

WEST MANATEE FIRE & RESCUE DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

WEST MANATEE FIRE & RESCUE DISTRICT
FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 3,287,605
Investments	2,005,596
Due from other governments	116,664
Restricted assets:	
Temporarily restricted:	
Cash and cash equivalents	378,368
Investments	330,923
Capital assets	
Land	642,669
Other capital assets, net of depreciation	7,154,219
Total Assets	13,916,044
Deferred outflows of pension resources	1,194,995
LIABILITIES	
Accounts payable and other current liabilities	164,299
Noncurrent liabilities:	
Due within one year	301,259
Due in more than one year	5,979,317
Total Liabilities	6,444,875
Deferred inflows of pension earnings	618,020
NET POSITION	
Net Investment in Capital Assets	5,550,279
Restricted	709,291
Unrestricted	1,788,574
TOTAL NET POSITION	\$ 8,048,144

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

**WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Public Safety–Fire Protection	
Personal services	\$ 5,705,298
Operating expenses	860,300
Depreciation	456,016
Interest	69,350
Total Program Expenses	<u>7,090,964</u>
Program Revenues:	
Operating grants	327,686
Charges for services	<u>86,311</u>
Net Program Expense	<u>6,676,967</u>
General Revenues:	
Fire assessments	7,007,357
Impact fees	59,941
Investment earnings	82,196
Miscellaneous	<u>94,981</u>
Total General Revenues	<u>7,244,475</u>
Increase in Net Position	567,508
Net Position – Beginning, as previously stated	8,739,587
Prior period adjustment	<u>(1,258,951)</u>
Net Position – Beginning, as restated	<u>7,480,636</u>
Net Position – Ending	<u><u>\$ 8,048,144</u></u>

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

**WEST MANATEE FIRE & RESCUE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2018**

	GENERAL FUND
ASSETS	
Cash	\$ 3,287,605
Cash – restricted	378,368
Investments	2,005,596
Investments–restricted	330,923
Due from other governments	116,664
TOTAL ASSETS	<u>\$ 6,119,156</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 4,616
Accrued expenses	159,683
TOTAL LIABILITIES	<u>164,299</u>
 FUND BALANCE	
Spendable	
Restricted	716,316
Assigned	4,425,000
Unassigned	813,541
TOTAL FUND BALANCE	<u>5,954,857</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 6,119,156</u>

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

**WEST MANATEE FIRE & RESCUE DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

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

Fund Balance – Total Governmental Fund	\$ 5,954,857
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,796,888
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	1,194,995
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	(618,020)
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>(6,280,576)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 8,048,144</u></u>

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, 2018

	GENERAL FUND
REVENUES	
Fire protection services:	
Tax assessments	\$ 7,007,357
Impact fees	59,941
Interest income - unrestricted	82,196
Inspection fees	5,455
Grant income	327,686
Reimbursements	42,237
Miscellaneous income	127,631
Total Revenues	7,652,503
EXPENDITURES	
Public Safety:	
Personal services	5,536,131
Operating expenditures	855,911
Capital outlay	174,031
Debt Service:	
Principal	596,789
Interest	69,350
Total Expenditures	7,232,212
Excess of revenues over (under) expenditures	420,291
Other Financing Sources	
Proceeds from sale of fixed assets	5,969
	5,969
Net Change in Fund Balance	426,260
FUND BALANCE, October 1, 2017	5,528,597
FUND BALANCE, September 30, 2018	\$ 5,954,857

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

**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, 2018**

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

Net changes in fund balances – governmental fund	\$ 426,260
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 depreciation expense and loss on disposal of assets exceed capital additions.	(286,374)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, the transaction has no effect on change in net position.	596,789
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	(37,329)
OPEB liabilities	8,980
Net pension liability	(133,736)
Deferred outflows of pension resources	(147)
Deferred inflows of pension earnings	(6,935)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 567,508

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

**WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND – PENSION TRUST FUND
SEPTEMBER 30, 2018**

ASSETS

Due from State of Florida	\$ 7,773
Investments, at fair value	
Money Market and short term funds	371,085
U.S. Government Obligations	710,915
Corporate Bonds	765,093
Foreign Bonds	99,989
Fixed Income Funds	9,982,680
Equity Funds	4,124,620
American Core Realty Fund	881,285
Total Investments	<u>16,935,667</u>
TOTAL ASSETS	<u>16,943,440</u>
NET POSITION	
Held in trust for pension benefits	<u><u>\$ 16,943,440</u></u>

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

WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

ADDITIONS

CONTRIBUTIONS:

Employer contributions	\$ 737,268
Employee contributions	80,255
State contributions	265,123
Total contributions	<u>1,082,646</u>

INVESTMENT INCOME:

Interest and dividends	476,787
Gain (loss) on sales	57,292
Net appreciation (depreciation) in fair value of investments	660,125
	<u>1,194,204</u>

Less investment expense 31,328

Net investment income (loss) 1,162,876

TOTAL ADDITIONS 2,245,522

DEDUCTIONS

Administrative expenses	56,294
Benefits paid to participants	66,096
TOTAL DEDUCTIONS	<u>122,390</u>

NET INCREASE (DECREASE) 2,123,132

NET POSITION HELD IN TRUST FOR PENSION BENEFITS:

Beginning of period 14,820,308

End of period \$ 16,943,440

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

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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

WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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, 2018

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.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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) 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 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:

WEST MANATEE FIRE & RESCUE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(11) Fund Balance – Continued

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.

Spendable:

Restricted:	
Impact fees	\$ 360,559
Sinking fund	<u>355,757</u>
Total restricted	<u>716,316</u>
Assigned:	
90 day operating	1,000,000
Vehicle replacement	750,000
Emergency repair	50,000
Leave liability	125,000
Contingency	<u>2,500,000</u>
Total assigned	<u>4,425,000</u>
Unassigned	<u>813,541</u>
Total Fund Balance	<u>\$ 5,954,857</u>

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(12) Change in Accounting Principle

During 2018, the District implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). GASB Statement No. 75 replaces the requirements of GASB Statement No. 45. The implementation of this standard reduced beginning net position at September 30, 2017 as reported in the Statement of Activities by \$1,258,951.

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. Investments are to be made in the following order of importance: Safety of Capital, Liquidity of Funds, and Investment Income.

Deposits and Investments

Chapter 95-194 created Section 218.415 of the Florida Statutes. In accordance with this statute, and the District's investment policy, 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, like the Manatee County Investment Pool.
- (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.
- (e) Repurchase agreements

Cash accounts are with institutions that are Qualified Public Depositories and post collateral as required by State Law. All of the District's cash deposits are entirely collateralized pursuant to Chapter 280 of the Florida Statutes. Investments in the general fund consist of investments in Florida Cooperative Liquid Assets Securities System (FLCLASS). Investments in FLCLASS are recorded at fair value. 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. The dollar weighted average days to maturity (WAM) of FLCLASS at September 30, 2018 is 50 days. Next interest rate reset dates of floating rate securities are used in the calculation of WAM. The weighted average life (WAL) of FLCLASS is 72 days.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE C – CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 642,669	\$ - 0-	\$ -0-	\$ 642,669
Total capital assets, not being depreciated	<u>642,669</u>	<u>-0-</u>	<u>-0-</u>	<u>642,669</u>
Capital assets being depreciated:				
Buildings and improvements	7,571,547	-0-	-0-	7,571,547
Machinery and equipment	<u>4,130,968</u>	<u>170,927</u>	<u>84,242</u>	<u>4,217,653</u>
Total capital assets being depreciated	11,702,515	170,927	84,242	11,789,200
Less accumulated depreciation for:				
Buildings and improvements	1,714,936	243,841	-0-	1,958,777
Machinery and equipment	<u>2,546,986</u>	<u>212,175</u>	<u>82,957</u>	<u>2,676,204</u>
Total accumulated depreciation	<u>4,261,922</u>	<u>456,016</u>	<u>82,957</u>	<u>4,634,981</u>
Total capital assets, being depreciated, net	<u>7,440,593</u>	<u>(285,089)</u>	<u>1,285</u>	<u>7,154,219</u>
Governmental activities capital assets, net	<u>\$ 8,083,262</u>	<u>\$ 285,089</u>	<u>\$ 1,285</u>	<u>\$ 7,796,888</u>

Depreciation expense was included in the statement of activities in the amount of \$456,016.

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. This loan was paid in full during the year ended September 30, 2018.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE D – LONG-TERM DEBT – CONTINUED

During 2016, the District entered into a debt agreement with a financial institution for the construction of Station 1 in the amount of \$2,000,000. Principal and interest payments are due quarterly in the amount of \$56,537. The interest rate is 2.50% and the note matures September 30, 2025. The note is secured by a pledge of tax assessments.

Future maturities of long-term debt are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 301,259	\$ 54,498	\$ 355,757
2020	309,028	46,728	355,756
2021	316,999	38,757	355,756
2022	325,176	30,581	355,757
2023	333,563	22,193	355,756
2024-2025	660,584	18,353	678,937
	<u>\$ 2,246,609</u>	<u>\$ 211,110</u>	<u>\$ 2,457,719</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One-Year</u>
Governmental Activities					
Notes payable	\$ 303,105	\$ -0-	\$ 303,105	\$ -0-	\$ -0-
Notes payable	905,152	-0-	106,670	798,482	109,525
Notes payable	<u>1,635,141</u>	<u>-0-</u>	<u>187,014</u>	<u>1,448,127</u>	<u>191,734</u>
	2,843,398	-0-	596,789	2,246,609	301,259
Net pension liability	1,486,118	2,920,180	2,786,444	1,619,854	-0-
OPEB Liability	1,631,908	-0-	8,980	1,622,928	-0-
Compensated absences	<u>753,856</u>	<u>412,402</u>	<u>375,073</u>	<u>791,185</u>	<u>-0-</u>
Governmental activity					
Long-term liabilities	<u>\$ 6,715,280</u>	<u>\$ 3,332,582</u>	<u>\$ 3,767,286</u>	<u>\$ 6,280,576</u>	<u>\$ 301,259</u>

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.

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. \$75,570 was contributed to the plan for the year ended September 30, 2018.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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	\$ 2,246,609
Compensated Absences	791,185
Net Pension Liability	1,619,854
OPEB Liability	<u>1,622,928</u>
	<u>\$ 6,280,576</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	\$ 170,927
Loss on disposal of assets	(1,285)
Depreciation expense	<u>(456,016)</u>
	<u>\$ (286,374)</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, Chapter 112 and 121. The system is a contributory, defined benefit, cost-sharing multiple-employer PERS (Public Employee Retirement System).

WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – RETIREMENT PLANS – CONTINUED

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 6 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.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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, 2018, ranged from 7.92% – 8.26% for regular employees, 23.27% – 24.50% for special risk employees and 13.26% – 14.03% 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 \$109,487 for the year ended September 30, 2018.

The HIS Program is funded by required contributions of 1.66% and is included in the contribution rates noted above.

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

At September 30, 2018, the District reported a liability of \$1,193,047 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportion of the net pension liability

WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 – Continued.

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, 2018, the District’s proportion was .003421197% for FRS and .001535934% for HIS was consistent with its proportion measured as of June 30, 2018.

For the year ended September 30, 2018, the District recognized pension expense of \$84,365, related to the FRS/HIS Plan. At September 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 87,297	\$ (3,168)	\$ 2,489	\$ (276)
Changes in assumptions	336,711	-0-	18,079	(17,188)
Net difference between projected and actual earnings on pension plan investments	-0-	(79,617)	98	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	-0-	(215,486)	-0-	(95,000)
District contributions subsequent to the June 30, 2018 measurement date	<u>27,027</u>	<u>-0-</u>	<u>2,166</u>	<u>-0-</u>
	<u>\$ 451,035</u>	<u>\$ (298,271)</u>	<u>\$ 22,832</u>	<u>\$ (112,464)</u>

Total deferred outflows were \$473,867 and total deferred inflows were \$410,735. \$27,027 (FRS) and \$2,166 (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, 2019. 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>	FRS	HIS
2019	\$ 16,163	\$ (12,743)
2020	16,163	(12,743)
2021	16,163	(12,743)
2022	16,163	(12,743)
2023	16,163	(12,743)
Thereafter	<u>44,922</u>	<u>(28,083)</u>
	<u>\$ 125,737</u>	<u>\$ (91,798)</u>

WEST MANATEE FIRE & RESCUE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018

NOTE G – RETIREMENT PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

Actuarial Assumptions

The total pension liability in the July 1, 2018 actuarial valuation (June 30, 2018 measurement date) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, including inflation
Investment rate of return	7.00 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, 2018 valuation were based on the results of an actuarial experience study 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 2018 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	1.00%	2.9%
Fixed income	18.00%	4.4%
Global equity	54.00%	7.6%
Real estate (property)	11.00%	6.6%
Private equity	10.00%	10.7%
Strategic investments	6.00%	6.0%

WEST MANATEE FIRE & RESCUE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018

NOTE G – RETIREMENT PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

Discount Rate

The discount rate used to measure the total FRS pension liability was 7.00%, (decreased from 7.10% in prior year) and the HIS pension liability was 3.87%. The HIS rate increased from 3.58% in the prior year, based on 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 7.00%, 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 6.00% or 1–percentage–point higher 8.00% than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District’s proportionate share of the FRS net pension liability	\$ 1,880,673	\$ 1,030,482	\$ 324,348

The following presents the District’s proportionate share of the HIS net pension liability calculated using the discount rate of 3.81%, 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 2.87% or 1–percentage–point higher 4.87% than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
District’s proportionate share of the HIS net pension liability	\$ 185,152	\$ 162,565	\$ 143,737

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.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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 \$8,032 on a covered payroll of \$105,767. Participants are 100% vested after 10 years.

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, established the West Manatee Fire and Rescue District Firefighters' Retirement Plan (FFRP) 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 and American Realty Advisors as the custodians 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	5
Active plan members	<u>36</u>
Total	44

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.

WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – RETIREMENT PLANS – 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. The accrued benefits are reduced 3% for each year prior to normal retirement.

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, 2018 is \$0.

WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – RETIREMENT PLANS – CONTINUED

Benefit Provisions – 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, 2018 were \$737,268, on a covered payroll of \$2,767,412. State contributions totaled \$265,123, and employee contributions were \$80,255.

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 American Realty Advisors and have a market value of \$16,935,667 and a cost of \$14,784,902 at September 30, 2018.

As of September 30, 2018, the asset allocations are as follows:

	<u>Percent of Total</u>
Money Market Funds	2.19%
U.S. Government Obligations	4.20%
Corporate Bonds	5.11%
Common Equity Securities	17.34%
Equity Mutual Funds	41.60%
Fixed Income Mutual Funds	24.35%
Commingled Real Estate Fund	5.20%
	<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, 2018 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 7.57%. 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

WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – RETIREMENT PLANS – CONTINUED

Benefit Provisions – Continued

Credit Risk – Continued

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 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 2.19% of assets and has a Moody's rating of Aaa.

Interest Rate Risk – The U.S. Government Obligations have interest rates between 1.75% and 6.00% with maturities from 2019 to 2036. Corporate bonds have interest rates between 2.25% and 7.375% with maturities between 2019 and 2026.

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 and American Realty Advisors as Custodians 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.

Fair Value

The investments held by the FFRP are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of September 30, 2018:

WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE G – RETIREMENT PLANS – CONTINUED

Fair Value – Continued

	09/30/2018	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Money Market	\$ 371,086	\$ 371,086	\$ -0-	\$ -0-
Debt securities:				
U.S. Government Obligations	710,916	-0-	710,916	-0-
Corporate Bonds	765,093	-0-	765,093	-0-
Foreign Bonds	99,989	-0-	99,989	-0-
Mutual Funds – Fixed Income	3,987,534	-0-	3,987,534	-0-
Equity securities:				
Common Stock	2,874,936	2,874,936	-0-	-0-
Foreign Stock	62,371	62,371	-0-	-0-
Mutual Funds – Equity	7,045,373	-0-	7,045,373	-0-
Unit Investment Trusts	137,085	-0-	137,085	-0-
Commingled Fund – Real Estate	881,284	-0-	-0-	881,284
Total investments by fair value	<u>\$ 16,935,667</u>	<u>\$ 3,308,393</u>	<u>\$ 12,745,990</u>	<u>\$ 881,284</u>

Money market accounts, debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commingled real estate funds are classified as level 3 as the valuation is determined using significant unobservable inputs. Valuation techniques used include discounted cash flow, direct capitalization sales approach, cash equivalency and par value.

The District did not have any liabilities measured at fair value.

Net Pension Liability

The measurement date is September 30, 2018. The measurement period for the pension expense was October 1, 2017 to September 30, 2018. The reporting period is October 1, 2017 through September 30, 2018. The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation as of October 1, 2017 and rolled forward to September 30, 2018.

The Sponsor's Net Pension Liability was measured as of September 30, 2018. 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, 2018

NOTE G – RETIREMENT PLANS – CONTINUED

Net Pension Liability – Continued

The components of the net pension liability of the sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 17,352,701
Plan Fiduciary Net Position	<u>(16,925,894)</u>
Sponsor’s Net Pension Liability	<u>\$ 426,807</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	97.54%

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance as of September 30, 2017	\$ 15,064,009	\$ 14,802,186	\$ 261,823
Change for a Year:			
Service cost	923,439	-0-	923,439
Interest	1,236,466	-0-	1,236,466
Difference between expected and actual experience	51,654	-0-	51,654
Changes in assumptions	143,229	-0-	143,229
Changes of benefit terms	-0-	-0-	-0-
Contributions – Employer	-0-	737,268	(737,268)
Contributions – State	-0-	268,167	(268,167)
Contributions – Employee	-0-	80,255	(80,255)
Net investment income	-0-	1,139,517	(1,139,517)
Benefit payments, including refunds of Employee contributions	(66,096)	(66,096)	-0-
Administrative expenses	<u>-0-</u>	<u>(35,403)</u>	<u>35,403</u>
Net Changes	<u>2,288,692</u>	<u>2,123,708</u>	<u>164,984</u>
Balance as of September 30, 2018	<u>\$ 17,352,701</u>	<u>\$ 16,925,894</u>	<u>\$ 426,807</u>

The Sponsor’s net pension liability was measured as of September 30, 2018.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2017 rolled forward to September 30, 2018 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	6.00%
Discount Rate	7.70%
Investment Rate of Return	7.70%

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE G – RETIREMENT PLANS – CONTINUED

Actuarial Assumptions – Continued

Mortality Rate Healthy Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar/90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.

The other significant assumptions are based upon the most recent actuarial experience study dated July 22, 2015.

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. For 2018, the inflation rate assumption of the investment advisor was 2.5%. 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, 2018 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	<u>5%</u>	4.5%
	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.70%. 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 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.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE G – RETIREMENT PLANS – CONTINUED

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 7.70% as well as 1% higher and 1% lower than the current rate:

	1% Decrease	Current Discount Rate	8.70%
1% Increase	<u>6.70%</u>	<u>7.70%</u>	<u>8.70%</u>
Sponsor's Net Pension Liability	\$ 3,680,560	\$ 426,807	\$ (2,147,925)

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

For the year ended September 30, 2018 the Sponsor will recognize a pension expense of \$1,170,574. At September 30, 2018 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 44,274	\$ (92,520)
Changes of assumptions	676,854	-0-
Net difference between projected and actual earnings on investments	<u>-0-</u>	<u>(114,765)</u>
Total	<u>\$ 721,128</u>	<u>\$ (207,285)</u>

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>	
2019	\$ 240,825
2020	\$ 53,895
2021	\$ 20,878
2022	\$ 155,665
2023	\$ 14,740
Thereafter	\$ 27,840

NOTE H – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN

Plan Description

The District's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the District. The Plan, which is administered by the District, allows employees who retire

WEST MANATEE FIRE & RESCUE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018

NOTE H – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN – CONTINUED

Plan Description – Continued

and meet retirement eligibility requirements under one of the District’s retirement plans to continue medical and life insurance coverage as a participant in the District’s plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Employees Covered by Benefit Terms. At September 30, 2018, the following employees were covered by the benefit terms:

Plan membership at September 30, 2018 (date of actuarial valuation):

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>43</u>
Total	<u>48</u>

Benefits Provided

A retired employee and his or her spouse are eligible to continue health insurance identical to active employees if they meet the eligibility for retirements under the applicable Plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents.

Actuarial Assumptions

The measurement date is September 30, 2018.

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

Note – The Sponsor’s Total OPEB Liability for the District’s ledger adjustment was measured as of September 20, 2018 using a discount rate of 3.64%.

The actuarial valuation was performed utilizing the Alternative Measurement Method for small plans.

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

Inflation	2.50%
Salary Increases	2.00%
Discount Rate	3.64%
Initial Trend Rate – Medical	4.60%
Ultimate Trend Rate – Medical	4.70%
Initial Trend Rate – Pharmacy	7.60%

WEST MANATEE FIRE & RESCUE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018

NOTE H – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN – CONTINUED

Actuarial Assumptions – Continued

Ultimate Trend Rate – Pharmacy	4.70%
Initial Trend Rate – Dental and Vision	3.50% and 3.00%
Ultimate Trend Rate – Dental and Vision	3.00% and 3.00%

Mortality

RP-2000 Mortality table for Males and Females projected 18 years.

Discount Rate

Given the District’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.64%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve.

OPEB Expense

For the year ended September 30, 2018, the Sponsor will recognize OPEB Expense (credit) of \$(8,980).

Change in Total OPEB Liability

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2017	\$ 1,631,908
Changes for a Year:	
Service Cost	25,352
Interest	51,375
Recognition of Effect of Economic/Demographic Gains or Losses	51,071
Changes in Assumptions	(136,778)
Net Changes	(8,980)
Reporting Period Ending September 30, 2018	\$ 1,622,928

Changes in assumptions reflect a change in the discount rate from 3.10% for the reporting period ended September 30, 2017 to 3.64% for the reporting period ended September 30, 2018.

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

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

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE H – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN – CONTINUED

Sensitivity of the Total OPEB Liability to changes in the Discount Rate – Continued

	1% Decrease <u>2.64%</u>	Current Discount Rate <u>3.64%</u>	1% Increase <u>4.64%</u>
Total OPEB Liability (Asset)	\$ 1,889,993	\$ 1,622,928	\$ 1,408,214

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

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

	1% Decrease <u>2.00% – 6.60%</u>	Healthcare Cost Trend Rates <u>3.00% – 7.60%</u>	1% Increase <u>4.00% – 8.60%</u>
Total OPEB Liability (Asset)	\$ 1,392,799	\$ 1,622,928	\$ 1,908,994

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 \$80,856. Future rental income for the next five years is expected to be approximately \$81,000 per annum.

NOTE K – CONCENTRATIONS OF LABOR SUBJECT TO COLLECTIVE BARGAINING AGREEMENT

The District's professional Firefighters, including Lieutenants and Captains, as well as Deputy Fire Marshall and Fire Inspectors, which represent a significant portion of the District's employees are represented by a Union. The District has entered into an agreement with the Union, which expires September 30, 2021.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE L- SUBSEQUENT EVENTS

Subsequent to year end, The District entered into a contract to sell the administration building to a third party in the amount of \$1,675,000. The District used a portion of the proceeds to pay off the note payable on the building in the amount of \$744,418.

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, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Fire Protection Services:				
Tax assessments	\$ 6,909,755	\$ 6,909,755	\$ 7,007,357	\$ 97,602
Impact fees	30,000	30,000	59,941	29,941
Interest income	13,500	13,500	82,196	68,696
Inspection fees	2,000	2,000	5,455	3,455
Grant income	185,000	185,000	327,686	142,686
Reimbursements	71,240	71,240	42,237	(29,003)
Miscellaneous income	124,356	124,356	127,631	3,275
Total Revenues	<u>7,335,851</u>	<u>7,335,851</u>	<u>7,652,503</u>	<u>316,652</u>
EXPENDITURES				
Public Safety:				
Personal services	5,643,116	5,643,116	5,536,131	106,985
Operating expenditures	993,588	993,588	855,911	137,677
Capital outlay	444,899	444,899	174,031	270,868
Debt service:				
Principal	341,047	341,047	596,789	(255,742)
Interest	69,350	69,350	69,350	-
Total Expenditures	<u>7,492,000</u>	<u>7,492,000</u>	<u>7,232,212</u>	<u>259,788</u>
Excess of revenues over (under) expenditures	(156,149)	(156,149)	420,291	576,440
Other Financing Sources				
Proceeds from sale of fixed assets	10,000	10,000	5,969	4,031
	<u>10,000</u>	<u>10,000</u>	<u>5,969</u>	<u>4,031</u>
Net Change in Fund Balance	(146,149)	(146,149)	426,260	580,471
FUND BALANCE, October 1, 2017	<u>5,528,597</u>	<u>5,528,597</u>	<u>5,528,597</u>	<u>-</u>
FUND BALANCE, September 30, 2018	<u>\$ 5,382,448</u>	<u>\$ 5,382,448</u>	<u>\$ 5,954,857</u>	<u>\$ 580,471</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
AVAILABLE FISCAL YEARS**

	<u>9/30/14</u>	<u>9/30/15</u>	<u>9/30/16</u>	<u>9/30/17</u>	<u>9/30/18</u>
Total Pension Liability					
Service Cost	\$ 599,259	\$ 666,228	\$ 755,968	\$ 827,082	\$ 923,439
Interest	697,564	796,006	917,721	1,092,387	1,236,466
Change in Excess State Money	-0-	-0-	(829,189)	-0-	-0-
Changes of Benefit Terms	-0-	-0-	-0-	-0-	-0-
Differences Between Expected and Actual Experience	-0-	(36,648)	(15,216)	(91,697)	51,654
Changes in Assumptions	-0-	437,140	587,156	-0-	143,229
Benefit Payments, Including Refunds of Employee Contributions	<u>(206,528)</u>	<u>(60,003)</u>	<u>(61,967)</u>	<u>(63,997)</u>	<u>(66,096)</u>
Net Change in Total Pension Liability	1,090,295	1,802,723	1,354,473	1,763,775	2,288,692
Total Pension Liability – Beginning	<u>9,052,743</u>	<u>10,143,038</u>	<u>11,945,761</u>	<u>13,300,234</u>	<u>15,064,009</u>
Total Pension Liability – Ending (a)	<u>\$ 10,143,038</u>	<u>\$ 11,945,761</u>	<u>\$ 13,300,234</u>	<u>\$ 15,064,009</u>	<u>\$ 17,352,701</u>
Plan Fiduciary Net Position					
Contributions – Employer	\$ 341,572	\$ 440,741	\$ 445,887	\$ 492,233	\$ 737,268
Contributions – State	394,968	405,207	334,758	286,780	268,167
Contributions – Employee	59,664	65,561	68,057	75,130	80,255
Net Investment Income	782,855	(86,120)	710,645	1,662,915	1,139,517
Benefit Payments, Including Refunds of Employee Contributions	(206,528)	(60,003)	(61,967)	(63,997)	(66,096)
Administrative Expense	(23,431)	(37,685)	(41,967)	(33,677)	(35,403)
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Change in Plan Fiduciary Net Position	\$ 1,349,100	\$ 727,701	\$ 1,455,413	\$ 2,419,384	\$ 2,123,708
Plan Fiduciary Net Position – Beginning	<u>8,850,588</u>	<u>10,199,688</u>	<u>10,927,389</u>	<u>12,382,802</u>	<u>14,802,186</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ 10,199,688</u>	<u>\$ 10,927,389</u>	<u>\$ 12,382,802</u>	<u>\$ 14,802,186</u>	<u>\$ 16,925,894</u>
Net Pension Liability – Ending (a) – (b)	<u>\$ (56,650)</u>	<u>\$ 1,018,372</u>	<u>\$ 917,432</u>	<u>\$ 261,823</u>	<u>\$ 426,807</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.56%	91.48%	93.10%	98.26%	97.54%
Covered Employee Payroll	\$ 2,057,376	\$ 2,260,739	\$ 2,346,803	\$ 2,590,701	\$ 2,767,412
Net Position Liability as a Percentage of Covered Employee Payroll	-2.75%	45.05%	39.09%	10.11%	15.42%

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, 2018, the investment rate of return was changed from 7.75% to 7.70%.

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

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Total Contributions as a percentage of Covered Employee Payroll
9/30/2018	\$ 982,431	\$ 1,055,435	\$ (23,004)	\$ 2,767,412	36.33%
9/30/2017	\$ 769,438	\$ 779,013	\$ (9,575)	\$ 2,590,701	30.07%
9/30/2016	\$ 725,162	\$ 780,645	\$ (55,483)	\$ 2,346,803	33.26%
9/30/2015	\$ 739,262	\$ 845,948	\$ (106,686)	\$ 2,260,739	37.42%
9/30/2014	\$ 736,540	\$ 736,540	\$ -0-	\$ 2,057,376	35.80%

Notes to Schedule

Valuation Date: 10/01/2016

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 assumption used to determine contribution rates:

Mortality:

Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

Interest:

7.75% per year compounded annually, net of investment related expenses. This Assumption was developed based upon a July 22, 2015 Experience Study of the Plan. Additionally, it is supported by the target allocation of the trust and the long-term expected returns by asset class.

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF CONTRIBUTIONS AND NOTES - FFRP
AVAILABLE FISCAL YEARS**

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. We feel this assumption is reasonable based upon the plan provisions but do not have sufficient data to develop retirement rates.

Early Retirement: None.

Disability: See below table. This assumption was developed from those used by other plans containing Florida Municipal Firefighters.

Termination: See below table. This assumption was covered in our 3/17/09 Experience Study and continues to be our best estimate of future experience.

Salary Increases: 6% per year up to the assumed retirement age. Projected salary at retirement is on an individual basis to account for non-regular compensation. This assumption was developed from those used by other plans containing Florida Municipal Firefighters.

Payroll Growth: N/A.

Funding 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.

Termination and Disability Rate Table:

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>
20	0.14%	12.4%
30	0.18%	10.5%
40	0.30%	5.7%
50	1.00%	1.5%

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF INVESTMENT RETURNS - FFRP
AVAILABLE FISCAL YEARS**

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return Net of Investment Expense</u>
9/30/2018	7.57%
9/30/2017	13.19%
9/30/2016	6.37%
9/30/2015	-0.82%
9/30/2014	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
AVAILABLE FISCAL YEARS***

FLORIDA RETIREMENT SYSTEM (FRS)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.005296224%	0.004832336%	0.004353557%	0.003577605%	0.003421197%
District's proportionate share of the net pension liability	\$ 323,148	\$ 624,161	\$ 1,099,277	\$ 1,058,232	\$ 1,030,482
District's covered-employee payroll	<u>\$ 839,374</u>	<u>\$ 812,025</u>	<u>\$ 602,731</u>	<u>\$ 501,069</u>	<u>\$ 507,136</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38%	77%	182%	211%	203%
Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%

* - 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
AVAILABLE FISCAL YEARS***

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.002819525%	0.002815695%	0.002183475%	0.001553088%	0.001535934%
District's proportionate share of the net pension liability	\$ 263,632	\$ 287,157	\$ 254,475	\$ 166,063	\$ 162,565
District's covered-employee payroll	\$ 839,374	\$ 812,025	\$ 602,731	\$ 501,069	\$ 507,136
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	31%	35%	42%	33%	32%
Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%

* - 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
AVAILABLE FISCAL YEARS***

FLORIDA RETIREMENT SYSTEM (FRS)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 116,010	\$ 117,816	\$ 106,168	\$ 93,134	\$ 97,501
Contributions in relation to the contractually required contributions	<u>116,010</u>	<u>117,816</u>	<u>106,168</u>	<u>93,134</u>	<u>97,501</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 839,374	\$ 812,025	\$ 602,731	\$ 501,069	\$ 507,136
Contributions as a percentage of covered- employee payroll	13.82%	14.51%	17.61%	18.59%	19.23%

* – 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
AVAILABLE FISCAL YEARS***

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 9,659	\$ 10,763	\$ 11,192	\$ 8,219	\$ 8,329
Contributions in relation to the contractually required contributions	<u>9,659</u>	<u>10,763</u>	<u>11,192</u>	<u>8,219</u>	<u>8,329</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 839,374	\$ 812,025	\$ 602,731	\$ 501,069	\$ 507,136
Contributions as a percentage of covered-employee payroll	1.15%	1.33%	1.86%	1.64%	1.64%

* - 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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-FRS/HIS
SEPTEMBER 30, 2018**

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, 2018, 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 7.00%. 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 3.87% (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 2018:

- FRS: The long-term expected rate of return decreased from 7.10% to 7.00% and the active member mortality assumptions were updated.
- HIS: The municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULED OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
AVAILABLE FISCAL YEARS ***

	2018
Total OPEB Liability	
Service cost	\$ 25,352
Interest	51,375
Recognition of Effect of Economic/Demographic Gains or Losses	51,071
Changes in assumptions	(136,778)
Net change in Total OPEB Liability	(8,980)
Total OPEB liability – Beginning	1,631,908
Total OPEB liability – Ending	\$ 1,622,928
Covered–employee payroll	\$ 3,380,320
Total OPEB liability as a percentage of covered– employee payroll	48.01%

* The District adopted GASB 75 in 2018. Ultimately this schedule will contain information for the last ten years.

Notes to Schedule:

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

Fiscal Year Ending September 30, 2018	3.64%
Fiscal Year Ending September 30, 2017	3.10%

OTHER SUPPLEMENTAL INFORMATION

WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>GENERAL FUND</u>		VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
PERSONAL SERVICES			
Salaries and wages	\$ 3,258,673	\$ 3,223,132	\$ 35,541
Longevity	150,518	149,818	700
Education incentive	117,060	63,547	53,513
Volunteer pay	60,000	30,415	29,585
Payroll taxes	254,443	254,656	(213)
Retirement	756,812	867,228	(110,416)
Post employment health plan	79,356	75,570	3,786
Insurance–health and life	802,500	718,855	83,645
Insurance–workers compensation	144,754	140,490	4,264
Uniforms	19,000	12,420	6,580
TOTAL PERSONAL SERVICES	<u>\$ 5,643,116</u>	<u>\$ 5,536,131</u>	<u>\$ 106,985</u>
OPERATING EXPENDITURES			
Repairs and maintenance	\$ 179,000	\$ 129,051	\$ 49,949
Insurance	70,000	70,679	(679)
Training	65,600	44,871	20,729
Office expense	12,750	8,758	3,992
Supplies	60,000	49,319	10,681
Utilities	120,000	118,485	1,515
Fire prevention	6,800	14,253	(7,453)
Special services	245,500	200,490	45,010
Tax collector/appraiser	215,930	210,933	4,997
Miscellaneous	18,008	9,072	8,936
TOTAL OPERATING EXPENDITURES	<u>\$ 993,588</u>	<u>\$ 855,911</u>	<u>\$ 137,677</u>

OTHER AUDITOR'S REPORTS