

**WEST MANATEE FIRE & RESCUE DISTRICT**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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WEST MANATEE FIRE & RESCUE DISTRICT  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**WEST MANATEE FIRE & RESCUE DISTRICT  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,985,310
Investments	960,000
Due from other governments	41,901
Restricted assets:	
Temporarily restricted:	
Cash and cash equivalents	172,724
Capital assets	
Land	642,669
Constuction in progress	244,797
Other capital assets, net of depreciation	4,193,371
Total Assets	<b>10,240,772</b>
Deferred outflows of pension resources	1,512,502
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	108,730
Noncurrent liabilities:	
Due within one year	146,196
Due in more than one year	4,341,407
Total Liabilities	<b>4,596,333</b>
Deferred inflows of pension earnings	665,335
<b>NET POSITION</b>	
Net Investment in Capital Assets	3,576,321
Restricted	172,724
Unrestricted	2,742,561
<b>TOTAL NET POSITION</b>	<b>\$ 6,491,606</b>

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

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**WEST MANATEE FIRE & RESCUE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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<b>Public Safety–Fire Protection</b>	
Personal services	\$ 4,808,304
Operating expenses	921,695
Depreciation	424,342
Interest	41,818
Total Program Expenses	<u>6,196,159</u>
<b>Program Revenues:</b>	
Charges for services	<u>156,312</u>
Net Program Expense	<u>6,039,847</u>
<b>General Revenues:</b>	
Fire assessments	6,586,120
Impact fees	52,000
Investment earnings	15,646
Miscellaneous	103,327
Total General Revenues	<u>6,757,093</u>
Increase in Net Position	717,246
<b>Net Position – Beginning, as previously stated</b>	<b>7,165,255</b>
<b>Prior period adjustment–Note A</b>	<b>(1,390,895)</b>
<b>Net Position – Beginning, as restated</b>	<b><u>5,774,360</u></b>
<b>Net Position – Ending</b>	<b><u><u>\$ 6,491,606</u></u></b>

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

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**WEST MANATEE FIRE & RESCUE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2015**

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	<b>GENERAL FUND</b>
<b>ASSETS</b>	
Cash	\$ 3,985,310
Cash – restricted	172,724
Investments	960,000
Due from other governments	41,901
<b>TOTAL ASSETS</b>	<b><u>\$ 5,159,935</u></b>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 6,833
Accrued expenses	101,897
<b>TOTAL LIABILITIES</b>	<b><u>108,730</u></b>
<b>FUND BALANCE</b>	
Spendable	
Restricted	172,724
Committed	2,506,162
Assigned	1,248,280
Unassigned	1,124,039
<b>TOTAL FUND BALANCE</b>	<b><u>5,051,205</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 5,159,935</u></b>

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

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**WEST MANATEE FIRE & RESCUE DISTRICT  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

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

Fund Balance – Total Governmental Fund	\$ 5,051,205
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,080,837
Deferred outflows of pension resources are not recognized in the governmental funds, however, they are recorded in the statement of net position under full accrual accounting	1,512,502
Deferred inflows of pension earnings are not recognized in the governmental funds, however, they are recorded in the statement of net position under full accrual accounting	(665,335)
Long-term liabilities, including notes payable, and compensated absences, Net pension liability and OPEB are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,487,603)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 6,491,606</u></u></b>

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

**WEST MANATEE FIRE & RESCUE DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>GENERAL FUND</b>
<b>REVENUES</b>	
Fire protection services:	
Tax assessments	\$ 6,586,120
Impact fees	52,000
Interest income - unrestricted	15,646
Inspection fees	2,460
Reimbursements	119,533
Miscellaneous income	120,962
Total Revenues	6,896,721
<b>EXPENDITURES</b>	
Public Safety:	
Personal services	4,762,014
Operating expenditures	1,086,760
Capital outlay	41,176
Debt Service:	
Principal	142,430
Interest	41,818
Total Expenditures	6,074,198
 <b>Excess of revenues over (under) expenditures</b>	 822,523
 <b>Other Financing Sources</b>	
Proceeds from sale of fixed assets	16,684
	16,684
 <b>Net Change in Fund Balance</b>	 839,207
 <b>FUND BALANCE, October 1, 2014</b>	 4,211,998
 <b>FUND BALANCE, September 30, 2015</b>	 \$ 5,051,205

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



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**WEST MANATEE FIRE & RESCUE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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

Net changes in fund balances – governmental fund	\$ 839,207
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense and loss on disposal in the current period.	(218,101)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, the transaction has no effect on Net Position.	142,430
Some expenditures in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the general fund. This represents the current year change in:	
Compensated absences	(25,087)
OPEB liabilities	(64,713)
Net pension liability	(1,399,560)
Deferred outflows of pension resources	1,318,451
Deferred inflows of pension earnings	124,619
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 717,246</b>

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

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**WEST MANATEE FIRE & RESCUE DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND – PENSION TRUST FUND  
SEPTEMBER 30, 2015**

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**ASSETS**

Due from State of Florida	\$ 364,282
Investments, at fair value	
Money Market and short term funds	242,400
U.S. Government Obligations	820,548
Corporate Bonds	985,488
Foreign Stock	440,440
Fixed Income Funds	2,311,920
Equity Funds	5,882,354
Total Investments	<u>10,683,150</u>
<b>TOTAL ASSETS</b>	<u>11,047,432</u>
<b>NET POSITION</b>	
Held in trust for pension benefits	<u><u>\$ 11,047,432</u></u>

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

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**WEST MANATEE FIRE & RESCUE DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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**ADDITIONS**

**CONTRIBUTIONS:**

Employer contributions	\$ 364,820
Employee contributions	65,561
State contributions	364,282
Total contributions	<u>794,663</u>

**INVESTMENT INCOME:**

Interest and dividends	283,107
Gain (loss) on sales	(33,666)
Net appreciation (depreciation) in fair value of investments	(282,211)
	<u>(32,770)</u>

Less investment expense	<u>30,885</u>
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Net investment income (loss)	<u>(63,655)</u>
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TOTAL ADDITIONS	731,008
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**DEDUCTIONS**

Administrative expenses	50,663
Benefits paid to participants	60,003

<b>TOTAL DEDUCTIONS</b>	<u>110,666</u>
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<b>NET INCREASE (DECREASE)</b>	620,342
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**NET POSITION HELD IN TRUST FOR PENSION BENEFITS:**

Beginning of period	<u>10,427,090</u>
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End of period	<u><u>\$ 11,047,432</u></u>
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The accompanying notes are an integral part of these financial statements.

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**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies followed by the West Manatee Fire & Rescue District, Manatee County, Florida:

- (1) Reporting Entity – West Manatee Fire & Rescue District is a public municipal corporation in the State of Florida created in 2000 under of the Laws of Florida (Chapter 2000–401). This act merged two predecessor Districts: The Anna Maria Fire Control District and the Westside Fire Control District. All of the assets and liabilities of the previous two Districts were transferred into the West Manatee Fire and Rescue District on the effective date of the act May 31, 2000.

Revenue is provided for in the Bill by special assessments against taxable real estate lying within the territorial bounds of the District as defined by the State of Florida. Disbursements are made for maintenance and upkeep of the fire stations, purchase of fire fighting and rescue equipment, payment of wages, employee benefits, and administrative expenses.

The State of Florida passed Legislation, which took effect in 1985, which provides for the District to collect impact fees to defray the cost of improvements required to provide fire and emergency service to the new users of the District. The impact fees collected are to be used exclusively for the acquisition, purchase or construction of new facilities and equipment required to provide these services to the new users in the District.

- (2) Basis of Presentation –The District’s basic financial statements includes Government-wide (which reports the District as a whole) and Fund financial statements (which report only on the General and Fiduciary Funds). The Basic Financial Statements present only governmental activities, as the District conducts no business type activities.

Basis of Accounting: Basic Financial Statements – Government Wide Statements– The Government-Wide Financial Statements (Statement of Net Position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements exclude the District’s fiduciary activities (pension trust fund.) For the most part, interfund activity has been removed from these statements. The District’s net position is reported in three parts (as applicable): Net Investment in Capital Assets; restricted net position, and unrestricted net position. The statement of activities reports direct program expenses offset by program revenues. The amounts reported as program revenues include charges for services, as well as operating and capital grants as applicable. General revenues include taxes and other items not properly included as program revenue.

Basic Financial Statements – Fund Financial Statements – The District’s accounts are organized on the basis of funds, which are self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The District utilizes Governmental funds, which follow the

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WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(2) Basis of Presentation – Continued

modified accrual basis of accounting. Under this method, revenues are recorded when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a fund liability is incurred. The District also uses a pension trust fund. The District reports the following funds, which are major funds:

Governmental Funds

General Fund – The General Fund is the general operating fund of the District. All general tax revenues are accounted for in this Fund. From the Fund are paid the general operating expenditures, budgeted capital expenditures and debt service costs. Impact Fees collected on new construction are also accounted for in this Fund. These revenues can only be used for the acquisition, construction or purchase of assets required to provide fire protection and emergency services to new construction.

Fiduciary Funds

Pension Trust Fund – Pension trust funds are accounted for on the accrual basis since capital maintenance is critical. Employer and participant contributions are recognized in the period in which the contributions are due. Retirement benefits and refunds are recognized when due and payable in accordance with the plan. The pension trust fund is used to account for a defined benefit pension plan established for employees hired on or after January 1, 1996.

- (3) Budgets and Budgetary Accounting – The District prepares an annual operating budget for the fiscal year commencing October 1. Prior to September 1 of each year, the District's Fire Chief prepares a proposed budget for the upcoming fiscal year. The budget is based on an analysis of prior year actual revenues and expenditures along with anticipated spending and revenue sources. Budgetary control is exercised on the total expenditure level. Appropriations lapse at the end of the year. The pension trust fund is not budgeted. Once the proposed budget is compiled, it is brought before the Board of Commissioners for approval.
- (4) Compensated Absences – It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured or are payable from current financial resources. Compensated absences typically are liquidated out of the General Fund.

WEST MANATEE FIRE & RESCUE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

- (5) Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred. The District does not have infrastructure assets. Property, plant and equipment of the District are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building	40
Improvements	20
Ladder Trucks	20
Fire Engines	10
Vehicles	5-7
Furniture, fixtures and equipment	5-15

- (6) Long-Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, no long-term obligations are reported as they are not due to be paid from current financial resources.
- (7) Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position includes a separate section for deferred outflows. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item qualified for reporting in this category. A deferred outflow of pension resources is reflected in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. A deferred inflow of pension earnings is reported in the government-wide statement of net position.

- (8) Property Taxes – Property taxes become due and payable on November 1 of each year. The county tax collector remits the District’s portion as such revenues are received. The District collects nearly all of its tax revenues during the period November 1 through April 1, at which time the taxes become delinquent. The maximum rates of tax are set by the Legislature of the State of Florida. The actual amount assessed is determined by the Board of Commissioners of the District.

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WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

(8) Property Taxes –Continued

The key dates in the property tax cycle are as follows:

Assessment roll validated	July 1
Beginning of fiscal year for which taxes have been levied	October 1
Tax bills rendered and due	November 1
Property taxes payable:	
Maximum discount	November 30
Delinquent	April 1
Tax certificates sold	May 31
Fiscal year ends	September 30

Property taxes are recognized as revenue in the fiscal year for which the taxes have been levied to the extent they result in current receivables. Under the system outlined above, no material amount of taxes is receivable after the end of the fiscal year.

- (9) Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (10) Net Position – Net position is reported in three parts as applicable: Net Investment in Capital Assets; restricted and unrestricted. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed.
- (11) Change in Accounting Principles – During 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 27*, which was issued to establish financial reporting requirements for most governments that provide employees with pension coverage. Additionally, the statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the District's participation in the Florida Retirement System (FRS). The District also implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date: An Amendment of GASB 68*. The implementation of these standards reduced the beginning net position at September 30, 2014 as reported in the Statement of Activities by \$1,390,895 which is the recognition of the District's proportionate share of the defined benefit pension plan net pension liability at September 30, 2014.
- (12) Fund Balance – The District follows Governmental Accounting Standards Board Statement No. 54 in reporting fund balance in the governmental fund. GASB 54 establishes fund balance classifications that comprise a hierarchy based

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**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

(12) Fund Balance – Continued

primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, and Spendable. Spendable is then further classified as Restricted, Committed, Assigned, and Unassigned, as applicable. These classifications reflect not only the nature of funds, but also provide clarity to the level of restrictions placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows:

Nonspendable – includes amounts that cannot be spent either because they are not in a spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

- Restricted – includes amounts that can be spent only for specific purposes because of state or federal laws or enabling legislation, or which are externally restricted by providers, such as creditors or grantors.
- Committed – includes amounts that can be spent only for specific purposes that are determined by a formal action of the Board of Commissioners through a resolution, or passage of the budget.
- Assigned – includes amounts designated by the Board of Commissioners by a majority vote that are intended to be used for specific purposes that are neither considered restricted or committed.
- Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy.



WEST MANATEE FIRE & RESCUE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Spendable:	
Restricted:	
Impact fees	\$ 172,724
Committed:	
Contingency	2,100,000
Facilities	53,147
Training	<u>353,015</u>
Total committed	<u>2,506,162</u>
Assigned:	
Long-term Replacement:	
Data/technology/communications replacement	75,000
Protective gear replacement	170,000
SCBA replacement	195,000
Specialty teams equipment replacement	288,280
Vehicle replacement	220,000
Grants	50,000
Emergency repair	50,000
Leave liability	125,000
Short-term Replacement:	
New equipment	10,000
Office equipment	10,000
Data/technology/communications	10,000
Equipment replacement	10,000
Facilities	10,000
Protective gear	10,000
General equipment	7,500
Specialty teams	<u>7,500</u>
Total assigned	<u>1,248,280</u>
Unassigned	<u>1,124,039</u>
Total Fund Balance	<u>\$ 5,051,205</u>

**NOTE B – CASH AND INVESTMENTS**

The District maintains two cash and investment pools. One pool is unrestricted funds and is available for use as determined by the annual budget. The other pool is restricted funds from impact fees. Cash restricted from impact fee revenue can only be used for the acquisition, construction or purchase of assets required to provide fire protection and emergency services to new construction.

Deposits and Investments

Chapter 95-194 created Section 218.415 of the Florida Statutes. In accordance with this statute, authorized investments are as follows:

- (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.

**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE B – CASH AND INVESTMENTS – CONTINUED**

- (b) Securities and Exchange Commission registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest bearing time deposits or savings accounts in state-certified Qualified Public Depositories as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.

The cash and investment accounts are with institutions that are Qualified Public Depositories and post collateral as required by State Law. Investments in the general fund consist of a Certificate of Deposit in a Qualified Public Depository. There is no penalty for early withdrawal. All of the District's deposits are entirely collateralized pursuant to Chapter 280 of the Florida Statutes. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, at September 30, 2015, the District only had demand deposits and time deposits.

**NOTE C – CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 642,669	\$ -0-	\$ -0-	\$ -0-	\$ 642,669
Construction in process	<u>-0-</u>	<u>244,797</u>	<u>-0-</u>	<u>-0-</u>	<u>244,797</u>
Total capital assets, not being depreciated	<u>642,669</u>	<u>244,797</u>	<u>-0-</u>	<u>-0-</u>	<u>887,466</u>
Capital assets being depreciated:					
Buildings and improvements	5,237,860	-0-	72,770	-0-	5,165,090
Machinery and equipment	<u>4,218,846</u>	<u>21,429</u>	<u>57,738</u>	<u>-0-</u>	<u>4,182,537</u>
Total capital assets being depreciated	9,456,706	21,429	130,508	-0-	9,347,627
Less accumulated depreciation for:					
Buildings and improvements	1,649,996	156,593	19,717	-0-	1,786,872
Machinery and equipment	<u>3,150,441</u>	<u>267,749</u>	<u>50,806</u>	<u>-0-</u>	<u>3,367,384</u>
Total accumulated depreciation	<u>4,800,437</u>	<u>424,342</u>	<u>70,523</u>	<u>-0-</u>	<u>5,154,256</u>
Total capital assets, being depreciated, net	<u>4,656,269</u>	<u>(402,913)</u>	<u>59,985</u>	<u>-0-</u>	<u>4,193,371</u>
Governmental activities capital assets, net	<b><u>\$ 5,298,938</u></b>	<b><u>\$ (158,116)</u></b>	<b><u>\$ 59,985</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$5,080,837</u></b>

Depreciation expense was included in the statement of activities in the amount of \$424,342.

**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE D – LONG-TERM DEBT**

During 2010, the District entered into a debt agreement with a financial institution for the purchase and renovation of property for the District's administration facility. The amount originally available under the loan was \$1,500,000. Payments are due in quarterly installments of principal and interest beginning November 1, 2010. The loan is secured by a pledge of tax assessments. The loan was refinanced in December 2013, and resulted in an interest rate of 2.65% and a maturity date of June 30, 2025. Beginning March 31, 2014, quarterly payments of principal and interest were \$32,402.

During 2013, the District entered into a debt agreement with a financial institution for the purchase of a pumper truck in the amount of \$480,760. Payments are due in quarterly installments of principal and interest of \$13,660. The interest rate is 2.55% and the note matures September 30, 2023. The loan is secured by a pledge of tax assessments.

Future maturities of long-term debt are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 146,196	\$ 38,052	\$ 184,248
2017	150,063	34,185	184,248
2018	154,032	30,217	184,249
2019	158,107	26,142	184,249
2020	162,288	21,960	184,248
2021-2025	733,830	45,557	779,387
	<b><u>\$ 1,504,516</u></b>	<b><u>\$ 196,113</u></b>	<b><u>\$ 1,700,629</u></b>

	<b>Beginning Balance</b>	<b>Addition</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One-Year</b>
Governmental Activities					
Notes payable	\$ 1,208,768	\$ -0-	\$ 98,545	\$ 1,110,223	\$ 101,181
Notes payable	438,178	-0-	43,885	394,293	45,015
	1,646,946	-0-	142,430	1,504,516	146,196
Net pension liability	530,130	1,399,560	-0-	1,929,690	-0-
OPEB Liability	268,409	64,713	-0-	333,122	-0-
Compensated absences	695,188	330,623	305,536	720,275	-0-
Governmental activity					
Long-term liabilities	<b><u>\$ 3,140,673</u></b>	<b><u>\$ 1,794,896</u></b>	<b><u>\$ 447,966</u></b>	<b><u>\$ 4,487,603</u></b>	<b><u>\$ 146,196</u></b>

**NOTE E – SICK LEAVE, VACATION PAY AND POST EMPLOYMENT HEALTH PLAN**

District policy grants employees annual and sick leave and longevity pay in varying amounts. Accumulated sick leave benefits are payable at 50% upon retirement. Since the previous expenses are not expected to be liquidated with expendable financial resources, they have been recorded only in the government-wide financial statements.

**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE E – SICK LEAVE, VACATION PAY AND POST EMPLOYMENT HEALTH PLAN – CONTINUED**

The District adopted, on January 1, 2001, an Employer Participation Agreement for a Post Employment Health Plan. The District makes annual contributions to the plan of 1% of base salary. The employee’s individual balances will be used to purchase Post Employment Health costs until exhausted. \$40,879 was contributed to the plan for the year ended September 30, 2015.

**NOTE F – RECONCILIATION OF GOVERNMENT -WIDE AND FUND FINANCIAL STATEMENTS**

Explanation of certain differences between the governmental fund balance sheet and government-wide statement of net position

The reconciliation between the fund balance – total governmental funds as reported in the governmental fund balance sheet and net position – governmental activities as reported in the statement of net position, is included on page 12 of the basic financial statements. One line of that reconciliation explains “long-term liabilities, including notes payable, compensated absences and OPEB liability are not due and payable in the current period and therefore are not reported in the governmental funds.” The detail of the difference is shown below:

Notes Payable	\$ 1,504,516
Compensated Absences	720,275
Net Pension Liability	1,929,690
OPEB Liability	<u>333,122</u>
	<u>\$ 4,487,603</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The reconciliation between the net changes in fund balances – total governmental funds as reported in the statement of revenues, expenditures and changes in fund balances, and the changes in net position as reported in the statement of activities is included on page 14 of the basic financial statements. One line in that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of the difference is shown below:

Capital Outlay included as additions	\$ 266,226
Loss on disposal of assets	(59,985)
Depreciation Expense	<u>(424,342)</u>
	<u>\$ (218,101)</u>

**NOTE G – RETIREMENT PLANS**

FLORIDA RETIREMENT SYSTEM – (FRS)

Plan Participation

All full-time employees of the predecessor Districts prior to January 1, 1996, are covered by the State of Florida Retirement System, which is administered by the Florida Department of Management Services, Division of Retirement under the Authority of Article X, Section 14 of the State Constitution and Florida Statutes,

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**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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**NOTE G – RETIREMENT PLANS**

Plan Participation – Continued

Chapter 112 and 121. The system is a contributory, defined benefit, cost-sharing multiple-employer PERS (Public Employee Retirement System).

Plan Description

Employees (as noted above) of the District are provided with pensions through the Florida Retirement System which is administered by the Florida Department of Management Services, Division of Retirement. The State of Florida issues a publicly available comprehensive annual financial report that can be obtained at <http://myfloridacfo.com/Division/AA/Reports/default.htm>.

Under this system, there are two defined benefit pension plans: The Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program:

- The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes.
- The Retiree Health Insurance Subsidy Program (HIS) is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes.

Benefits Provided

The FRS provides retirees a lifetime pension benefit with joint and survivor payment options. Benefits under FRS are computed on the basis of age and/or years of service, average final compensation and service credit. Credit for each year of service is expressed as a percentage of the average final compensation.

Plan Provisions

**If first employed prior to July 1, 2011:** Normal retirement age for “regular” employees is 62 or 30 years of service and vesting occurs after 6 years of creditable service. Normal retirement age for “special risk” employees is 55 or 25 years of service and vesting occurs after 8 years of creditable service. The average final compensation is the average of the five highest fiscal years’ earnings.

**If first employed on or after July 1, 2011:** Normal retirement age for “regular” employees is 65 or 33 years of service and vesting occurs after 8 years of creditable service. Normal retirement age for “special risk” employees is 60 or 30 years of service and vesting occurs after 8 years of creditable service. The average final compensation is the average of the eight highest fiscal years’ earnings.

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**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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**NOTE G – RETIREMENT PLANS – CONTINUED**

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

Plan Provisions – Continued

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Under the HIS Plan, the benefit is a monthly payment to assist retirees in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree must provide proof of eligible health insurance coverage, which can include Medicare.

Contributions Required and Made

Per Chapter 121, Florida Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the Florida Department of Management Services, Division of Retirement. Effective July 1, 2011, both employee and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. The Florida Legislature established a uniform contribution rate system for the FRS. The uniform rates are based on the class an employee is placed into which requires employees to contribute 3% and employers to contribute a specified percentage based on class. The District's contractually required contribution rate for the year ended September 30, 2015, ranged from 7.26% – 7.37% for regular employees, 19.82% – 22.04% for special risk employees and 12.28% – 12.88% for employees in the DROP Program of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$125,315 for the year ended September 30, 2015.

Contributions for the year ended September 30, 2014, which equaled required contributions, were \$129,872 and approximated 15.5% of covered payroll. Contributions for the year ended September 30, 2013, which equaled required contributions were \$110,459 and 12.4% of covered payroll.

The HIS Program is funded by required contributions ranging from 1.26% to 1.66% and is included in the contribution rates noted above.

**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE G – RETIREMENT PLANS – CONTINUED**

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2015, the District reported a liability of \$911,318 for its proportionate share of the net pension liability which includes both FRS and HIS. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was .004832336% for FRS and .002815695% for HIS was consistent with its proportion measured as of June 30, 2015.

For the year ended September 30, 2015, the District recognized pension expense of (\$20,382), related to the FRS/HIS Plan. At September 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 65,893	\$ 14,803	\$ -0-	\$ -0-
Changes in assumptions	41,428	-0-	22,592	-0-
Net difference between projected and actual earnings on pension plan investments	219,847	368,886	155	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	-0-	216,451	-0-	33,128
District contributions subsequent to the June 30, 2015 measurement date	<u>29,212</u>	<u>-0-</u>	<u>3,158</u>	<u>-0-</u>
	<u>\$ 356,380</u>	<u>\$ 600,140</u>	<u>\$ 25,905</u>	<u>\$ 33,128</u>

Total deferred outflows were \$382,285 and total deferred inflows were \$633,268. \$29,212 (FRS) and \$3,158 (HIS) were reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>FRS</u>	<u>HIS</u>
2016	\$ (49,479)	\$ (1,432)
2017	(49,479)	(1,432)
2018	(49,479)	(1,432)
2019	(49,479)	(1,432)
2020	(49,478)	(1,432)
Thereafter	<u>(25,578)</u>	<u>(3,221)</u>
	<u>\$ (272,972)</u>	<u>\$ (10,381)</u>

WEST MANATEE FIRE & RESCUE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**NOTE G – RETIREMENT PLANS – CONTINUED**

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

Actuarial Assumptions

The total pension liability in the July 1, 2015 actuarial valuation (June 30, 2015 measurement date) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.6 percent
Salary increases	3.25 percent, including inflation
Investment rate of return	7.65 percent, including inflation at 2.60%

Mortality rates were based on the generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study performed in 2014 for the period July 1, 2008 – June 30, 2013. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed for that Plan, but were based on certain results of the most recent experience study for the FRS Plan.

The long-term expected rate of return on pension plan investments was determined in October 2015 at the FRS Actuarial Assumptions conference based on a review of long-term assumptions developed both by Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults with the Florida State Board of Administration. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption, (2.60%). These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>
Cash	1%	3.2%
Fixed income	18%	4.8%
Global equity	53%	8.5%
Real estate (property)	10%	6.8%
Private equity	6%	11.9%
Strategic investments	12%	6.7%



WEST MANATEE FIRE & RESCUE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**NOTE G – RETIREMENT PLANS – CONTINUED**

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

*Discount Rate*

The discount rate used to measure the total FRS pension liability was 7.65%, and the HIS pension liability was 3.80%. The HIS rate decreased from 4.29% to 3.80% in the most recent actuarial study. The HIS rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the FRS net pension liability calculated using the discount rate of 7.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of the FRS net pension liability	\$ 1,617,342	\$ 624,161	\$ (202,329)

The following presents the District's proportionate share of the HIS net pension liability calculated using the discount rate of 3.80%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Discount Rate (3.80%)	1% Increase (4.80%)
District's proportionate share of the HIS net pension liability	\$ 327,202	\$ 287,157	\$ 253,765

Pension Plan Fiduciary Net Position

The District's proportion of net position has been determined on the same basis of each Plan. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of Florida comprehensive annual financial report.

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WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**NOTE G – RETIREMENT PLANS – CONTINUED**

**BENEFITS FOR NON-FIREFIGHTERS HIRED AFTER JANUARY 1, 1996**

Non-firefighters hired after January 1, 1996 receive a contribution in the amount of 12.5% of their salary into a defined contribution plan. This defined contribution arrangement was approved in Ordinance 96-03 passed on July 24, 1996. Total contributions were \$7,222 on a covered payroll of \$59,814.

**DEFINED BENEFIT PLAN FOR FIREFIGHTERS HIRED AFTER JANUARY 1, 1996**

Plan Description and Summary of Significant Accounting Policies

Ordinance 2000-05, which was amended by Ordinances 2003-02, 2005-02, 2008-04 and 2010-01, 2013-04 and 2014-05, the West Manatee Fire and Rescue District Firefighters' Retirement Plan (FFRP) was established which combined individual plans from two predecessor Districts. This plan meets the requirements of Chapter 175 Florida Statutes. The Plan is a single member, defined benefit, public retirement system.

The District's section 175 pension plan is accounted for in the accompanying financial statements as a pension trust fund. Plan administrative costs are paid by the plan. The District Board has the authority to amend or extend the provisions of the plan. The plan is administered by the Pension Board with Salem Trust Company as the custodian of the assets. The Pension Board consists of 5 Trustees, 2 of whom are appointed by the District Board, 2 of whom are full-time Firefighters and elected by members of the Plan, and 1 who is elected by the other 4 trustees and appointed by the Board. The District's plan does not issue a separate financial report.

Retirees and beneficiaries receiving benefits	3
Terminated plan members entitled to, but not yet receiving, benefits	3
Active plan members	<u>32</u>
Total	38

Basis of Accounting – The FFRP follows the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Asset Valuation – Investments are reported at market value based on quoted prices at month/year end. Investment income is recognized when earned. Gains and losses on sales and exchanges of securities are recognized on the transaction date.

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WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**NOTE G – RETIREMENT PLANS – CONTINUED**

Plan Description and Summary of Significant Accounting Policies – Continued

Benefit Provisions

The Plan provides retirement, disability and death benefits to all full-time firefighters hired after January 1, 1996, effective at date of hire. Retirement benefits are calculated as 3.5% of Average Final Compensation times credited service.

Normal Retirement – Earlier of age 55 and 6 years of Credited Service, or 25 years of Credited Service, regardless of age.

Early Retirement – 6 years of Credited Service.

Disability – Service Incurred: Covered from Date of Employment. Non-Service Incurred: 8 years of Credited Service. Benefit accrued to date of disability, but, if service incurred, not less than 42% of Average Final Compensation, if unable to perform duties of a Firefighter, or 65%, if unable to perform any duties for the District.

Death Benefits Pre-Retirement – Line of Duty: If member was vested, the beneficiary receives the greater of: 1) the member's accrued benefit payable at the otherwise Early (reduced) or Normal Retirement Date, or 2) 50% of the member's monthly salary rate at the time of death, payable for life. Non-Spousal Beneficiaries must commence benefits immediately. If the member was not vested, the beneficiary receives 50% of the member's monthly salary rate at the time of death, payable for life.

Not in Line of Duty: If member was vested, the beneficiary receives the member's accrued benefit payable at the otherwise Early (reduced) or Normal Retirement Date. Non-Spousal Beneficiaries must commence benefits immediately. If the member was not vested, the beneficiary receives a refund of the member's own contributions.

Cost of Living Adjustment – Each July 1 following retirement, the monthly benefit amount is increased 3.5%. The increase is based on the June benefit, excluding any health insurance subsidy.

Supplemental Benefit – \$5.00 per month for each year of Credited Service.

Deferred Retirement Option Program – Satisfaction of Normal Retirement requirements. Not to exceed 60 months. Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter. The DROP Balance as of September 30, 2015 is \$0.

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WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**NOTE G – RETIREMENT PLANS – CONTINUED**

Contribution Information

Vesting on employer contributions occurs after 6 years of service. Employees are fully vested in their required contributions when made. Required employee contributions were 2.9% of salary. Required contributions from the District along with state contributions are required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. Employer contributions for the period ended September 30, 2015 were \$364,820, on a covered payroll of \$2,260,740. State contributions totaled \$364,282, and employee contributions were \$65,561.

Investments

The Board establishes investment policies and allocation of invested assets and may amend the policy by majority vote.

Plan investments are held by the Salem Trust Company and have a market value of \$10,683,150 and a cost of \$10,208,832 at September 30, 2015.

As of September 30, 2015, the asset allocations are as follows:

	<u>Percent of Total</u>
Money Market Funds	2.27
U.S. Government Obligations	7.68
Corporate Bonds	9.22
Foreign Bonds	0.47
Common Equity Securities	33.92
Equity Mutual Funds	25.26
Fixed Income Mutual Funds	<u>21.17</u>
	<u>100.00</u>

Concentrations – The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan’s fiduciary net position.

Rate of Return – For the year ended September 30, 2015 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was (0.82%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk – Credit risk results from the potential default of investments that are not financially sound. Investments are limited by Florida Statute Chapter 175 and by an investment policy adopted by the Plan’s Board of Trustees. The Plan’s investments must meet the following criteria: fixed income securities/bonds with a Standard & Poor’s rating of BBB or higher or Moody’s rating of Baa or higher, except that 15% of the fixed income assets, at market, may be invested in securities not meeting this requirement, including foreign. Equities with a value

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WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**NOTE G – RETIREMENT PLANS – CONTINUED**

Investments – Continued

line ranking for safety 1, 2 or 3, except that 15% of equity assets, at market, may be invested in securities not meeting this requirement. Money Market with a Standard & Poor's rating of A1 or Moody's rating of P1. Not more than 5% of the Plan's assets are to be invested in common stock or capital stock of any one issuing company nor the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the Company. The value of bonds issued by a single corporation shall not exceed 10% of the Plan.

The Money Market Fund represents 2.27% of assets and has a Moody's rating of Aaa.

Interest Rate Risk – The U.S. Government Obligations have interest rates between 1% and 5.625% with maturities from 2016 to 2036. Corporate bonds have interest rates between 1.2% and 7.375% with maturities between 2016 and 2022. Foreign bonds have interest rates of 2.25% with maturities of 2017.

Custodial 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 investments or collateral securities that are in the possession of an outside party. The Plan investments are held by Salem Trust Company as Custodian for the West Manatee Fire & Rescue District Firefighter's Retirement Plan. Management invests with custodians it determines to have an acceptable custodial credit risk.

Foreign Currency Risk – The Board of Trustees retains outside investment managers to manage investment portfolios. The Board approves and provides investment managers with the Plan's written investment policy. The Plan's investment policy states that investments in foreign securities or corporations domiciled outside of the United States shall not exceed 10% of the value at cost of Plan assets.

Net Pension Liability

The measurement date is September 30, 2015. The measurement period for the pension expense was October 1, 2014 to September 30, 2015. The reporting period is October 1, 2014 through September 30, 2015.

The Sponsor's Net Pension Liability was measured as of September 30, 2015. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

**WEST MANATEE FIRE & RESCUE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE G – RETIREMENT PLANS – CONTINUED**

Net Pension Liability – Continued

The components of the net pension liability of the sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 11,945,761
Plan Fiduciary Net Position	<u>(10,927,389)</u>
Sponsor’s Net Pension Liability	<u>\$ 1,018,372</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	91.48%

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance as of September 30, 2014	\$ 10,143,038	\$ 10,199,688	\$ (56,650)
Change for a Year:			
Service cost	666,228	–0–	666,228
Interest	796,006	–0–	796,006
Difference between expected and actual experience	(36,648)	–0–	(36,648)
Changes in assumptions	437,140	–0–	437,140
Changes of benefit terms	–0–	–0–	–0–
Contributions – Employer	–0–	440,741	(440,741)
Contributions – State	–0–	405,207	(405,207)
Contributions – Employee	–0–	65,561	(65,561)
Net investment income	–0–	(86,120)	86,120
Benefit payments, including refunds of Employee contributions	(60,003)	(60,003)	–0–
Administrative expenses	<u>–0–</u>	<u>(37,685)</u>	<u>37,685</u>
Net Changes	<u>1,802,723</u>	<u>727,701</u>	<u>1,075,022</u>
Balance as of September 30, 2015	<u>\$ 11,945,761</u>	<u>\$ 10,927,389</u>	<u>\$ 1,018,372</u>

The Sponsor’s net pension liability was measured as of September 30, 2015.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2015 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	6.00%
Investment Rate of Return	7.75%
And discount rate (changed from 8.00% to 7.75% in 2015)	

**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE G – RETIREMENT PLANS – CONTINUED**

Actuarial Assumptions – Continued

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

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1996 – 2014.

Mortality is based on a RP-2000 Combined Healthy Mortality Table. It is based on study of over 650 public safety funds. This table reflects a 10% margin for future mortality improvements (disabled lives set forward 5 years).

The disability rates are as follows:

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>
20	0.14%	12.40%
30	0.18%	10.50%
40	0.30%	5.70%
50	1.00%	1.50%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Domestic Fixed Income	30%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	5%	4.5%
	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available

WEST MANATEE FIRE & RESCUE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**NOTE G – RETIREMENT PLANS – CONTINUED**

Discount Rate – Continued

to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the District, calculated using the discount rate of 7.75% as well as 1% higher and 1% lower than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Sponsor’s Net Pension Liability	\$ 3,030,494	\$ 1,018,372	\$ (597,969)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015 the Sponsor will recognize a pension expense of \$(23,128). At September 30, 2015 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2014	\$ -0-	\$ -0-
Change due to:		
Difference between expected and actual experience	-0-	32,067
Changes of assumptions	382,498	-0-
Net difference between projected and actual earnings on investments	747,719	-0-
Total change	1,130,217	32,067
Balance as of September 30, 2015	\$ 1,130,217	\$ 32,067

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

<u>Year ending September 30:</u>	
2016	\$ 236,990
2017	\$ 236,991
2018	\$ 236,991
2019	\$ 236,992
2020	\$ 50,062
Thereafter	\$ 100,124



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**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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**NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The District follows Governmental Accounting Standards Board Statement No. 45, Accounting and Reporting by Employers for Post-employment Benefits Other than Pensions, (OPEB), for certain other post-employment health care and dental benefits provided by the District. The requirements of this Statement were implemented on a prospective basis. The actuarially accrued liability of \$1,678,293 is being amortized over a 30 year period.

Plan Description - The District has established a single employer post retirement health plan that allows the retiree to continue health, dental and vision insurance benefits to the retiree, their spouse, and dependents. The premiums of these coverage's are solely born by the retiree.

The plan requires retirees to contribute an amount based on the average cost of providing the benefit to the covered group. Participants totaled 6 retirees and 42 active employees as part of the actuarial valuation.

As required by Florida Statute 112.0801, the District is required to allow retirees to participate in the District's health plan at the blended group premium rate for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

Funding Policy - Currently, the District's OPEB benefits are unfunded. There is no separate trust fund or equivalent arrangement into which the District would make contributions to advance-fund the obligation, as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the District, which are invested in qualified public depositories.

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount which was actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year at the net OPEB obligation:

	<u>2015</u>
Annual Required Contribution (ARC)	\$ 116,749
Interest on Net OPEB Obligation	13,420
Adjustment to the ARC	<u>(11,888)</u>
Total Annual OPEB Cost	118,281
Age Adjusted Contributions Made	<u>(53,568)</u>
Increase in Net OPEB Obligation	64,713
Net OPEB Obligation - beginning of year	<u>268,409</u>
Net OPEB Obligation - end of year	<u><b>\$ 333,122</b></u>

**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE H – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – CONTINUED**

Schedule of funding progress:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
9/30/12	\$-0-	\$ 1,060,623	\$ 1,060,623	0.00%	\$ 2,946,100	36.00%
9/30/13	\$-0-	\$ 1,297,736	\$ 1,297,736	0.00%	\$ 2,967,016	43.74%
9/30/15	\$-0-	\$ 1,678,293	\$ 1,678,293	0.00%	\$ 3,063,699	54.78%

The District's OPEB cost, the percentage of annual OPEB cost contributed and the Net OPEB obligation follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Age Adjusted Contributions</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/15	\$118,281	\$ 53,568	45.3%	\$ 333,122
9/30/14	\$ 93,683	\$ 41,589	44.4%	\$ 268,409
9/30/13	\$ 78,486	\$ 13,317	17.0%	\$ 162,030

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions and the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made from the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information (when available) about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actual Methods and Assumptions – Projection of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. Projections of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the District and Plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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**NOTE H – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – CONTINUED**

The September 30, 2015 OPEB actuarial valuation was calculated using the alternative measurement method in accordance with GASB methodology. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 5% discount rate. The actuarial assumptions also included mortality rates set forth in the RP-2000 mortality tables, and standard turnover assumptions based on GASB 45. Retirement was assumed to occur at age 55. Health care cost rates were assumed to be 8% for 2015, decreasing 1% per year through Year 3, and decreasing to 4.7% in year 10. The cost trend numbers used in the analysis were developed consistent with the Getzen model promulgated by the Society of Actuaries for use in long-term trend projection.

**NOTE I – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There has been no significant decrease in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

**NOTE J – RENTAL INCOME**

The District rents space at fire stations to Manatee County for EMS services. The District also rents space on its tower to a third party for cell phone providers. Total current year rents were \$153,852. Future rental income for the next five years is expected to be \$80,856 per annum.

**NOTE K – SUBSEQUENT EVENTS AND COMMITMENTS**

The District has entered into a contract for the construction of Station 4. The commitment includes design fees, as well as construction fees. The total contract amount at is \$2,763,532 of which \$244,797 had been completed at September 30, 2015. The remainder of the contract in the amount of \$2,518,735, including change orders, is expected to be completed in fiscal year 2016.

Subsequent to year end, the District entered into a debt agreement in the amount of \$2,000,000 in connection with the construction of Station 4. The note will carry interest at a fixed rate of 2.5% and mature in 10 years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WEST MANATEE FIRE & RESCUE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>				
Fire Protection Services:				
Tax assessments	\$ 6,589,814	\$ 6,589,814	\$ 6,586,120	\$ (3,694)
Impact fees	20,000	20,000	52,000	32,000
Interest income	10,000	10,000	15,646	5,646
Inspection fees	3,500	3,500	2,460	(1,040)
Reimbursements	107,680	107,680	119,533	11,853
Miscellaneous income	36,060	119,352	137,646	18,294
Total Revenues	<u>6,767,054</u>	<u>6,850,346</u>	<u>6,913,405</u>	<u>63,059</u>
<b>EXPENDITURES</b>				
Public Safety:				
Personal services	4,970,234	4,970,234	4,762,014	208,220
Operating expenditures	1,238,545	1,238,545	1,086,760	151,785
Capital outlay	370,903	370,903	41,176	329,727
Debt service:				
Principal	330,000	330,000	142,430	187,570
Interest	200,000	200,000	41,818	158,182
Total Expenditures	<u>7,109,682</u>	<u>7,109,682</u>	<u>6,074,198</u>	<u>1,035,484</u>
<b>Net change in fund balance</b>	(342,628)	(259,336)	839,207	1,098,543
<b>FUND BALANCE, October 1, 2014</b>	<u>4,211,998</u>	<u>4,211,998</u>	<u>4,211,998</u>	<u>-</u>
<b>FUND BALANCE, September 30, 2015</b>	<u>\$ 3,869,370</u>	<u>\$ 3,952,662</u>	<u>\$ 5,051,205</u>	<u>\$ 1,098,543</u>

**Note 1 – Budgetary Basis**

The general fund budget is prepared on a basis consistent with U.S. generally accepted accounting principles.

**WEST MANATEE FIRE & RESCUE DISTRICT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS – FFRP**

Last 10 Fiscal Years  
(Dollar Amounts in Thousands)

	<u>9/30/15</u>	<u>9/30/14</u>
Total Pension Liability		
Service Cost	\$ 666,228	\$ 599,259
Interest	796,006	697,564
Changes of Benefit Terms		
Differences Between Expected and Actual Experience	(36,648)	-0-
Changes in Assumptions	437,140	-0-
Benefit Payments, Including Refunds of Employee Contributions	<u>(60,003)</u>	<u>(206,528)</u>
Net Change in Total Pension Liability	1,802,723	1,090,295
Total Pension Liability – Beginning	<u>10,143,038</u>	<u>9,052,743</u>
Total Pension Liability – Ending (a)	<u>\$ 11,945,761</u>	<u>\$ 10,143,038</u>
 Plan Fiduciary Net Position		
Contributions – Employer	\$ 440,741	\$ 341,572
Contributions – State	405,207	394,968
Contributions – Employee	65,561	59,664
Net Investment Income	(86,120)	782,855
Benefit Payments, Including Refunds of Employee Contributions	(60,003)	(206,528)
Administrative Expense	(37,685)	(23,431)
Other	<u>-0-</u>	<u>-0-</u>
Net Change in Plan Fiduciary Net Position	727,701	1,349,100
Plan Fiduciary Net Position – Beginning	<u>10,199,688</u>	<u>8,850,588</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ 10,927,389</u>	<u>\$ 10,199,688</u>
 Net Pension Liability – Ending (a) – (b)	<u>\$ 1,018,372</u>	<u>\$ (56,650)</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.48%	100.56%
 Covered Employee Payroll	\$ 2,260,739	\$ 2,057,376
Net Pension Liability as a Percentage of Covered Employee Payroll	45.05%	-2.75%

Until a full 10-year trend is compiled, information will be presented for those years available.

**Notes to Schedule:**

Changes in Assumptions–For the fiscal year ended September 30, 2015, the investment rate of return was changed to 7.75% from 8.00%.

**WEST MANATEE FIRE & RESCUE DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS AND NOTES – FFRP**

Last 10 Fiscal Years  
(Dollar Amounts in Thousands)

	9/30/15	9/30/14
Actuarially Determined Contribution	\$ 739,262	\$ 736,540
Contributions in Relation to the Actuarially Determined Contributions	845,948	736,540
Contribution Deficiency (Excess)	\$ (106,686)	\$ -0-
Covered Employee Payroll	\$ 2,260,739	\$ 2,057,376
Contributions as a Percentage of Covered Employee Payroll	37.42%	35.80%

Notes to Schedule

Valuation Date: 10/01/2013  
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:

Actuarial Cost Method:	Aggregate Actuarial Cost Method
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.0%
Salary Increases:	6.0% per year up to the assumed retirement age. Projected salary at retirement is on an individual basis to account for non-regular compensation.
Interest:	8.0% per year compounded annually, net of investment related expenses.
Retirement Age:	Earlier of 1.) Age 55 and the completion of 6 years of service or 2.) the completion of 25 years of service, regardless of age. Members who are eligible to retire on the valuation date are assumed to work one additional year.
Early Retirement:	None.
Disability:	See below table.
Mortality:	RP-2000 Combined Healthy Mortality Table. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>	<u>Current Salary as a % of Salary at Age 55</u>
20	0.14%	12.40%	13.00%
30	0.18%	10.50%	23.30%
40	0.30%	5.70%	41.70%
50	1.00%	1.50%	74.70%

Until a full 10-year trend is compiled, information will be presented for those years available.

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**WEST MANATEE FIRE & RESCUE DISTRICT**  
**SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN ON INVESTMENTS - FFRP**

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	<u>9/30/15</u>	<u>9/30/14</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	-0.82%	8.69%

Until a full 10-year trend is compiled, information will be presented for those years available.



**WEST MANATEE FIRE & RESCUE DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**SEPTEMBER 30, 2015**

FLORIDA RETIREMENT SYSTEM (FRS)  
 Last Two Fiscal Years \*

	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.005296224%	0.004832336%
District's proportionate share of the net pension liability	\$ 323,148	\$ 624,161
District's covered-employee payroll	<u>\$ 839,374</u>	<u>\$ 812,025</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38%	77%
Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%

\* – GASB No. 68 was adopted in fiscal year 2015. Ultimately, this schedule will contain information for the last ten years.

**WEST MANATEE FIRE & RESCUE DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**SEPTEMBER 30, 2015**

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)  
 Last Two Fiscal Years \*

	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.002819525%	0.002815695%
District's proportionate share of the net pension liability	\$ 263,632	\$ 287,157
District's covered-employee payroll	<u>\$ 839,374</u>	<u>\$ 812,025</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	31%	35%
Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%

\* – GASB No. 68 was adopted in fiscal year 2015. Ultimately, this schedule will contain information for the last ten years.

**WEST MANATEE FIRE & RESCUE DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
SEPTEMBER 30, 2015**

FLORIDA RETIREMENT SYSTEM (FRS)  
Last Two Fiscal Years \*

	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 116,010	\$ 117,816
Contributions in relation to the contractually required contribution	<u>116,010</u>	<u>117,816</u>
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 839,374	\$ 812,025
Contributions as a percentage of covered-employee payroll	13.82%	14.51%

\* - GASB No. 68 was adopted in fiscal year 2015. Ultimately, this schedule will contain information for the last ten years.

**WEST MANATEE FIRE & RESCUE DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
SEPTEMBER 30, 2015**

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)  
Last Two Fiscal Years \*

	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 9,659	\$ 10,763
Contributions in relation to the contractually required contribution	<u>9,659</u>	<u>10,763</u>
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 839,374	\$ 812,025
Contributions as a percentage of covered-employee payroll	1.15%	1.33%

\* - GASB No. 68 was adopted in fiscal year 2015. Ultimately, this schedule will contain information for the last ten years.

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**WEST MANATEE FIRE & RESCUE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-FRS/HIS  
SEPTEMBER 30, 2015**

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### **ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial assumptions for both defined benefit plans (FRS and HIS) are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. This HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2015, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% (based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index) was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2015:

- FRS: There were no changes in actuarial assumptions. The inflation rate remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%.
- HIS: The municipal rate used to determine total pension liability decreased from 4.29% to 3.80%.

**WEST MANATEE FIRE & RESCUE DISTRICT  
SCHEDULE OF POST-EMPLOYMENT BENEFITS  
OTHER THAN PENSION**

The information presented in the above Required Supplementary Information schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	9/30/2015
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Unfunded
Actuarial Assumptions:	
Investment rate of return	5%
Initial Per Capita Cost Trend Rate	8%
Ultimate Health Care Cost Trend Rate	4.7%
Initial Dental Cost Trend Rate	3.5%
Ultimate Dental Cost Trend Rate	3%
Initial Pharmacy Cost Trend Rate	8%
Ultimate Pharmacy Cost Trend	4.7%
Vision Cost Trend Rate	3%

**SCHEDULE OF FUNDING PROGRESS**

<u>ACTUARIAL VALUATION DATE</u>	<u>(A) ACTUARIAL VALUE OF ASSETS</u>	<u>(B) ACTUARIAL ACCRUED LIABILITY (AAL)</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) (B-A)</u>	<u>(A/B) FUNDED RATIO</u>	<u>(C) COVERED PAYROLL</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)</u>
09/30/12	\$-0-	\$ 1,060,623	\$ 1,060,623	0.00%	\$ 2,946,100	36.00%
09/30/13	\$-0-	\$ 1,297,736	\$ 1,297,736	0.00%	\$ 2,967,016	43.74%
09/30/15	\$-0-	\$ 1,678,293	\$ 1,678,293	0.00%	\$ 3,063,699	54.78%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>FISCAL YEAR ENDED</u>	<u>ANNUAL REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>
09/30/13	\$ 77,933	17.1%
09/30/14	\$ 92,449	45.0%
09/30/15	\$ 116,749	45.9%

**OTHER SUPPLEMENTAL INFORMATION**

**WEST MANATEE FIRE & RESCUE DISTRICT**  
**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>GENERAL FUND</u>		VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>PERSONAL SERVICES</b>			
Salaries and wages	\$ 3,021,699	\$ 2,937,343	\$ 84,356
Longevity	138,558	143,784	(5,226)
Education incentive	42,000	45,772	(3,772)
Volunteer pay	114,000	68,875	45,125
Payroll taxes	253,694	238,815	14,879
Compensated expenses	-	79,035	(79,035)
Retirement	570,205	495,274	74,931
Post employment health plan	43,457	40,879	2,578
Insurance–health and life	624,487	556,737	67,750
Insurance–workers compensation	142,734	140,793	1,941
Uniforms	19,400	14,707	4,693
<b>TOTAL PERSONAL SERVICES</b>	<b><u>\$ 4,970,234</u></b>	<b><u>\$ 4,762,014</u></b>	<b><u>\$ 208,220</u></b>
<b>OPERATING EXPENDITURES</b>			
Repairs and maintenance	\$ 227,395	\$ 196,925	\$ 30,470
Insurance	65,000	60,396	4,604
Training	64,500	59,475	5,025
Office expense	11,500	8,497	3,003
Supplies	25,500	15,833	9,667
Utilities	129,000	103,669	25,331
Fire prevention	13,750	10,566	3,184
Special services	207,500	177,007	30,493
Tax collector/appraiser	204,230	198,397	5,833
Professional fees	259,639	244,547	15,092
Miscellaneous	30,531	11,448	19,083
<b>TOTAL OPERATING EXPENDITURES</b>	<b><u>\$ 1,238,545</u></b>	<b><u>\$ 1,086,760</u></b>	<b><u>\$ 151,785</u></b>



**OTHER AUDITOR'S REPORTS**