2011	$ 9,575,689		$ 11,342,735	$ (1,767,046)	84.42%	$ 4,391,782	-40.24%
10/1/2010	$ 7,934,740		$ 9,659,572	$ (1,724,832)	82.14%	$ 4,353,278	-39.62%
10/1/2009	$ 5,546,976	(C)	$ 7,970,793	$ (2,423,817)	69.59%	$ 4,617,655	-52.49%
10/1/2008	$ 3,882,925		$ 5,751,772	$ (1,868,847)	67.51%	$ 3,558,238	-52.52%
10/1/2007	$ 3,268,290		$ 4,749,128	$ (1,480,838)	68.82%	$ 3,250,844	-45.55%
10/1/2006	$ 2,179,707		$ 3,242,879	$ (1,063,172)	67.22%	$ 2,639,788	-40.27%
10/1/2005	$ 1,502,006		$ 1,881,000	$ (378,994)	79.85%	$ 1,829,234	-20.72%

Schedule of Contributions by Employer and Other Contributing Entities

Year	(A) Annual Required Contribution	Annual Required Contribution Percentage	Actual Contribution: District		Actual Contribution: State		Actual Contribution: Total	District Covered Payroll %	Required Contribution vs Actual	(B) Percentage Contributed
2016	$ 1,107,172	30.90%	$ 575,788	(K)	$ 531,384	*	$ 1,107,172	16.07%		100.00%
2015	$ 1,178,777	31.12%	$ 517,177	(J)	$ 661,600	*	$ 1,178,777	13.65%		100.00%
2014	$ 1,226,090	33.27%	$ 506,016	(I)	$ 720,074	*	$ 1,226,090	13.73%		100.00%
2013	$ 1,713,798	55.32%	$ 1,034,699	(H)	$ 679,099	*	$ 1,713,798	31.04%		100.00%
2012	$ 1,507,286	50.79%	$ 893,128	(G)	$ 614,158	*	$ 1,507,286	26.51%		100.00%
2011	$ 1,873,992	46.40%	$ 1,283,171	(F)	$ 590,824	*	$ 1,873,995	29.22%		100.00%
2010	$ 1,897,616	46.40%	$ 1,413,291	(E)	$ 484,325	*	$ 1,897,616	32.46%		100.00%
2009	$ 1,440,040	41.79%	$ 902,000		$ 538,040	*	$ 1,440,040	21.20%		100.00%
2008	$ 1,358,522	N/A	$ 1,184,866		$ 142,134	**	$ 1,327,000	33.50%		97.68%
2007	$ 722,327	N/A	$ 722,327		$ -	(D)	$ 722,327	22.20%		100.00%
2006	$ 500,240	N/A	$ 429,173		$ 71,067	**	$ 500,240	16.30%		100.00%
2005	$ 444,823	N/A	$ 373,756		$ 71,067	**	$ 444,823	N/A		100.00%
2004	$ 319,386	N/A	$ 248,319		$ 71,067	**	$ 319,386	N/A		100.00%

(A) Actuarially determined contribution requirements from State and Employer only.
(B) Total actual contributions as a percentage of annual required contributions.
(C) Pursuant to Resolution 2009-05 and the actuarial report for September 30, 2009, the excess State premium tax revenue collected by the Plan was allocated to the Share Plan in the amount of $1,217,569, and the one-time allowable District contribution of $902,451 for the fiscal year 2010. Therefore, the actuarial value of the assets is reduced by $2,120,020 at September 30, 2009. In addition, Plan net assets include a $379,791 prepaid District (deferred revenue) contribution. (A reduction was also noted in the amount of $2,695 for accrued interest.) At September 30, 2011 and 2010 the only excess State premium tax revenue held by the Plan was the $1,217,569 Share Plan balance.
(D) State Contribution withheld released in 2008 (2x $71,067)
* Frozen limit pursuant to the provisions of Chapter 175, Florida Statutes was $902,451.
** Frozen limit pursuant to the provisions of Chapter 175, Florida Statutes was $71,067.
(E) Includes amounts from the $379,791 District prepaid contribution, developed as of September 30 , 2009, in addition to $902,451 made available from Resolution 2009-05 plus actual District cash contributions of $260,124. However, only $131,048 contributions were required. Therefore, $129,076 was recorded as deferred revenue by the Plan at September 30, 2010.
(F) Includes $20,959 that was a reduction of deferred revenue, leaving a balance of $108,117 as deferred revenue at September 30, 2011.
(G) Includes $83,193 that was a reduction of deferred revenue, leaving a balance of $24,924 as deferred revenue at September 30, 2012.
(H) Contributions are reduced by $64,957, which is recorded as an addition to the deferred revenue, leaving a balance of deferred revenue of $89,881. at September 30, 2013.
(I) Contribution are reduced by $112,028, which is recorded as an addition to the deferred revenue, leaving a balance of deferred revenue of $201,909 at September 30, 2014.
N/A Not available.
(J) Contribution are reduced by $130,342, which is recorded as an addition to the deferred revenue, leaving a balance of deferred revenue of $71,568 at September 30, 2015.
(K) Contributions are increased by $71,568 which is recorded as a reduction to the deferred revenue, leaving a balance of $0 of unearned revenue at September 30, 2016.

ADDITIONAL REPORTS

TUSCAN
& Company, PA
Certified Public Accountants & Consultants

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 Trustees
Greater Naples Fire Rescue District
Firefighters' Pension Plan
14575 Collier Boulevard
Naples, Florida 34119

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 Greater Naples Fire Rescue District Firefighters' Pension Plan (the "Plan") as of and for the year ended September 30, 2016, and the related notes to the financial statements which collectively comprise the Plan's basic financial statements as listed in the table of contents and have issued our report thereon dated January 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan'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 Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 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.

Further, we did note one prior year comment (Comment 2015-1) and one current year comment (Comment 2016-1) that we have reported to management in our Independent Auditor's Report to Management dated January 30, 2017.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Naples Fire Rescue District Firefighters' Pension Plan's financial statements are free of 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 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 internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan'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 Plan'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
January 30, 2017

TUSCAN
& Company, PA
Certified Public Accountants & Consultants

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

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

Board of Trustees
Greater Naples Fire Rescue District
Firefighters' Pension Plan
14575 Collier Boulevard
Naples, Florida 34119

We have examined Greater Naples Fire Rescue District Firefighters' Pension Plan's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2016. Management is responsible for Greater Naples Fire Rescue District Firefighters' Pension Plan's compliance with those requirements. Our responsibility is to express an opinion on Greater Naples Fire Rescue District Firefighters' Pension Plan'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 Greater Naples Fire Rescue District Firefighters' Pension Plan'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 Greater Naples Fire Rescue District Firefighters' Pension Plan's compliance with specified requirements.

In our opinion, Greater Naples Fire Rescue District Firefighters' Pension Plan complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

This report is intended solely for the information and use of the Greater Naples Fire Rescue District Firefighters' Pension Plan 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
January 30, 2017

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TUSCAN
& Company, PA
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Trustees
Greater Naples Fire Rescue District
Firefighters' Pension Plan
14575 Collier Boulevard
Naples, Florida 34119

We have audited the accompanying basic financial statements of Greater Naples Fire Rescue District Firefighters' Pension Plan (the "Plan") as of and for the year ended September 30, 2016 and have issued our report thereon dated January 30, 2017.

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 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 that report, which is dated January 30, 2017, 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. There was a financially significant comment noted and it continues to apply in the current year.

- 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. There were no such prior year comments noted.

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- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address violations of 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 note 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 if the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District disclosed this information in the notes to its 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. This item does not specifically apply to the Plan.

- Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a) Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. This item does not specifically apply to the Plan.

- Pursuant to Sections 10.554(1)(i)5.c. and 10.556(7), 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.

- Pursuant to Section 10.554(1)(i)5.d., 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 entity (F.S. Section 218.39(3)(b)). There are no known component units 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 Plan'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 Plan complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated January 30, 2017, included herein.

PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:

2015-1 Share Plan Forfeitures

In November 2011, the Board approved freezing the re-distribution (forfeiture) of the nine non-vested laid off Share Plan Members for a period of two years. It was noted during the fieldwork that the Board took no additional action to rescind the freeze after November 2013. Unfortunately, two of the non-vested laid off Share Plan Members participant accounts were subsequently forfeited as of October 1, 2012.

We continue to recommend the Board identify the two individuals affected by the forfeiture, review the accounts and take corrective action, if appropriate, reallocate the previously forfeited participant accounts.

CURRENT YEAR COMMENTS:

2016-1 Employee Contributions Should be Reviewed for Accuracy

During our contribution testing, we selected a total sample size of ten (10) plan participants. We noted that one (1) of the ten (10) tested over contributed to the plan. It was noted that the three percent contribution was withheld from a participant's disability pay which is exempt from Plan contribution.

We recommend that participant contributions be calculated and withheld based on wages that are subject to contributions.

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 Trustees, Board of Fire Commissioners, management, Plan members, the Auditor General of the State of Florida and other federal and state agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

Tuscan & Company, P.A.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 30, 2017

EXHIBIT

Greater Naples Fire Rescue District
Firefighters' Pension Plan 14575 Collier Blvd., Naples, FL 34119-9605

Joyceanna "JA" Rautio, Administrator
Greater Naples Firefighters' Pension Plan
10261 Windsor Way
Naples, FL 34109-1646
Phone: 239.591.1130
Email address: 175pensionplans@earthlink.net

March 31, 2017

Mr. Jeffery Tuscan, CPA
Tuscan & Company, PA
12621 World Plaza Lane Building 55
Fort Myers, FL 33907

Dear Mr. Tuscan:

The following is management's response to the Financial Statements together with Additional Reports and the Report of the Independent Auditor for Years Ending September 30, 2016 and 2015. After discussions at four meetings, a workable strategy for the resolution of the Prior Year Comment 2015-1 was recently determined at the February 10, 2017 Quarterly Trustee Meeting. An explanation is included in this response. Additionally, there is one Current Year Comment *[2016-1]* to address.

PRIOR YEAR COMMENT THAT CONTINUES TO APPLY & *CURRENT YEAR ADDENDA:*

2015-1 Share Plan Forfeitures:

The Auditors noted that the Board approved a 2-year grace period to freeze any re-distribution of Share Plan accounts for non-vested laid off Members in November 2011 and that no subsequent action was taken to end the 2 year frozen period. Inadvertently, two laid off, non-vested Members had their Share Plan account balances **forfeited** as of October 1, 2012. One was Jose Santana, who took a job at Golden Gate Fire District and joined FRS. He never returned to either East Naples Fire District or to the Chapter 175 Plan when the two Districts merged to form the current Greater Naples Fire Rescue District. Santana's balance was forfeited but he was not adversely affected since regulations prohibited him from reentering the 175 Plan.

The other Member, Robert Hofstetter, was rehired on October 21, 2013 in FY 2013-2014. His account balance had been forfeited as of October 1, 2012. Since he returned within the 2-year window he was adversely affected by the premature forfeiture in October 2012.

Considerable research and records reviews by the actuary, attorney and administrator produced a few potential options to make Hofstetter's Share Plan balance whole once again. At the May 13, 2016 Board meeting a motion passed unanimously "to direct the attorneys and administrator to work with the actuary to make Robert Hofstetter whole with his Share Plan Account." It took until the February 10, 2017 meeting to approve a "blended approach" that would reinstate his $6,278.78 balance to his account with the least amount of cost and confusion. Current Active Plan Members relinquished $5,089.90 and the Fire District's share to be deposited will be $1,188.88 in order to make Hofstetter whole as per the inadvertent forfeiture on October 1, 2012. Full implementation is pending review with the District. It is anticipated that a separate deposit transaction from the District to Salem Trust will be made via a custom payroll deposit form for this specific transaction in the month of April.

CURRENT YEAR COMMENT:

2016-1 Employee Contributions Should be Reviewed for Accuracy
The Auditors noted that during contribution testing, one Member out of ten tested "over contributed" to the Plan. This apparently occurred because the 3% contribution was withheld while the Member was receiving disability pay which is exempt from contribution withholding. A brief review of the circumstances suggests that this error was an isolated incident. It is acknowledged that the Plan has no direct authority over processing of payroll and only receives regular "Pay-period Summary Reports" of payroll contributions for the bookkeeper to track for the fiscal year, The Plan can suggest to the Fire District to increase regular review of employee contributions for any Member who temporarily must utilize the District's disability insurance program during the fiscal year. One additional review option is to alert the Plan Administrator of any Member who is on disability payments in order to check to see if a fluctuation in pay and the amount of contributions are ongoing. This would prompt a discussion between the Plan Administrator and Fire District Accountant about that individuals payrolls processing.

Sincerely,

GREATER NAPLES FIRE RESCUE DISTRICT FIREFIGHTERS' PENSION PLAN

Emanuel E. Arroyo
Board Chairman

JOYceanna J. Rautio
Plan Administrator

Timothy D. Sims
Board Secretary –Treasurer

EEA/JJR/ja