

**EAST LAKE TARPON
SPECIAL FIRE CONTROL DISTRICT**

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 2017



DAVIDSON, JAMIESON & CRISTINI, P.L.
Certified Public Accountants

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
EAST LAKE TARPON
SPECIAL FIRE CONTROL DISTRICT

FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2017

PREPARED BY THE
FINANCIAL ADMINISTRATOR

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

INDEPENDENT TAX DISTRICT -

BOARD OF FIRE COMMISSIONERS - FORM OF OPERATION

BOARD OF FIRE COMMISSIONERS

Randy Burr - Chairman

Thomas McQueen - Vice-Chairman

Jim Dalrymple - Secretary

David Root - Treasurer

Kevin Kenney - Fire Commissioner

Fire Chief

Financial Administrator

Thomas Jamison

Jennifer Spicher

INTRODUCTORY SECTION

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

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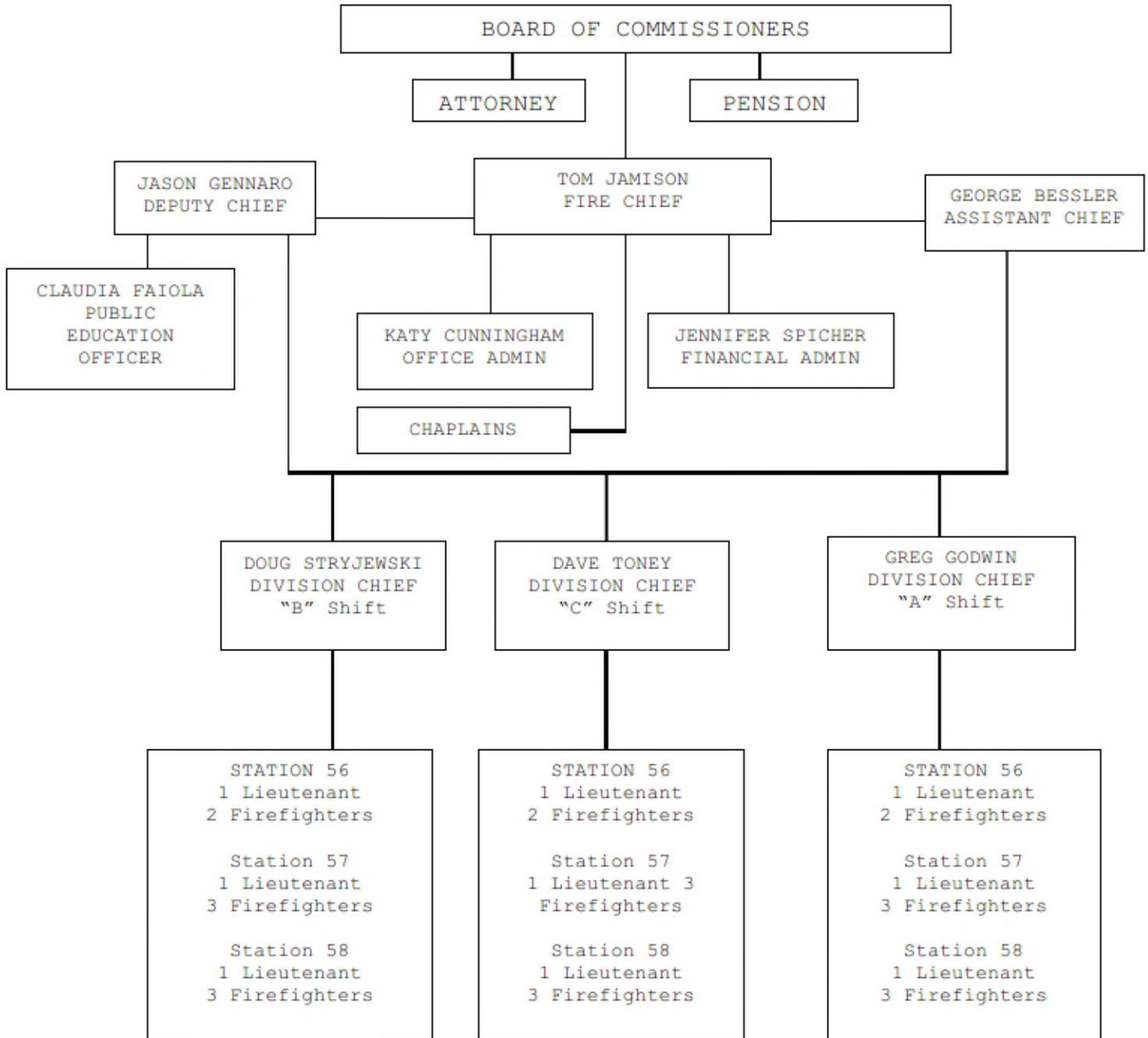
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ORGANIZATIONAL CHART 9/2017



EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT
LISTING OF SPECIAL DISTRICT OFFICIALS

ELECTED OFFICIALS

Commissioner	Randy Burr - Chairman
Commissioner	Thomas McQueen - Vice-Chairman
Commissioner	Jim Dalrymple - Secretary
Commissioner	David J. Root - Treasurer
Commissioner	Kevin Kenney

APPOINTED OFFICIALS

Fire Chief	Thomas Jamison
Corporate Attorney	Andrew J. Salzman

DEPARTMENT MANAGERS

Deputy Chief

Jason Gennaro

Assistant Chief

George Bessler

Division Chiefs

David Toney
Douglas Stryjewski
Gregory Godwin

Financial Administrator

Jennifer Spicher

Office Manager

Katy Cunningham

Public Education Officer

Claudia Faiola

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FINANCIAL SECTION

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Combining and Individual Fund Financial Statements
and Schedules

INDEPENDENT AUDITOR'S REPORT

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Board of Fire Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of East Lake Tarpon Special Fire Control District as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the AICPA Professional Standards at Sections 601.55 and 601.56. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The Board of Fire Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Lake Tarpon Special Fire Control District as of September 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 14 and the Schedules of Net Pension Liability, ratios, contributions and investment returns on page 88 – 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part

The Board of Fire Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Lake Tarpon Special Fire Control District's basic financial statements. The introductory section, individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or any assurance on them.

Davidson, Jamieson & Cristine, P.L.

April 9, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

This financial overview is offered by the management of the East Lake Tarpon Special Fire District (District). It is both a narrative overview and a financial analysis of balances and activities for the fiscal year ended September 30, 2017.

GOVERNMENT-WIDE FINANCIAL HIGHLIGHTS

One of the financial measures applicable to government entities is an analysis of the changes in their net position. Net position is impacted by many things, most notably changes in cash, which of course reflects revenue received and expenditures made.

The ending net position of the District was \$2,961,444. The net position increased by \$135,549 during the fiscal year.

Some of the things that impact net position are the result of accounting practice rather than cash operations. As an example, our buildings and equipment depreciate over time. Depreciation is a non-cash accounting practice, which does not reflect the current value of our buildings and equipment.

Depreciation of our buildings and equipment was \$345,177.

We have a capital lease on Station #57, often referred to as our mortgage note. We continue to see the benefit of renegotiating our lease terms which reduced our interest charges going forward. Principal payments have continued.

Interest and fiscal charges for \$71,595 decreased the net position.

We reduced our interest accrual due to the capital lease renegotiation, we strengthened our post-employment benefit accrual and we reclassified some of our sick leave reserve as a current liability.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

In summary, then, the net position changed in 2017 as follows:

Net position at the beginning of the year	\$ 2,825,895
Depreciation	114,144
Interest and fiscal charges	2,756
Operations	<u>18,649</u>
Net position at the end of the year	<u>\$ 2,961,444</u>

Included in the net position at the end of the year is a reserve that is consistent with government accounting standards and industry best practices.

Our governmental fund balance is \$2,479,755 as of September 30, 2017.

As management of the East Lake Tarpon Special Fire Control District (District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended September 30, 2017.

FINANCIAL HIGHLIGHTS

- A. The assets of the District exceeded its liabilities at the close of the 2017 fiscal year by \$2,961,444 (*net position*).
- B. The District's net position increased by \$135,549. This increase is largely a result of the decrease in pension liabilities, as well as, changes to the calculation of compensated absences.
- C. As of the close of the 2017 fiscal year, the District's governmental funds (general fund) reported an ending fund balance of \$2,479,755, an increase of \$3,447 in comparison with the prior year. Also, \$908,500 of this fund balance is committed to the future replacement of our fire engines and SCBA as well as the payout of accrued leave. \$850,000 is assigned for capital projects. Approximately \$991,064 of these funds are available for spending at the District's discretion.
- D. Outstanding debt, which includes compensated absences, OPEB obligation and capital leases, at the end of fiscal year 2017 is \$6,267,520.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to a private-sector business. These statements include all assets and liabilities on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

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

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. unused vacation leave).

The government-wide financial statements should distinguish functions of the East Lake Tarpon Special Fire Control District (District) that are principally supported by the District's residents and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the District's activities are governmental. The District is the *primary government*.

The government-wide financial statements can be found on pages 15 and 16 of this report.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis September 30, 2017

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more information about the District's general fund - not the District as a whole.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds consist of the general fund and the fiduciary fund categories.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains one governmental fund, its general fund. This fund is presented in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 15 through 21 of this report.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis September 30, 2017

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because resources of those funds are *not* available to support the District's own programs. Accounting used for fiduciary funds is much like that used for the government-wide financial statements.

The basic fiduciary fund financial statements can be found beginning on page 22 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 71 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the District's progress in funding its obligation to provide pension benefits to its firefighters. Required supplementary information can be found on page 57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the District's case, assets exceeded liabilities by \$2,961,444 at the fiscal year ended on September 30, 2017.

The District's capital assets represent investments in land, buildings and improvements and equipment. Approximately 71% of the total net assets are capital assets. The District uses these capital assets to provide services to its citizens and property owners; consequently, these assets are not available for future spending. The District's investment in its capital assets is reported net of related debt, it should be noted that the District has debt outstanding and thus the capital assets themselves cannot be used to liquidate general operating liabilities.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

Due to changes in the accounting reporting policy for pension plans, the District does not have an *unrestricted* category of net position.

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Cash	\$ 2,544,880	\$ 2,376,089
Other current assets	218,591	250,375
Capital assets, net	6,785,640	6,977,458
Total Assets	<u>9,559,111</u>	<u>9,603,922</u>
Deferred Outflows of Resources related to		
Pension plans	<u>876,087</u>	<u>1,013,799</u>
Long-term liabilities	6,024,673	7,203,534
Other liabilities	570,777	434,872
Total liabilities	<u>6,595,450</u>	<u>7,638,406</u>
Deferred Inflows of Resources related to Pension Plans	878,304	153,420
Net Assets:		
Capital assets net of related debt	4,687,177	4,763,388
Unrestricted	<u>(1,725,733)</u>	<u>(1,937,493)</u>
Total Net position	<u>\$ 2,961,444</u>	<u>\$ 2,825,895</u>

The District's net position decreased by \$135,549 during the current fiscal year. Some of the things that impact net position are primarily the result of cash operations. As an example, our buildings and equipment depreciate over time. Depreciation is a non-cash accounting practice which does not reflect the current value of our buildings and equipment. The increase in the District's net position is largely a result of the decrease in its long-term liabilities as pension liabilities and compensated absences went down.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental activities. As the District has no business-type activities, governmental activities were responsible for increasing the District's net position. This is attributed to the District's total revenue exceeding total expenses by 2.04%.

Increases in expenses closely paralleled the growth in the demand for services.

East Lake Tarpon Special Fire Control District's Change in Net Position

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 1,655,425	\$ 1,484,759
Total Program Revenues	1,655,425	1,484,759
General Revenues:		
Property assessments	5,027,839	4,821,911
Investment earnings	9,100	8,155
Other	<u>88,280</u>	<u>98,920</u>
Total General Revenues	<u>5,125,219</u>	<u>4,928,986</u>
Total Program and General Revenues	6,780,644	6,413,745
Expenses:		
Public Safety - Fire Protection	5,055,176	5,055,815
Public Safety - EMS	<u>1,589,919</u>	<u>1,675,320</u>
Total Expenses	<u>6,645,095</u>	<u>6,731,135</u>
Increase (decrease) in net position	135,549	(317,390)
Net position, beginning of year	<u>2,825,895</u>	<u>3,143,285</u>
Net Position, end of year	<u><u>\$ 2,961,444</u></u>	<u><u>\$ 2,825,895</u></u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$141,064 while total fund balance was \$2,479,755. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 2% of total general fund expenditures.

The fund balance for the general fund increased \$3,447 during the current fiscal year.

General Fund Budgetary Highlights

An annual budget is legally adopted for the general fund. The adopted budget was amended during the fiscal year to transfer funds to cover the legal fees associated with the recovery of funds used in the remediation and repair of Station 57 and the carry-over expense of installing electronic signage at Station 56. The District's expenditures were over budget by \$81,097, largely due to the unbudgeted, County funded, purchase of M57. Larger than budgeted repair and remediation expenses and associated legal fees also contributed to this difference. Revenues for the District were more than its total expenditures by \$3,447. Property taxes representing 74% of the District's revenue, increased by \$205,928 during the current year.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

Fiscal Year 2017 Budget - General Fund

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 4,984,609	\$ 5,027,839	\$ 43,230
EMS Contract	1,494,686	1,643,425	148,739
Other	<u>101,330</u>	<u>109,380</u>	<u>8,050</u>
Total Revenues	6,580,625	6,780,644	200,019
Expenditures:			
General government:			
Public Safety - Fire	4,963,815	4,965,701	(1,886)
Public Safety - EMS	1,480,686	1,560,231	(79,545)
Debt service	<u>251,599</u>	<u>251,265</u>	<u>334</u>
Total Expenditures	<u>6,696,100</u>	<u>6,777,197</u>	<u>(81,097)</u>
Excess of revenues over expenditures	(115,475)	3,447	118,922
Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (115,475)</u>	<u>\$ 3,447</u>	<u>\$ 118,922</u>

The remaining factors that impact net position are primarily the result of cash operations, including capital activity. With the increase in tax revenue, the District was able to increase its fund balance to provide stabilization for unexpected changes in future market conditions.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

Capital Assets

At the end of 2017, the District's investment in capital assets for its governmental activities was \$6,785,640 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and equipment.

Change in Capital Assets - Governmental Activities

	Beginning Balance	Net Additions/ (Deletions)	Ending Balance
Land	\$ 447,010	\$ -	\$ 447,010
Buildings and improvements	5,269,058	-	5,269,058
Equipment	<u>3,232,498</u>	<u>149,184</u>	<u>3,381,682</u>
Total capital assets	8,501,556	149,184	8,650,740
Less accumulated depreciation	<u>(,1971,108)</u>	<u>(349,352)</u>	<u>(2,312,110)</u>
Capital assets, net	\$ <u><u>6,977,458</u></u>	\$ <u><u>(191,818)</u></u>	\$ <u><u>6,785,640</u></u>

With the increase in tax revenue associated with the rise in property values, the District was able to replace aging portable radio equipment, purchase water rescue equipment, and add electronic signage at Station 56 to provide citizens with important fire prevention and public safety related information. With unexpected funds received from the County, the District purchased an Airboat, Marine 57, to be used in water rescue situations throughout Pinellas County.

Additional information on the District's capital assets can be found in note 7 on page 47 of this report.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

Management's Discussion and Analysis
September 30, 2017

LONG-TERM DEBT

As of September 30, 2017, the District had total long-term debt outstanding made up of accrued sick and vacation payable of \$404,143 and capital leases of \$2,098,463. The decrease in the District's accrued sick and vacation liability is the result of a change in accounting policy for recording such liabilities.

More detailed information about the District's long-term debt can be found in note 9 on page 48 of this report.

ECONOMIC FACTORS

The District's Board of Commissioners approved a \$6,921,585 budget for the 2017-18 fiscal year. This is a 3.8% increase and includes the replacement of the District's mobile data computer system, updating the audio/visual system in the training room at Station 57 and providing added security to the stations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for the district's residents and creditors. Questions concerning this report or requests for additional financial information should be directed to

Chief Thomas Jamison
3375 Tarpon Lake Boulevard
Palm Harbor, FL 34685

For information about services, property values, appraisal process, exemptions, and other assessment information, visit the district's website at www.elfr.org.

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BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet - Governmental Fund
Reconciliation of the Balance Sheet to the Statement of
Net Position - Governmental Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of the Governmental Funds to the Statement of Activities-
Governmental Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual:
General Fund

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position - Fiduciary Funds
Statement of Changes in Fiduciary Net Position - Fiduciary Funds

Notes to Financial Statements

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EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

<u>ASSETS</u>	<u>Primary Government</u>
Cash	\$ 2,554,880
Inventory	162,766
Receivables (net of allowance for uncollectibles)	54,543
Prepaid expenses	1,282
Capital Assets:	
Land	447,010
Buildings	5,267,383
Improvements	1,675
Equipment	3,381,682
Accumulated depreciation	<u>(2,312,110)</u>
Total capital assets, net	<u>6,785,640</u>
Total Assets	9,559,111
Deferred Outflows of Resources:	
Deferred outflows of resources related to pension plan	876,087
<u>LIABILITIES</u>	
Accounts payable	94,832
Salaries and benefits payable	198,884
Accrued interest	34,214
Noncurrent liabilities:	
Due within one year	242,847
Due in more than one year	<u>6,024,673</u>
Total Liabilities	6,595,450
Deferred Inflows of Resources:	
Deferred inflows of resources related to pension plan	878,304
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	4,687,177
Unrestricted	<u>(1,725,733)</u>
Total Net Position	<u>\$ 2,961,444</u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Primary Government</u>
EXPENSES:	
Public safety - EMS:	
Personnel services	\$ 1,457,648
Materials and services	90,850
Depreciation	<u>41,421</u>
Total public safety - EMS	1,589,919
Public safety - fire protection:	
Personnel services	3,463,206
Materials and services	1,216,619
Depreciation	303,756
Interest and fiscal charges	<u>71,595</u>
Total public safety - fire protection	<u>5,055,176</u>
Total Program Expenses	6,645,095
PROGRAM REVENUES:	
Charges for services	<u>1,655,425</u>
Net program expenses	4,989,670
GENERAL REVENUES:	
Property taxes	5,027,839
Investment earnings	9,100
Miscellaneous	<u>88,280</u>
Total General Revenues	<u>5,125,219</u>
Change in Net Position	135,549
Net Position - Beginning	<u>2,825,895</u>
Net Position - Ending	<u><u>\$ 2,961,444</u></u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUND

SEPTEMBER 30, 2017

ASSETS	General Fund
Cash	\$ 2,554,880
Receivables (net of allowance for uncollectibles):	
Accounts receivable	580
Intergovernmental:	
State	6,116
County	47,847
Inventory	162,766
Prepaid items	1,282
TOTAL ASSETS	\$ <u>2,773,471</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 94,832
Accrued salaries and benefits payable	198,884
 Total liabilities	 293,716
 Fund balance:	
Nonspendable	164,048
Restricted	416,143
Committed	908,500
Assigned	850,000
Unassigned	141,064
 Total fund balance	 <u>2,479,755</u>
 Total liabilities and fund balance	 \$ <u>2,773,471</u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUND

SEPTEMBER 30, 2017

Fund balance - total governmental fund		\$	2,479,755
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.			
Governmental capital assets	\$	9,097,750	
Less accumulated depreciation		<u>(2,312,110)</u>	
			6,785,640
Certain deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the fund.			
Deferred outflows of resources related to pension plan			876,087
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.			
OPEB obligation		(221,820)	
Accrued interest		(34,214)	
Capital leases		(2,098,463)	
Compensated absences		<u>(404,143)</u>	
			(2,758,640)
Certain deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental fund.			
Deferred inflows of resources related to pension plan			(878,304)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds			
Net Pension Liability			<u>(3,543,094)</u>
Net position of governmental activities		\$	<u><u>2,961,444</u></u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GOVERNMENTAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

(with comparative totals for the fiscal year ended September 30, 2016)

	<u>General Fund</u>	<u>Totals 2016</u>
REVENUES:		
Taxes:		
Ad valorem	\$ 5,027,839	\$ 4,821,911
EMS contract	1,643,425	1,472,759
Contract	12,000	12,000
Grants	5,500	
Interest	9,100	8,155
Miscellaneous	82,780	98,920
	<hr/>	<hr/>
TOTAL REVENUES	6,780,644	6,413,745
EXPENDITURES:		
Public safety - EMS:		
Personnel services	1,469,381	1,471,000
Operating services	90,850	96,956
	<hr/>	<hr/>
Total public safety - EMS	1,560,231	1,567,956
Public safety - Fire:		
Personnel services	3,656,579	3,499,011
Operating services	1,155,763	842,262
Capital outlay	153,359	64,709
	<hr/>	<hr/>
Total public safety - Fire	4,965,701	4,405,982
Debt service:		
Principal	176,463	177,018
Interest and fiscal charges	74,802	81,295
	<hr/>	<hr/>
Total debt service	251,265	258,313
	<hr/>	<hr/>
TOTAL EXPENDITURES	6,777,197	6,232,251
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,447	181,494
OTHER FINANCING SOURCES		
Proceeds from sale of surplus property	<hr/> -	<hr/> -
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	3,447	181,494
FUND BALANCE, OCTOBER 1	<hr/> 2,476,308	<hr/> 2,294,814
FUND BALANCE, SEPTEMBER 30	\$ <u>2,479,755</u>	\$ <u>2,476,308</u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balance - total governmental fund \$ 3,447

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 92,503	
Less current year depreciation	<u>(345,177)</u>	(252,674)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:

Change in accrued interest expense	3,207	
Debt payments	176,463	
Change to compensated absences	304,179	
Net pension liability	(99,073)	
Change in OPEB obligation	<u>-</u>	<u>384,776</u>

Change in net position of governmental activities \$ 135,549

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL AND FINAL</u>	<u>ACTUAL AMOUNTS</u>		
REVENUES:				
Taxes:				
Ad valorem	\$ 4,984,609	\$ 5,027,839	\$	43,230
EMS contract	1,494,686	1,643,425		148,739
Contract	12,000	12,000		-
Grants	-	5,500		5,500
Interest	5,000	9,100		4,100
Miscellaneous	84,330	82,780		(1,550)
TOTAL REVENUES	6,580,625	6,780,644		200,019
EXPENDITURES:				
Public safety-EMS:				
Personnel services	1,383,678	1,469,381		(85,703)
Operating	97,008	90,850		6,158
Total public safety - EMS	1,480,686	1,560,231		(79,545)
Public safety-Fire:				
Personnel services	3,852,137	3,656,579		195,558
Operating	1,048,577	1,155,763		(107,186)
Capital outlay	63,101	153,359		(90,258)
Total public safety - Fire	4,963,815	4,965,701		(1,886)
Debt service:				
Principal	176,463	176,463		-
Interest and fiscal charges	75,136	74,802		334
Total debt service	251,599	251,265		334
TOTAL EXPENDITURES	6,696,100	6,777,197		(81,097)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(115,475)	3,447		118,922
FUND BALANCE, OCTOBER 1	2,476,308	2,476,308		-
FUND BALANCE, SEPTEMBER 30	2,360,833	\$ 2,479,755	\$	118,922

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2017

<u>ASSETS</u>	<u>Public Safety Pension Fund</u>
Receivables:	
Intergovernmental:	
State excise tax rebate supplement	\$ 1,836
Interest	17,417
Dividends	8,210
Broker-dealers	<u>53,406</u>
Total receivables	80,869
Prepaid expenses	1,450
Investments at fair value:	
U. S. Government obligations	517,749
U.S. Government agency obligations	1,025,569
Corporate obligations	1,154,433
Domestic fixed income investment funds	924,591
International fixed investment fund	785,155
Domestic stocks	5,100,039
Domestic equity investment fund	2,472,202
International equity investment fund	2,429,711
Real estate investment trust fund	1,497,229
Temporary investment funds	<u>211,616</u>
Total investments	<u>16,118,294</u>
Total assets	16,200,613
 <u>LIABILITIES</u> 	
Accounts payable	16,046
Accounts payable, broker-dealers	<u>71,513</u>
Total liabilities	<u>87,559</u>
Net position restricted for pensions	<u>\$ 16,113,054</u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Public Safety Pension Fund</u>
Additions:	
Contributions:	
Employer	\$ 432,442
Plan members	<u>118,477</u>
Total contributions	550,919
Intergovernmental revenue:	
State excise tax rebate	303,445
State excise tax rebate supplement	<u>1,836</u>
Total intergovernmental revenue	305,281
Investment income:	
Net appreciation (depreciation) in fair value of investments	1,848,887
Interest	61,839
Dividends	181,045
Commission recapture	394
Class action revenue	<u>56</u>
Total investment income (loss)	2,092,221
Less investment expenses	<u>60,809</u>
Net investment earnings (loss)	<u>2,031,412</u>
Total additions (reductions)	2,887,612
Deductions:	
Benefits:	
Age and service	482,625
Disability	56,113
Share	24,636
Administrative expenses	<u>61,161</u>
Total deductions	<u>624,535</u>
Net increase in net position	2,263,077
Net position restricted for pensions:	
Beginning of year	<u>13,849,977</u>
End of year	<u>\$ 16,113,054</u>

See Notes to Financial Statements.

NOTES TO
FINANCIAL STATEMENTS

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies

East Lake Tarpon Special Fire Control District (formerly known as East Lake Fire and Rescue, Inc.) (District) maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

Reporting Entity - The District is a political subdivision of the State of Florida, located in Pinellas County in the southwest portion of the State. The District was chartered in 2000 under the provisions of the Laws of Florida, Chapter 2000-477 (House Bill 1738) under a Board of Commissioners (Board) structure. The District is approximately thirty-three square miles in area. The District was organized to prevent and control damage, destruction or injury to people or property by fire, disaster, or other emergencies and to provide Emergency Medical Services (EMS) to citizens in need in the District in accordance with an annually renewable agreement for services between the District and the Pinellas County, Florida Board of County Commissioners.

The East Lake Tarpon Special Fire Control District (District) has the authority to levy up to 3.75 mills of ad valorem taxation on property located within the District.

The Act established uniform procedures for electing members of the governing Board of the East Lake Tarpon Special Fire Control District. The business affairs of the District are conducted by a five member Board of Commissioners (Commission).

The District holds all powers, functions, and duties set forth in the Act and Chapters 189, 191, and 197 of the Florida Statutes. This includes ad valorem taxation, bond issuance, budget preparation and approval, liens and foreclosure of liens, use of tax deeds and tax certificates as appropriate for non-ad valorem assessments, and contractual agreements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

In evaluating how to define the East Lake Tarpon Special Fire Control District, (the primary government) for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14.

This governmental accounting standard requires that this financial statement present the District (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

Firefighters' Pension Trust Fund - The pension trust fund is a defined benefit pension plan used to account for the accumulation of resources to be used for retirement annuity payments at approximate amounts and times in the future for the District's Firefighters under Chapter 175 of the Florida Statutes.

Complete financial statements of the above Pension Trust Fund can be obtained from: Fire Chief's Office, East Lake Tarpon Special Fire Control District, 3375 Tarpon Lake Boulevard, Palm Harbor, Florida 34685.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. **Summary of Significant Accounting Policies (Continued)**

GOVERNMENTAL FUNDS

Government-wide and fund financial statements - As discussed more fully in Note 17 the District has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." The government-wide financial statements required under this statement (the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are supported by taxes and intergovernmental revenues, continue to be reported separately from fiduciary funds.

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

Separate financial statements are provided for the governmental fund (general fund) and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. The major individual governmental funds are reported as separate columns in the fund financial statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

The District's fiduciary funds are presented in the fund financial statements by type (pension). Since by definition these assets are being held for the benefit of a third-party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

The only revenue that is susceptible to accrual is interest revenue. Fire and EMS tax revenues collected and held by Pinellas County, Florida at year end on behalf of the District also are recognized as revenue. Plan and inspection fees are not susceptible to accrual because generally they are not measurable until received in cash.

The District reports the following major governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the District reports the following fund type:

Pension Fund - accounts for the activities of the public safety employees' pension plans, which accumulates resources for pension benefit payments to qualified (sworn) public safety employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all property taxes.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets - Annual appropriated budgets are legally adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund. This fund is controlled on a fund and division level. The Fire Chief is authorized to transfer budget amounts within divisions; however, any revision that alters the total expenditures of the general fund must be approved by the District's Board of Commissioners. The budget is compared to GAAP basis expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorized amounts.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end do not constitute expenditures or liabilities because they will be reappropriated and honored during the subsequent year.

Cash - Cash includes amounts on hand in the general fund and all cash maintained in a local financial institution's time and demand deposit accounts. The District has included these deposits in cash in these financial statements.

Investments - The District's investment policy is to maintain funds in investments which yield the highest possible efficiency and return within the limitations established by Florida Statutes, Chapter 166.261. Provisions of those statutes authorize the Department to invest in:

- a) Florida State Board of Administration Local Government Pooled Investment Fund.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

- b) Bonds, notes or other obligations of the United States or for which the credit of the United States is pledged for the payment thereof.
- c) Interest-bearing time deposits, savings accounts or collective investment funds in banks or savings and loan associations organized under the laws of the United States.
- d) Obligations of the federal farm credit banks and the Federal Home Loan Mortgage Corporation.
- e) Obligations of the Federal National Mortgage Association and the Government National Mortgage Association.

Investments in fixed income securities are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Florida State Board of Administration Local Government Pooled Investment Fund has met the criteria to be considered a “2A-7 like” investment pool as defined by GASB Statement No. 31. Therefore, amortized cost may be used for valuation. The fair value of the District’s investment in this pool is determined by the pool’s share price (account balance).

Investments held by the District’s pension trust funds are reported at fair value. Short-term investments (money market funds) are reported at amortized cost, which approximates fair value. Securities including registered investment funds traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Receivables and payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e, the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

All accounts and intergovernmental receivables, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

Prepaid Items - Certain payments to vendors and for insurance premiums reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures using the purchase method. Under this method, prepaid items are recorded as expenditures when purchased.

Prepaid items reported in the general fund are therefore equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

Inventory - The District’s inventory is valued at cost using the first-in/first-out method. The cost of this governmental fund type inventory is recorded as an expenditure when purchased. Inventory is made up of equipment and uniforms assigned to District personnel. Like prepaid items, inventory is reported in the general fund is equally offset by a fund balance reserve.

Capital Assets - Capital assets, which include property, plant and equipment are reported in the applicable governmental column in the government-wide financial statements. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of parking areas are capitalized and are presented as improvements other than buildings.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, if any, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 50
Equipment	5 - 30

Accrued Leave - Regular, full-time, permanent employees earn vacation and sick leave starting with the first day of employment and accruing according to the number of regularly scheduled hours an employee works and the length of service.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Vacation leave is earned based on years of continuous and credible service as follows:

<u>Years of Service</u>	<u>Total Hours Per Year</u>
1 to 3	168
4 to 8	192
9 to 13	216
14 to 18	240
19 years and over	264

A maximum of 264 hours vacation leave may be carried over from one year to the next. An employee who has served one year or more and who terminates employment with the District is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned in accordance with the following schedule:

<u>Pay Period Hours</u>	<u>Annual Sick Leave Accrued Per Pay Period</u>	<u>Hours Per Year</u>
80	4.62 hours	120
112	5.54 hours	144

In addition to the regular annual accrual, employees are eligible to receive additional sick leave hours based on the following table:

<u>Sick Leave Used</u>	<u>Additional Sick Leave Hours Awarded</u>
24 hours or less	24
25 through 48 hours	12
More than 48 hours	None

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Upon termination, providing the employee has five continuous years of service and that termination is not a result of a disciplinary action, the employee is entitled to a lump-sum payment for accrued unused sick leave based on the following vesting schedule:

<u>Years of Service</u>	<u>% of Accumulated Sick Leave Awarded</u>
Less than 5	None
5 to less than 10	25%
10 to less than 15	50%
15 to less than 20	75%
20 years and over	100%

The maximum number of accumulated sick leave hours will be a total of 1,040 hours (for 40 hour/week) and 1,440 (for 56 hour/week) employees. All hours that exceed 1,040 and 1,440 hours will be directly allocated to each individual's Governmental Employee Pension Plan account.

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the general fund. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

Long-Term Obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Comparative Data - Wherever possible, the accompanying financial statements include comparative total data for the prior year in order to provide a better understanding of changes in the District's overall financial position and results of operations. Certain prior year balances have been reclassified to conform with the current year financial presentations.

Net Position - Net position of the government-wide fund represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and the outstanding balance on any borrowing spent for acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other government.

Nature and Purpose of Classifications of Fund Equity - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by

- a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or
- b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the District Commission through a resolution are classified as committed fund balances. Amounts that are constrained by the District's intent to be used for specific purposes but are not either restricted nor committed are classified as assigned fund balances. Assignments are made by the District management based on Commission direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Fund Balance/ Net Position Policy

The District hereby establishes and will maintain Fund Balance/Net Position, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balance shall be composed of non-spendable, restricted, committed, assigned and unassigned amounts.

A Fund Balance Policy/Net Position is adopted in order to secure and maintain investment-grade credit ratings, meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the District, in accordance with policies established by the District Commission.

This Fund Balance/Net Position Policy establishes:

- a. Fund balance policy for the General Fund;
- b. Reservations of fund balance for the General Fund;
- c. The method of budgeting the amount of estimated unrestricted fund balance (also known as estimated beginning fund balance) available for appropriation during the annual budget adoption process (prior to the actual, audited fund balance being known) and what actions may need to be taken if the actual fund balance is significantly different than the budgeted fund balance; and
- d. Establish the spending order of fund balances.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources/Deferred Inflows of Resources -Government Accounting Standards Board (GASB) Concept Statement No. 4, “Elements of Financial Statements”, introduced two new elements of the financial statements in addition to Assets, Liabilities and Net Assets (changed to Net Position) which are:

Deferred Outflows of Resources is a consumption of net assets by the government that is applicable to a future reporting period.

Deferred Inflows of Resources is an acquisition of net assets by the government that is applicable to a future reporting period.

Government Accounting Standards Board (GASB) Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” provide financial reporting guidance for Deferred Outflows of Resources and Deferred Inflows of Resources and also identifies Net Position (replacing Net Assets) as the residual of all the elements (Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflow of Resources) presented in a statement of financial position.

Government Accounting Standards Board (GASB) Statement No. 65, “Items Previously Reported as Assets and Liabilities” establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflow of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The District has the following items that qualify for reporting in this category:

- A. Pension contributions after measurement date - These contributions are deferred and recognized in the following fiscal year.
- B. Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a closed five year period.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Net Position:

The government-wide financial statements utilize a net position presentation. Net position is presented in three components - net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted - This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or law or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Unrestricted - This component consists of net position that does not meet the definition of “net investment in capital assets” and “restricted”.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance:

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Subsequent Events - Management has adopted the provisions set forth in GASB Statement No. 56, *Subsequent Events*, and considered subsequent events through the date of the audit report.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position. The detail of this \$481,689 difference is as follows:

Capital assets, net of accumulated depreciation	\$ 6,785,640
Deferred outflows of resources related to pension plan	876,087
Capital leases	(2,098,463)
Compensated absences	(404,143)
OPEB obligation	(221,820)
Accrued interest	(34,214)
Deferred inflows of resources related to pension plan	(878,304)
Net pension liability	<u>(3,543,094)</u>
Net adjustment to increase <i>fund balance - total Governmental funds</i> to arrive at <i>net position - Governmental activities</i>	\$ <u><u>481,689</u></u>

- B. 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 governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement 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 expenses.”

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

The details of this \$(252,674) difference are as follows:

Capital outlay	\$ 92,503
Depreciation expense	<u>(345,177)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	\$ <u><u>(252,674)</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$384,776 difference are as follows:

Change in compensated absences	\$ 304,179
Change in accrued interest expense	3,207
Principal debt payments	176,463
Loss on disposal of capital assets	-
Change in OPEB obligation	-
Net pension liability	<u>(99,073)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>384,776</u></u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

3. Legal Compliance

Budgets - On or before April 1 of each year, department heads of each of the District's divisions submit requests for appropriation to the Fire Chief so that a budget may be prepared. The budget is prepared by fund, function and activity (divisions), and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the Board of Commissioners for review by June 1. The Commission holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Fire Chief and the Division head or the revenue estimates must be changed by an affirmative vote of a majority of the Board.

The Fire Chief's authority to approve expenditures within the fiscal year budget is summarized as follows:

- A. The Fire Chief will have the authority to approve expenditures allocated within personnel services with the exception of overtime line items;
- B. The Fire Chief will have the authority to approve expenditures allocated within operating line items excluding reserves;
- C. Expenditures may not legally exceed budgeted appropriations at the division level within the general fund.

During the year, there were no supplemental appropriations.

Finance-Related Legal and Contractual Provisions - The District is not in violation of any finance-related legal and contractual provisions.

Establishment/Elimination of Funds - During the fiscal year ended September 30, 2017, the District did not establish or eliminate any funds.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

4. Cash, Deposits and Investments

Cash and Deposits - At year-end the carrying amount of the District's deposits was \$2,544,880 and the bank balance was \$2,578,449. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

Investments

The District's investments are categorized as uninsured and unregistered for which the securities are held by the broker or dealer, or by their Bank's trust department or agent but in the District's name. Investments that are not evidenced by securities that exist in physical or book-entry form include investments in open-ended mutual funds and pools managed by other governments.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

4. Cash, Deposits and Investments (Continued)

Fixed income investments as of September 30, 2017 are presented as follows:

	<u>Fair Value</u>	<u>Bond Rating</u>	<u>Weighted Average Duration (Years)</u>
U.S. Government obligations	\$ 517,749	AA	6.2
U.S. Government agency obligations	1,025,569	A-AA	2.9
Corporate obligations	1,154,433	A-AA	5.7
Domestic fixed income investment funds	924,591	A-AA	N/A
International fixed investment fund	785,155	A-AA	N/A
Temporary investment funds	<u>211,616</u>	Not Rated	Daily
Total investments	<u>\$ 4,619,113</u>		

The domestic stock, equity and governmental and agency securities, corporate bonds and temporary investment funds are assets of the District's Pension Trust Fund. The fair value of these investments was determined by the stock share or bond prices as of September 30, 2017.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates. The fund limits the effective duration of its investment portfolio through the adoption of nationally accepted risk measure benchmarks.

Credit Risk. Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with state law, it is the Plan's policy to limit its fixed income investment to a quality rating of 'A' or equivalent as rated by one or more recognized bond rating services at the time of purchase.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

4. Cash, Deposits and Investments (Continued)

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Pension Plan (Plan) may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third party custodian in the name of the Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. The investments in mutual funds and investment partnerships are considered *unclassified* pursuant to the custodial credit risk categories of GASB Statement No.3, because they are not evidenced by securities that exist in physical or book-entry form.

5. Receivables

Receivables at September 30, 2017 are as follows:

	<u>General Fund</u>	<u>Firefighters’ Pension Trust Fund</u>	<u>Total</u>
Accounts	\$ 6,696	\$ 79,033	\$ 85,729
Intergovernmental	47,847	1,836	49,683
Total receivables	54,543	80,869	135,412
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 54,543</u>	<u>\$ 80,869</u>	<u>\$ 135,412</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

6. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector.

The ad valorem tax levy (levy) of the District is established by the Board of Commissioners on or after February 1 of each year and the Pinellas County Property Appraiser incorporates the District's assessment into the total tax levy, which includes the Pinellas County District School Board tax requirements. The District is permitted by charter to levy taxes up to 3.75 mills of assessed valuation exclusive of taxes levied for the payment of bonds. The millage rate assessed by the District was 1.9650 for the fiscal year ended September 30, 2017.

All property is reassessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

6. Property Taxes (Continued)

Because of the Pinellas County Tax Collector's Office efficient system for selling tax certificates and remitting the proceeds to the District, any delinquent or uncollected property taxes at year end are immaterial. The District's tax calendar is the same as that of the Pinellas County Board of Commissioners and is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, succeeding year
Lien Date:	April 1, succeeding year

Ad valorem tax revenues for Fire and EMS services for the fiscal year ended September 30, 2017 are summarized as follows:

	<u>Fire</u>	<u>EMS</u>	<u>Total</u>
Taxable value of real property (in thousands)	\$ 2,653,947	\$ 2,653,947	\$ 2,653,947
Millage rate	<u>1.9650</u>	<u>0.9158</u>	<u>2.8808</u>
Gross ad valorem tax revenues	5,215,006	2,430,485	7,645,491
Less: Estimated discount and tax collection charges	187,167	87,497	274,664
Pinellas County EMS countywide internal reallocation	<u>-</u>	<u>699,563</u>	<u>699,563</u>
Net ad valorem tax revenues	<u>\$ 5,027,839</u>	<u>\$ 1,643,425</u>	<u>\$ 6,671,264</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

7. Capital Assets

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance October 1, 2016	Increases	Decreases	Balance September 30, 2017
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 447,010	\$ -	\$ -	\$ 447,010
Total capital assets, not being depreciated	447,010	-	-	447,010
Capital assets, being depreciated:				
Buildings	5,267,383	-	-	5,267,383
Improvements	1,675	-	-	1,675
Equipment	<u>3,232,498</u>	<u>153,359</u>	<u>(4,175)</u>	<u>3,381,682</u>
Total capital assets, being depreciated	8,501,556	153,359	(4,175)	8,650,740
Less accumulated depreciation for:				
Buildings	(978,285)	(87,789)	-	(1,066,074)
Improvements	(1,675)	-	-	(1,675)
Equipment	<u>(991,148)</u>	<u>(257,388)</u>	<u>4,175</u>	<u>(1,244,361)</u>
Total accumulated depreciation	<u>(1,971,108)</u>	<u>(345,177)</u>	<u>4,175</u>	<u>(2,312,110)</u>
Total capital assets, being depreciated, net	<u>6,530,448</u>	<u>(191,818)</u>	-	<u>6,338,630</u>
Governmental activities capital assets, net	<u>\$ 6,977,458</u>	<u>\$ (191,818)</u>	<u>\$ -</u>	<u>\$ 6,785,640</u>

Depreciation expense was charged to the Public Safety program of the District.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. In an effort to reduce the rising costs of commercial insurance, the District carefully examines insurance premium quotes and has purchased all of its insurance coverages from commercial insurance carriers. Settled claims resulting from these risks have not exceeded this commercial insurance coverage in any of the past three fiscal years.

9. Long-Term Debt

Long-Term Debt included certain capital leases as of September 30, 2017 summarized as follows:

Capital Lease:

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of September 30, 2017:

<u>Year Ended</u> <u>September 30</u>	<u>Net Minimum</u> <u>Present Value of</u> <u>Lease Payments</u>
	<u>Building</u> <u>Lease</u>
2018	\$ 226,759
2019	226,759
2020	226,759
2021	226,759
2022-2026	1,133,795
2027-2028	317,183
Total payments	2,358,014
Less amount representing interest	<u>379,817</u>
Net minimum present value of lease payments	<u>\$ 1,978,197</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

9. Long-Term Debt (Continued)

Capital Lease:

During the fiscal year ended September 30, 2017, the District entered a Lease-Purchase Financing Agreement whereby the District leased LED lighting with a purchase price of \$45,000. The District further entered a Lease-Purchase agreement with ELTSFCD and will make lease payments to the assigned financial institution as part of this Lease-Purchase Agreement. This is a five year lease with monthly payments of \$930 from 3/1/16 - 2/1/21.

<u>Year Ended</u> <u>September 30</u>	<u>Net Minimum</u> <u>Present Value of</u> <u>Lease Payments</u> <u>LED Lighting</u> <u>Lease</u>
2018	\$ 11,160
2019	11,160
2020	11,160
2021	<u>5,580</u>
Total payments	39,060
Less amount representing interest	<u>5,556</u>
Net minimum present value of lease payments	<u>\$ 33,504</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

9. Long-Term Debt (Continued)

Capital Lease (Continued):

During the fiscal year ended September 30, 2015, the District entered a Lease-Purchase Financing Agreement whereby the District leased turnout gear with a purchase price of \$59,499. The District further entered a Lease-Purchase agreement with ELTSFCD and will make lease payments to the assigned financial institution as part of this Lease-Purchase Agreement. This is a five year lease with annual payments of \$13,346 from 2014 - 2018.

<u>Year Ended</u> <u>September 30</u>	<u>Net Minimum</u> <u>Present Value of</u> <u>Lease Payments</u> <u>Turnout Gear</u> <u>Lease</u>
2018	\$ 13,346
2019	13,346
Total payments	26,692
Less amount representing interest	786
Net minimum present value of lease payments	\$ <u><u>25,906</u></u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

9. Long-Term Debt (Continued)

Capital Lease (Continued):

During the fiscal year ended September 30, 2017, the District entered a Lease-Purchase Financing Agreement whereby the District leased Motorola radios with a purchase price of \$60,856. The District further entered a Lease-Purchase agreement with ELTSFCD and will make lease payments to the assigned financial institution as part of this Lease-Purchase Agreement. This is a three year lease with annual payments of \$21,908 from 2018 - 2020.

<u>Year Ended</u> <u>September 30</u>	<u>Net Minimum</u> <u>Present Value of</u> <u>Lease Payments</u> <u>Motorola Radio</u> <u>Lease</u>
2018	\$ 21,908
2019	21,908
2020	21,908
Total payments	<u>65,724</u>
Less amount representing interest	<u>4,868</u>
Net minimum present value of lease payments	\$ <u><u>60,856</u></u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

9. Long-Term Debt (Continued)

Changes in Long-Term Debt:

During the fiscal year ended September 30, 2017 the following changes in long-term debt are summarized as follows:

	<u>Balance</u> <u>October 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 708,322	\$ 38,909	\$ 343,088	\$ 404,143	\$ 40,414
Post-employment health care obligation (Note 18)	221,820	-	-	221,820	-
Building capital lease (2012)	2,134,947	-	156,750	1,978,197	162,029
LED lighting lease	41,335	-	7,831	33,504	8,548
Turnout gear lease	37,788	-	11,882	25,906	12,351
Motorola radio lease	-	60,856	-	60,856	19,505
Net pension liability (Note 17)	<u>4,306,617</u>	<u>-</u>	<u>763,523</u>	<u>3,543,094</u>	<u>-</u>
Total	<u>\$ 7,450,829</u>	<u>\$ 99,765</u>	<u>\$ 1,283,074</u>	<u>\$ 6,267,520</u>	<u>\$ 242,847</u>

10. Compensated Absences

The compensated absences consist of the following at September 30, 2017:

<u>Accrued</u> <u>Vacation</u>	<u>Accrued</u> <u>Sick Leave</u>	<u>Total</u>
<u>\$ 58,249</u>	<u>\$ 345,894</u>	<u>\$ 404,143</u>

Vested accumulated annual sick and vacation leave that is expected to be liquidated with available financial resources is reported as an expenditure and a fund liability of the general fund in the government-wide financial statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

11. Fund Balance/Net Position Policy

The District elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* in fiscal year 2011. In fund financial statements, governmental funds report the following classifications of fund balances:

Fund balance/Net Position is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

Nonspendable - amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained in tact.

Restricted - amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation.

Committed - amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government's highest level of decision making authority. In the case of the District, it is by Board action.

Assigned - amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.

Unassigned - amounts that represent resources that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

11. Fund Balance/Net Position Policy (Continued)

Details of Fund Balance of Governmental Fund:

<u>Fund Balance:</u>	<u>General Fund</u>
Nonspendable:	
Inventory	\$ 162,766
Prepays	1,282
Total nonspendable	<u>164,048</u>
Restricted for:	
Brooker Creek Preserve	12,000
Accrued leave	404,143
Total restricted	<u>416,143</u>
Committed to:	
Apparatus replacement	800,000
SCBA replacement	100,000
Accrued leave	8,500
Total committed	<u>908,500</u>
Assigned to:	
Infrastructure and equipment	350,000
Stabilization	500,000
Total assigned	<u>850,000</u>
Unassigned	<u>141,064</u>
Total fund balance	<u><u>\$ 2,479,755</u></u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

12. Reserved Net Position

Pension Trust Fund - The net position in the Pension Trust Fund is reserved to indicate fund equity is restricted for future benefits to members of the pension plan is summarized as follows:

Firefighters’s Pension Fund	\$ <u>16,113,054</u>
Net position restricted for pensions	\$ <u><u>16,113,054</u></u>

13. District Board Policy

GASB 54 offers no quantitative “Best Practice” in implementing GASB 54. The Government Financial Officers Association (GFOA), however, recommends that

“at a minimum, that general-purpose governments, regardless of size, maintain (an) unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.”

The GFOA guidance uses “at a minimum” language, leaving entities the option of a more conservative policy. Given the current economic outlook, the lag in real estate value recovery and the tentativeness of continued EMS funding levels, it may be in the best interest of the District to have a more conservative policy.

Nonspendable and Restricted Funds are established for the entity by the funds’ nature or source funding.

Unrestricted Funds are established at the discretion of the Board as circumstances warrant, except that the total of the unrestricted funds is now subject to external measurement, comparison and scrutiny by the readers of the financial statements (our taxpayers).

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

14. Budgetary - GAAP Reporting Reconciliation

The accompanying financial statements present comparisons of the legally adopted budget with actual data on a GAAP basis. Accounting principles applied for purposes of developing data on a budgetary basis did not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles for the year ended September 30, 2017.

15. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District has not entered into any operating leases with scheduled rent increases as of September 30, 2017.

On August 14, 2012 an agreement was entered into between Pinellas County, Florida and the District. The purpose of the contract was for the District to make a commitment to provide fire protection services to Brooker Creek Preserve for a term commencing on October 1, 2012 and ending on September 30, 2015. This agreement may be extended for an additional three-year period on the same terms and conditions. The County agrees to pay the District \$12,000 per year for fire protection services.

In 1997 a ten year agreement to provide First Responder Services was entered into between Pinellas County Emergency Medical Services Authority and the District. The term of this agreement was renewed for ten years commencing on October 1, 2007.

On September 26, 2017, a new agreement was entered into between Pinellas County, Florida and the District. The initial term of this agreement shall be for two years commencing on October 1, 2017 and ending on September 30, 2019. The agreement may be extended for three additional one-year periods following the initial term.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems

During the fiscal year ended September 30, 2003, the District established a single employer, defined benefit pension plan under Chapter 175 of the Florida Statutes (Firefighters' Pension Trust Fund) (Plan) which covers all of its firefighters. During the year ended September 30, 2002, the District's defined contribution plan which previously covered substantially all of the District's general employees and firefighters was terminated and the assets belonging to all sworn employees were rolled over to the new Chapter 175 plan. The assets belonging to the non sworn employees remained in the defined contribution plan and were rolled over to a new plan custodian (trustee).

During the fiscal year ended September 30, 2005, the District implemented a final pay plan for all of its full-time employees.

Firefighters' Pension Plan

Plan Description:

The following brief description of the District's Firefighters' Retirement Plan (Plan) is provided for general information purposes only. Participants should refer to the Plan Ordinance for more complete information.

The Plan is a single employer defined benefit pension plan covering all full-time sworn firefighters' of the District. Participation in the Plan is required as a condition of employment. The Plan was originally established by District Resolution in 2001 and substantially amended in 2003, 2005 and 2009. The Plan provides for pension, death and disability benefits. The Plan is subject to provisions of Chapter 175 of the State of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five member pension board. Two firefighters who are elected by the majority of the members of the Plan, two are current residents of the District and are appointed by the District and a fifth member elected by the other four members constitute the pension board. The District and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The District is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighters' Pension Plan (Continued)

Current membership in the Plan is comprised of all full-time sworn firefighters of the District and is summarized, as of September 30, 2017, as follows:

Retirees and beneficiaries currently	
receiving benefits	13
DROP member	3
Terminated plan members entitled to	
but not yet receiving benefits	<u>8</u>
Total	<u>24</u>
Active plan members:	
Vested	17
Nonvested	<u>16</u>
Total	<u>33</u>

Firefighters who retire at the age 55 and the completion of ten years of credited service or at age 52 and 25 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3.00 percent of their average final compensation times their years of credited service. The Plan permits early retirement at age 50 and the completion of ten years of credited service. The amount of the monthly benefit of an early retiree is reduced by three percent for each year by which the commencement of benefits precedes the date which would have been the participant's normal retirement date.

The Plan provides for an automatic COLA for normal retirees only that begins five years after retirement of 0.65% per year.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighters' Pension Plan (Continued)

The Plan also provides death and disability benefits. The death benefit is the greater of the firefighter's accumulated contributions or his accrued benefit. Disability benefits payable to participants under stallments of three percent of the participant's average final compensation in effect at the date of disability multiplied by the total years of credited service. The benefit shall be paid from the date of disability until recovery or death of the participant and continued to the beneficiary for life. A participant with ten years of continuous service, who becomes disabled due to a nonservice-incurred cause, will receive benefits of three percent of the participant's average final compensation multiplied by the total years of credited service. This benefit shall be paid from the date of disability until recovery or death.

Basis of Accounting:

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for the Plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. District contributions to the plan, as calculated by the Plan's actuary, are recognized as revenue when due and the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy:

Firefighter contribution rates are established at 5% of salary. Accumulated firefighter contributions without interest are refunded if a firefighter leaves covered employment before seven years of credited service. State excise taxes collected from the District's residents by the State of Florida are restricted to fund the Plan under Florida Statutes, Chapters 175. Contributions are received from the District in amounts sufficient to fund the Plan at an actuarially determined rate specified by state statute, Chapter 175, as a percentage of covered payroll as recommended by the Plan's actuary. The Plan's administrative costs are financed through investment earnings. The Plan has no undue investment concentrations.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighter Pension Plan (Continued)

Benefits Provided:

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of age 52 and 25 years of credited service or 10 years of credited service.

Benefit: 3.0% of average final compensation times credited service

Cost of living adjustment: Firefighters who retire on or after October 1, 2009 under normal retirement will receive automatic annual increases in their benefit of 0.65% beginning on the October 1st following 5 years of retirement.

Early Retirement:

Eligibility: Age 50 and 10 years of credited service

Benefit: Accrued benefit, reduced 3% for each year prior to normal retirement.

Vesting:

Schedule: 100% after 7 years of credited service. (Contributions rolled over from the old Plan vest according to the old Plan's provisions.)

Disability:

Eligibility Service Incurred: covered from date of employment. Non-Service Incurred: 8 years of credited service.

Benefit accrued to date of disability, but if the disability is service incurred, the benefit is not less than 42% of Average Final Compensation and 25% of the average final compensation for non-service-incurred disability.

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years at member's normal or early retirement date.

Non-Vested: Refund of accumulated contributions without interest.

Contributions

Member Contributions:

5.0% of Salary

District and State Contributions: Remaining amount required in order to fund to actuarial soundness as provided in Chapter 112 Florida Statutes.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighter Pension Plan (Continued)

Net Pension Liability:

The measurement date is September 30, 2017.

The measurement period for the pension expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2016 through September 30, 2017.

The District's pension liability was measured as of September 30, 2017.

The total pension liability used to calculate the net pension liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	5.50%
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality Rate Healthy Lives:

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

Male: RP2000 Generational, 10% Annuitant 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 actuarial assumption used in the October 1, 2017 valuation were based on the results of an actuarial experience study that was dated April 17, 2012.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighter Pension Plan (Continued)

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 asset allocation as of September 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45%	4.95%
International Equity	15%	8.50%
Domestic Fixed Income	25%	2.50%
Global Fixed Income	5%	3.50%
Real Estate	<u>10%</u>	4.50%
Total	<u>100%</u>	

Discount Rate:

The Discount Rate used to measure the total pension liability was 7.75 percent.

The projection of cash flows used to determine discount rate assumed that plan member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the pension plan fiduciary net pension 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.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighter Pension Plan (Continued)

<u>Year Ended September 30</u>	<u>Schedule of District Contributions</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2014	\$ 559,573	100%
2015	493,309	100
2016	441,496	100
2017	432,442	100

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighter Pension Plan (Continued)

The net appreciation (depreciation) in the fair value of investments in the Firefighters' Pension Trust Fund for the year ended September 30, 2017 is summarized as follows:

	Year ended September 30, 2017		
	Realized Appreciation (Depreciation)	Unrealized Appreciation (Depreciation)	Total
Investments at fair value as determined by quoted value price:			
U.S. Government obligations	\$ 2,915	\$ (14,130)	\$ (11,215)
U.S. Government agency obligations	156	190	346
Corporate obligations	6,280	(12,909)	(6,629)
Domestic fixed income investment fund	262	(10,715)	(10,453)
International fixed investment income	17,554	67,596	85,150
Domestic stocks	228,584	634,434	863,018
Domestic equity investment fund	1,555	362,175	363,730
International equity investment fund	-	335,546	335,546
Real estate investment trust fund	-	229,394	229,394
Net increase in realized and unrealized appreciation (depreciation) of investments	\$ <u>257,306</u>	\$ <u>1,591,581</u>	\$ <u>1,848,887</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighter Pension Plan (Continued)

Investments at both fair value and cost as of September 30, 2017 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>
U.S. Government obligations	\$ 521,211	\$ 517,749
U.S. Government agency obligations	1,022,360	1,025,569
Corporate obligations	1,163,941	1,154,433
Domestic fixed income investment fund	924,930	924,591
International fixed investment fund	823,143	785,155
Domestic stocks	3,941,596	5,100,039
Domestic equity investment fund	1,960,009	2,472,202
International equity investment fund	1,992,102	2,429,711
Real estate investment trust fund	765,897	1,497,229
Temporary investment fund	<u>211,616</u>	<u>211,616</u>
Total	<u>\$ 13,326,805</u>	<u>\$ 16,118,294</u>

Summary of Annual Increase (Decrease) to Plan Net Position:

<u>9/30/17</u>	<u>9/30/16</u>	<u>9/30/15</u>	<u>9/30/14</u>	<u>9/30/13</u>
<u>\$ 2,263,077</u>	<u>\$ 909,494</u>	<u>\$ 487,968</u>	<u>\$ 1,826,789</u>	<u>\$ 1,517,250</u>
<u>9/30/12</u>	<u>9/30/11</u>	<u>9/30/10</u>	<u>9/30/09</u>	<u>9/30/08</u>
<u>\$ 1,870,027</u>	<u>\$ 380,309</u>	<u>\$ 904,978</u>	<u>\$ 654,922</u>	<u>\$ (114,541)</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighter Pension Plan Continued

A schedule of investment and administrative expenses for the Firefighters' Pension Trust Fund for the year ended September 30, 2017 is summarized as follows:

	<u>2017</u>	
	<u>Investment Expenses</u>	<u>Administrative Expenses</u>
Administrator	\$ -	\$ 16,260
Actuary's fees	-	21,253
Audit	-	12,000
Custodial fees	5,500	-
Directors' liability insurance	-	2,793
Dues	-	600
Investment management fees	37,809	-
Legal fees	-	4,162
Office supplies expense	-	488
Seminars	-	3,605
Performance monitor	<u>17,500</u>	<u>-</u>
Total investment and administrative expenses	<u>\$ 60,809</u>	<u>\$ 61,161</u>
Percentage of plan net assets	<u>0.38%</u>	<u>0.38%</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement Systems (Continued)

Firefighter Pension Plan (Continued)

A portion of the plan's net position is designated for benefits that accrue in relation to the participant's DROP account. Allocations to the DROP plan account for the year ended September 30, 2017 is presented below as determined in the actuary's most recent accounting and valuation available for the fiscal year ended September 30, 2017:

Designated for DROP accounts (fully funded)	\$ 544,284
Designated for Share account (fully funded)	<u>400,925</u>
Total designated fiduciary net position	945,209
Undesignated fiduciary net position	<u>15,167,845</u>
Total fiduciary net position	<u><u>\$ 16,113,054</u></u>

Authorized Plan Investments - The Board recognizes that the obligations of the Plan are long-term and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective, then, is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or loss commensurate with the Prudent Investor Rule and Chapter 175 of the Florida Statutes.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, annuities and life insurance contracts, time deposits insured by FDIC, bonds issued by the State of Israel, real estate (limited to ten percent of Plan assets), and common or preferred stocks and high quality corporate bonds or notes. The Board may invest up to ten percent of the Plan's assets, at cost, in foreign securities.

Investments in foreign securities are denominated in United States currency.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

17. Changes in Net Pension Liability of the District

CHANGES IN NET PENSION LIABILITY OF THE DISTRICT

September 30, 2017

	<u>Increase (Decrease)</u>		
	<u>Total Pension</u>	<u>Plan Fiduciary</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balance at September 30, 2016	\$ 18,156,594	\$ 13,849,977	\$ 4,306,617
Changes for a year:			
Service cost	414,454	-	414,454
Interest	1,408,929	-	1,408,929
Share plan allocation	60,495	-	60,495
Difference between expected and actual experience	179,050	-	179,050
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	432,442	(432,442)
Contributions - State	-	305,281	(305,281)
Contributions - Employees	-	118,477	(118,477)
Net Investment Income	-	2,031,412	(2,031,412)
Benefit Payments, including			
Refunds of Employee Contributions	(563,374)	(563,374)	-
Administration expense	-	(61,161)	61,161
Net changes	<u>1,499,554</u>	<u>2,263,077</u>	<u>(763,523)</u>
Balance at September 30, 2017	<u>\$ 19,656,148</u>	<u>\$ 16,113,054</u>	<u>\$ 3,543,094</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

17. Changes in Net Pension Liability of the District (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
District's Net Pension Liability	\$ <u>5,902,314</u>	\$ <u>3,543,094</u>	\$ <u>1,581,799</u>

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

The net pension liability represents the liability for employees for projected pension benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service less the amount of the pension plan's fiduciary net position.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

17. Changes in Net Pension Liability of the District (Continued)

PENSION EXPENSE AND DEFERRED OUTFLOWS
OF RESOURCES AND DEFERRED INFLOWS OF
RESOURCES RELATED TO PENSION PLAN

For the year ended September 30, 2017, the District will recognize a pension expense of \$99,073. On September 30, 2017, the District 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>
Differences between expected and actual experience	\$ 1,091,094	\$ 122,736
Changes of assumptions	-	-
Net difference between projected and actual earnings on Pension plan investments	(215,007)	755,568
Employers contributions subsequent to the measurement date	-	-
Total	<u>\$ 876,087</u>	<u>\$ 878,304</u>

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

Year ended September 30:	
2018	\$ 97,185
2019	97,185
2020	97,185
2021	(168,782)
2022	(124,993)
Thereafter	-
Net deferred outflows	<u>\$ (2,220)</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

18. Investment Measurement at Fair Value

Fair Value Hierarchy

The accounting standards break down the fair value hierarchy into three levels based on how observable the inputs are that make up the valuation. The most observable inputs are classified as Level 1 where the unobservable inputs are classified as Level 3.

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

As a general rule, any asset that has a daily closing price and is actively traded will be classified as a Level 1 input.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in active markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

As a general rule, if an asset or liability does not fall into the requirements of a Level 1 or Level 3 input, it would default to Level 2. With Level 2 inputs, there is usually data that can be easily obtained to support the valuation, even though it is not as easily obtained as a Level 1 input would be.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As a general rule, Level 3 inputs are those that are difficult to obtain on a regular basis and require verification from an outside party, such as an auditor or an appraisal, to validate the valuation.

Net asset value (NAV) is a common measurement of fair value for Level 1, Level 2, and Level 3 investments. A fund's NAV is simply its assets less its liabilities, and is often reported as a per share amount for fair value measurement purposes. The Plan would multiply the NAV per share owned to arrive at fair value. Level 1 investment in funds such as mutual funds report at a daily NAV per share and are actively traded. NAV also comes

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

18. Investment Measurement at Fair Value (Continued)

Fair Value Hierarchy (Continued)

In to play for Leve 2 and 3 investments. As a matter of convenience (or referred to in accounting literature as a “practical expedient”), a Plan can use the NAV per share for investments in a nongovernmental entity that does not have a readily determined fair value, such as an alternative investment. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund’s reported NAV as a matter of convenience.

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following total recurring fair value measurements as of September 30, 2017 and 2016:

- *Debt securities* - Debt securities classified in Level 1 or Level 2 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by International Data Pricing and Reference Data, LLC to value securities based on the securities' relationship to benchmark quoted prices.
- *Mutual funds* - The rationale for inclusion in Level 1 or Level 2 points to the unobservable inputs involved in mutual fund pricing. Mutual funds do not trade using bid and ask, as with ETF’s or common stock. Instead, the prices are determined by the net asset value of the underlying investments at the close of business for the next day’s open. The underlying assets themselves may include a variety of Level 1 and Level 2 securities and some may be valued using matrix pricing which interpolates the price of a security based on the price of similar securities.
- *Fixed income funds* - Valued using pricing models maximizing the use of observable input for similar securities. This includes basing value on yield currently available on comparable securities of issues with similar credit ratings.
- *Equity funds* - Valued at market prices for similar assets in active markets.
- *Common stock* - Valued at quoted market prices for identical assets in active markets.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

18. Investment Measurement at Fair Value (Continued)

Fair Value Hierarchy (Continued)

	September 30,	Fair Value Measurements Using		
		2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level				
U.S. Government obligations	\$ 517,749	\$ 517,749	\$ -	\$ -
U.S. Government agency obligations	1,025,569	-	1,025,569	-
Corporate obligations	1,154,433	-	1,154,433	-
Domestic fixed income investment funds	924,591	924,591	-	-
International fixed investment fund	785,155	785,155	-	-
Domestic stocks	5,100,039	5,100,039	-	-
Domestic equity investment funds	2,472,202	2,472,202	-	-
International equity investment funds	2,429,711	2,429,711	-	-
Temporary investments	<u>211,616</u>	<u>211,616</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	\$ 14,621,065	<u>\$ 12,441,063</u>	<u>\$ 2,180,002</u>	<u>\$ -</u>
Investment measured at the net asset value (NAV):				
Real estate investment funds	<u>1,497,229</u>			
Total investments measured at fair value	<u>\$ 16,118,294</u>			

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

18. Investment Measurement at Fair Value (Continued)

Fair Value Hierarchy (Continued)

<u>Investments measured at NAV</u>	<u>2017 Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Real estate investment funds:				
U.S. Real Estate Investment Fund, LLC	\$ <u>1,497,229</u>	<u>-</u>	Quarterly	60 days
Total investments measured at NAV	\$ <u><u>1,497,229</u></u>	<u><u>-</u></u>		

The real estate investment funds are open end, commingled private real estate portfolios. These REIT-based funds are structured as Limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The fair values of the investments in these funds have been determined using the NAV per unit of the Trusts ownership interest in partners' capital. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

18. Investment Measurement at Fair Value (Continued)

Fair Value Hierarchy (Continued)

Investments by fair value level	September 30, 2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government obligations	\$ 563,322	\$ 563,322	-	\$ -
U.S. Government agency obligations	227,322	-	227,322	-
Corporate obligations	1,102,041	-	1,102,041	-
Domestic fixed income investment funds	1,415,942	1,415,942	-	-
International fixed investment fund	692,604	692,604	-	-
Domestic stocks	4,151,028	4,151,028	-	-
Domestic equity investment funds	2,085,773	2,085,773	-	-
International equity investment funds	2,022,724	2,022,724	-	-
Temporary investments	<u>362,230</u>	<u>362,230</u>	-	-
Total investments by fair value level	\$ 12,622,986	<u>\$ 11,293,623</u>	<u>\$ 1,329,363</u>	<u>\$ -</u>
Investment measured at the net asset value (NAV):				
Real estate investment funds	<u>1,208,550</u>			
Total investments measured at fair value	<u>\$ 13,831,536</u>			

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

19. Employee Retirement Systems

Employees' Pension Trust Plan

Prior to the establishment of the District's defined benefit Chapter 175 Firefighters' Pension Plan, the District provided pension benefits for all of its full-time non-sworn employees through a defined contribution pension trust plan. At September 30, 2017 there were three Plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment. The Plan does not permit participant contributions. The District's contributions for each employee (and interest allocated to the employee's account) are fully vested after seven years of continuous service. District contributions for, and interest forfeited by, employees who leave employment before seven years of service are reallocated to the remaining participants in the same ratio as the employer's contributions. Plan provisions and contribution requirements are established and may be amended by the District's Board of Commissioners.

The District's total payroll in fiscal year 2017 was \$3,391,187. The District's contributions were calculated using participants' payroll of \$148,700.

The total pension plan contributions by the District for the year ended September 30, 2017 were \$22,305. For the fiscal year ended September 30, 2017 the contribution rate was 15%.

Governmental Employees Trust Fund

During the fiscal year ended September 30, 2005 the District established a second defined contribution plan for all of its full-time employees. As of September 30, 2017 there were five Plan members. The entry dates for the Plan are the first day of the Plan year and the first day of the seventh month of the Plan year.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

19. Employee Retirement Systems (Continued)

Government Employees' Trust Fund (Continued)

In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan shall be funded from discretionary contributions from the District from Final Pay. Final Pay is defined as unused accumulated sick leave pay and unused accumulated vacation leave pay. The District's contributions to the Final Pay Plan for the fiscal year ended September 30, 2017 were \$18,984. The formula on which the Employer contributions are based is described as follows:

East Lake Tarpon Special Fire Control District recognizes two eligible classes of employees not covered by a collective bargaining agreement, for the purpose of employer contributions to the Plan:

- a) Salaried employees whose wages are based on a 40-hour week.
- b) Salaried employees whose wages are based on a 56-hour week.

Each class of employees receives sick leave and vacation hours based on their hourly work week.

Sick Leave: Salaried employees on a 40-hour work week accrue sick leave at a rate of 120 hours per year. Salaried employees on a 56-hour work week accrues sick leave at a rate of 144 hours per year.

The formula to be applied for employer contributions of sick leave hours to the 401(a) Plan is as follows:

For each eligible employee on a 40-hour work week salaried pay schedule, the Participating Employer will annually contribute accrued sick pay in excess of 1,040 hours, at the end of the fiscal year, at the employee's wage level at the end of the fiscal year.

For each eligible employee on a 56-hour work week salaried pay schedule, the Participating Employer will annually contribute accrued sick pay in excess of 1,440 hours, at the end of the fiscal year, at the employee's wage level at the end of the fiscal year.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

19. Employee Retirement Systems (Continued)

Governmental Employees Trust Fund (Continued)

In cases where the Participating Employer's annual contribution of sick leave hours on behalf of an employee would exceed Internal Revenue Code (IRC) plan limitations, that employee's excess hours will be rolled over for contribution in the next fiscal year.

20. Postemployment Benefits

Other than the pension benefit described in Note 15, the District does not provide any post-retirement health care benefits.

Post employment health care benefits are made available to the District's terminated employees in accordance with Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA the District is required to offer an election to deceased or terminated participants, their spouses or dependents to continue coverage in the health plan provided by the District. The cost of coverage which the District may charge the participant may not exceed 102% of the applicable premium.

21. Deferred Compensation Plan

The District maintains a deferred compensation plan (plan) under the provisions of Section 457 of the Internal Revenue Code, as amended. This law stipulates that all assets and income of the plan must be held in trust for the exclusive benefit of the Plan participants and their beneficiaries. The District's plan is administered by an independent custodian and provides the plan participants with the option to invest in multiple registered investment funds (mutual funds). Although the District is the Trustee of the plan, the District has no administrative involvement and performs no investing function for the plan and has not therefore, reported the plan in this financial report.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

22. Post-Employment Health Care Benefits

GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB obligation. The effective date for implementation of GASB 45 by the East Lake Tarpon Special Fire Control District is October 1, 2008. Accordingly, the District did obtain an actuarial valuation in accordance with GASB 45 standards as of October 1, 2008, and discloses the following:

Plan Description and Funding Policy

Employees who retire from the District (District), and eligible dependents and survivors, are eligible to continue to participate in the District's health insurance programs at the "blended" employee group rate which is determined annually by the District and approved by the District Board. Retirees have 31 days to elect to enroll in the District's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of September 30, 2017, two eligible retirees and dependents were participating in the District's health program.

The District provides no funding for any portion of the premiums after retirement. However, the District recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

22. Post-Employment Health Care Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Since GASB Statement 45 only requires an actuarial valuation every three years, the District's last valuation was for the fiscal year ended September 30, 2016.

The District's annual OPEB cost for its plan is as follows:

	Annual OPEB Cost <u>9/30/16</u>
Annual required contribution (ARC)	\$ 51,727
Interest on net OPEB obligation	7,492
Adjustment to ARC	<u>(11,318)</u>
Annual OPEB cost	47,901
Contributions made (pay-as-you-go basis)	<u>(13,392)</u>
Net OPEB obligation	34,509
Adjustment to net OPEB obligation	<u>125,849</u>
Net OPEB obligation, beginning of year	<u>61,462</u>
Net OPEB obligation, end of year	<u>\$ 221,820</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

22. Post-Employment Health Care Benefits (Continued)

Required Supplementary Information

Funded Status and Funding Progress

The funded status of the plan was as follows:

	<u>9/30/16</u>
Actuarial accrued liability	\$ 410,876
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	<u>\$ 410,876</u>
Funded ratio	<u>0%</u>
Covered payroll	<u>\$ 2,457,227</u>
Unfunded actuarial accrued liability as a percentage of covered payroll	<u>16.7%</u>

<u>Year Ended September 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 47,901	16.7%	\$ 221,820
2011	41,514	230.%	61,462
2010	38,180	22.7%	29,515

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

22. Post-Employment Health Care Benefits (Continued)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>October 1,</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) EAN <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>a/b</u>	Covered Payroll <u>(c)</u>	UAAL as Percentage of Covered Payroll <u>(b-a)/(c)</u>
2015	-	\$ 410,876	\$ 410,876	0.00%	\$ 2,457,227	16.7%
2010	-	351,731	351,731	0.00%	2,162,503	16.3
2009	-	313,467	313,467	0.00%	2,494,461	12.6

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

22. Post-Employment Health Care Benefits (Continued)

Actuarial Methods and Assumptions

Projection of benefits are based on the substantive plan and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the District and the plan members at that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce the short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions used for this valuation are as follows:

Measurement Date	October 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization method	Closed
Amortization period	Level percentage of payroll (closed amortization over 30 years)
Discount rate	4.00%
Asset Valuation Method	Market Value of Assets
CPI	3.20%
Health Cost Trend Rate Pre-Medicare	Initial rate of 8.00% in fiscal 2016, then 8.75% in fiscal 2017, grading down to the
Post-Medicare	ultimate trend rate of 4.00% in fiscal 2073.
Payroll Growth Rate	0.0% annually

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

23. Recently Issued and Implemented Accounting Pronouncements

Effective October 1, 2014, the District adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"). GASB 68 changes the accounting and financial reporting of pensions that are provided through pension plans administered as trusts. The standards require local governments to recognize as a liability, for the first time, their long-term obligation for these pension benefits. This liability is measured as the difference between the present value of projected benefit payments to be provided through the pension plan for the past periods of service and the amount of the pension plan's net position.

Government Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus" amends GASB No. 14 and GASB No. 34 to modify certain requirements for inclusion of component units in the financial reporting entity, to amend the criteria for reporting component units as if they were part of the primary government (i.e., blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organization. The requirements of GASB No. 61 were effective in fiscal year 2013. The District implemented this statement in fiscal year 2013. Its implementation did not have any effect on the District's financial statements.

Government Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" amends GASB No. 34. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position by distinguishing them from assets and liabilities. Net position replaces the terminology net assets in the Statement of Net Position. The requirements of GASB No. 63 were effective in fiscal year 2013. Its implementation has introduced the new elements mentioned above to the Statement of Net Position and Balance Sheet.

Government Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application" requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported in certain entities that calculate net asset value per share (or its equivalent). This statement will be implemented for the fiscal year ending September 30, 2017.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

23. Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB has issued the following statements which will become effective in future years.

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" - This statement changes the focus of accounting for postemployment benefits other than pensions from whether they are responsibly funding benefits over time to a point-in-time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the District in fiscal year 2018.

Statement No. 77, "Tax Abatement Disclosures" - This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will not be effect for the District.

REQUIRED SUPPLEMENTARY
INFORMATION FOR
SINGLE EMPLOYER FIREFIGHTERS' 175
DEFINED BENEFIT PENSION PLAN
UNDER GASB 68

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY

Last Four Fiscal Years

	<u>September 30,</u> <u>2017</u>	<u>September 30,</u> <u>2016</u>	<u>September 30,</u> <u>2015</u>	<u>September 30,</u> <u>2014</u>
Total pension liability:				
Service cost	\$ 414,454	\$ 364,858	\$ 415,680	\$ 415,328
Interest	1,408,929	1,155,747	1,402,170	1,129,406
Change in excess state money	-	-	-	-
Share plan allocation	60,495	90,131	92,921	75,780
Difference between expected and actual experience	179,050	(184,104)	-	-
Change of benefit terms	-	-	-	-
Changes of assumptions	-	366,068	-	-
Benefit payments, including refunds of employee contributions	<u>(563,374)</u>	<u>(756,851)</u>	<u>(389,913)</u>	<u>(356,601)</u>
Net change in total pension liability	1,499,554	1,035,849	1,520,858	1,263,913
Total pension liability - beginning	<u>18,156,594</u>	<u>17,120,745</u>	<u>15,599,887</u>	<u>14,335,974</u>
Total pension liability ending (a)	<u>\$ 19,656,148</u>	<u>\$ 18,156,594</u>	<u>\$ 17,120,745</u>	<u>\$ 15,599,887</u>
Plan fiduciary net position:				
Contributions - employer	\$ 432,442	\$ 441,496	\$ 493,309	\$ 559,573
Contributions - State	305,281	322,211	323,273	331,165
Contributions - employees	118,477	109,694	110,647	110,778
Contributions - buy-back	-	-	-	-
Net investment income	2,031,412	850,250	6,289	1,230,931
Benefit payments including refunds of employee contributions	(563,374)	(756,851)	(389,913)	(356,601)
Administrative xpenses	<u>(61,161)</u>	<u>(57,306)</u>	<u>(55,639)</u>	<u>(49,057)</u>
Net change in plan fiduciary net position	2,263,077	909,494	487,966	1,826,789
Plan fiduciary net position - beginning	<u>13,849,977</u>	<u>12,940,483</u>	<u>12,452,515</u>	<u>10,624,726</u>
Plan fiduciary net posiiton - ending (b)	<u>\$ 16,113,054</u>	<u>\$ 13,849,977</u>	<u>\$ 12,940,481</u>	<u>\$ 12,451,515</u>
Net pension liability (asset) (a) - (b)	<u>\$ 3,543,094</u>	<u>\$ 4,306,617</u>	<u>\$ 4,180,264</u>	<u>\$ 3,148,372</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF RATIOS

Last Four Fiscal Years

	September 30, <u>2017</u>	September 30, <u>2016</u>	September 30, <u>2015</u>	September 30, <u>2014</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81.97%</u>	<u>75.26%</u>	<u>75.36%</u>	<u>79.82%</u>
Covered employee payroll	\$ <u>2,369,463</u>	\$ <u>2,193,886</u>	\$ <u>3,154,865</u>	\$ <u>2,219,711</u>
Net pension liability as a percentage of covered payroll	<u>149.53%</u>	<u>195.30%</u>	<u>129.99%</u>	<u>144.42%</u>

EAST LAKE TARON SPECIAL FIRE CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS

Last Four Years

	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Actuarially determined contributions	\$ 732,164	\$ 649,390	\$ 672,745	\$ 816,854
Contributions in relation to the actuarially determined contributions	<u>732,164</u>	<u>649,390</u>	<u>672,745</u>	<u>816,854</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Covered employee payroll	\$ <u><u>2,369,463</u></u>	\$ <u><u>2,193,886</u></u>	\$ <u><u>3,154,865</u></u>	\$ <u><u>2,219,711</u></u>
Contributions as a percentage of covered employee payroll	<u><u>29.17%</u></u>	<u><u>29.60%</u></u>	<u><u>21.32%</u></u>	<u><u>36.80%</u></u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:	October 1, 2015
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.	
Methods and assumptions used to determine contribution rates:	
Funding method:	Frozen entry age actuarial cost method.
Amortization method:	Level percentage of pay, closed.
Remaining amortization period:	26 years (as of 10/01/2015).
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	2.5% per year.
Increase in pensionable earnings::	5.5% (previously 6.0%) per year until the assumed Retirement age.
Interest rate:	7.75% per year, compounded annually, net of investment expenses.
Payroll growth:	1.09% per year as limited by historical 10 year payroll growth.
Retirement age:	Earlier of 1) age 53 and 26 years of services or 2) age 56 and 11 years of service. This is based on the results of an actuarial experience study issued April 17, 2012.
Early Retirement:	It is assumed that members who are eligible for Early Retirement (age 50) will retire at the rate of 5% per year.
Termination rates:	See table below.
Disability rates:	See table below. It is assumed that 75% of disablements are service related.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO SCHEDULE OF CONTRIBUTIONS (CONTINUED)

Mortality: RP-2000 Table with no projection. The actuary states that this assumption sufficiently accommodates mortality improvements. Disabled lives set forward 5 years.

Other information: Termination and Disability Table.

<u>Age</u>	<u>Percentage Terminating During the Year</u>	<u>Percentage Becoming During the Year</u>
20	7.0%	0.03%
30	6.5%	0.04%
40	4.9%	0.07%
50	2.0%	0.18%

EAST LAKE TARON SPECIAL FIRE CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

Last Four Fiscal Years

	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Annual money-weighted rate of return net of investment expenses	<u>14.63%</u>	<u>7.05%</u>	<u>0.03%</u>	<u>11.42%</u>

INDIVIDUAL
STATEMENTS

These financial statements provide a more detailed view of the “general-purpose financial statements” presented in the preceding section.

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the general operating fund of the District. It is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

GENERAL FUND

COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Cash	\$ 2,554,880	\$ 2,376,089
Accounts receivable (net of uncollectible accounts):		
Accounts receivable	580	12,500
Intergovernmental:		
State	6,116	8,220
County	47,847	46,627
Inventory	162,766	181,746
Prepaid items	1,282	1,282
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>2,773,471</u>	\$ <u>2,626,464</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	\$ 94,832	\$ 40,063
Accrued salaries and benefits payable	198,884	110,093
	<u> </u>	<u> </u>
TOTAL LIABILITIES	293,716	150,156
FUND BALANCE:		
Nonspendable	164,048	183,028
Restricted	416,143	638,322
Committed	908,500	757,000
Assigned	850,000	850,000
Unassigned	141,064	47,958
	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>2,479,755</u>	<u>2,476,308</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>2,773,471</u>	\$ <u>2,626,464</u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

GENERAL FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017			2016		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
Taxes:						
Ad Valorem	\$ 4,984,609	\$ 5,027,839	\$ 43,230	\$ 4,749,585	\$ 4,821,911	\$ 72,326
EMS contract	1,494,686	1,643,425	148,739	1,430,747	1,472,759	42,012
Contract	12,000	12,000	-	12,000	12,000	-
Grants	-	5,500	5,500	-	-	-
Interest	5,000	9,100	4,100	5,000	8,155	3,155
Miscellaneous	84,330	82,780	(1,550)	22,160	98,920	76,760
TOTAL REVENUES	6,580,625	6,780,644	200,019	6,219,492	6,413,745	194,253
EXPENDITURES:						
Public Safety-EMS:						
Executive salaries	76,066	76,050	16	74,963	72,086	2,877
Regular salaries	664,088	664,128	(40)	578,848	615,795	(36,947)
Overtime	163,364	230,855	(67,491)	206,702	312,710	(106,008)
Special pay	72,177	80,549	(8,372)	74,084	82,063	(7,979)
Social security	60,344	72,492	(12,148)	56,460	79,971	(23,511)
Retirement	138,670	138,670	-	121,612	121,612	-
Group life insurance	1,317	1,287	30	1,287	1,287	-
Group health insurance	168,249	158,093	10,156	184,431	153,191	31,240
Workers' compensation	34,417	37,285	(2,868)	32,022	32,022	-
Medical	4,986	9,972	(4,986)	4,905	263	4,642
Accounting and audit	3,558	3,500	58	3,500	3,500	-
Training	-	-	-	-	-	-
Petroleum products	37,260	20,660	16,600	36,655	26,895	9,760
Uniforms	3,964	3,217	747	3,900	3,603	297
Insurance, general liability	10,835	10,835	-	10,659	10,659	-
Good & welfare	-	230	(230)	-	1,936	(1,936)
Repair and maintenance-equipment	33,910	30,624	3,286	33,360	43,655	(10,295)
Vehicles	-	-	-	-	-	-
Fleet	5,340	274	5,066	5,253	6,603	(1,350)
Grant	-	19,900	(19,900)	-	-	-
Subscriptions, licenses and memberships	2,141	1,610	531	2,106	105	2,001
SUB-TOTAL PUBLIC SAFETY-EMS	1,480,686	1,560,231	(79,545)	1,430,747	1,567,956	(137,209)

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

GENERAL FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015
(CONTINUED)

	2017			2016		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Public Safety-Fire:						
Executive salary	\$ 661,677	\$ 623,238	\$ 38,439	\$ 634,916	\$ 682,871	\$ (47,955)
Regular salaries	1,487,155	1,317,094	170,061	1,304,898	1,235,079	69,819
Clerical and other salaries	149,350	148,752	598	171,338	160,220	11,118
Overtime	219,722	239,361	(19,639)	237,596	201,227	36,369
Special pay	51,428	71,673	(20,245)	102,331	67,417	34,914
Social security	219,941	171,688	48,253	199,561	175,935	23,626
Retirement	316,174	316,076	98	345,585	340,609	4,976
Group life insurance	5,362	16,118	(10,756)	4,956	5,837	(881)
Group health insurance	516,200	576,741	(60,541)	521,246	521,246	-
Workers' compensation	112,397	136,031	(23,634)	101,685	108,120	(6,435)
Medical and physical	15,592	20,823	(5,231)	13,719	450	13,269
Electricity	30,000	30,322	(322)	36,900	31,373	5,527
Telephone	12,697	12,091	606	11,500	12,278	(778)
Water and sewer	7,073	5,739	1,334	6,600	5,623	977
Other contractual services	71,962	55,874	16,088	59,556	50,392	9,164
Fire prevention	13,405	5,427	7,978	15,310	14,786	524
Legal fees	45,000	108,452	(63,452)	18,790	18,483	307
Accounting and audit	18,285	20,450	(2,165)	15,950	15,250	700
Custodial services and supplies	8,779	6,099	2,680	8,565	5,214	3,351
Travel	10,353	8,272	2,081	10,100	5,042	5,058
Postage	1,343	1,375	(32)	1,310	1,034	276
Waste disposal	3,572	2,770	802	3,485	2,724	761
Insurance, general liability	59,200	59,554	(354)	60,600	54,125	6,475
Repair and maintenance-building	356,000	429,019	(73,019)	220,000	208,418	11,582
Repair and maintenance-equipment	30,000	26,321	3,679	25,000	17,538	7,462
Repair and maintenance-fleet	4,800	6,289	(1,489)	3,600	3,861	(261)
Printing and binding	1,025	933	92	1,000	609	391
Office supplies	4,577	4,066	511	4,465	4,149	316
Petroleum products	18,140	7,939	10,201	11,852	10,311	1,541
Small tools and equipment	84,573	108,192	(23,619)	52,659	51,021	1,638
Uniforms and laundry	20,049	21,026	(977)	19,560	17,519	2,041
Miscellaneous operating supplies	2,680	2,155	525	2,615	2,127	488
Subscriptions, licenses and memberships	6,755	3,338	3,417	3,618	4,074	(456)
Training and education	59,920	56,809	3,111	43,679	40,783	2,896
Other consulting services	6,583	6,571	12	6,140	5,463	677
Office furniture and fixtures	6,000	5,728	272	4,000	3,846	154
Data processing equipment	4,100	4,345	(245)	4,000	1,768	2,232
Communications equipment	10,233	10,363	(130)	13,972	10,653	3,319
Tax Collector fees	151,473	146,244	5,229	142,251	141,723	528
Reserve expenditures	-	-	-	-	-	-
Capital improvements	63,101	153,359	(90,258)	37,531	64,709	(27,178)
401(a) Pay Plan	97,139	18,984	78,155	79,547	102,075	(22,528)
SUB-TOTAL PUBLIC SAFETY- Fire expenditures	4,963,815	4,965,701	(1,886)	4,561,986	4,405,982	156,004

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

GENERAL FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015
(CONTINUED)

	2017			2016		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Debt Service:						
Principal	176,463	176,463	-	151,643	177,018	(25,375)
Interest	75,136	74,802	334	75,116	81,295	(6,179)
Total debt service	251,599	251,265	334	226,759	258,313	(31,554)
TOTAL EXPENDITURES	6,696,100	6,777,197	(81,097)	6,219,492	6,232,251	(12,759)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(115,475)	3,447	118,922	-	181,494	181,494
OTHER FINANCING SOURCES						
Sale of surplus property	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(115,475)	3,447	118,922	-	181,494	181,494
FUND BALANCE, OCTOBER 1	2,476,308	2,476,308	-	2,294,814	2,294,814	-
FUND BALANCE, SEPTEMBER 30	\$ 2,360,833	\$ 2,479,755	\$ 118,922	\$ 2,294,814	\$ 2,476,308	\$ 181,494

See Notes to Financial Statements.

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

EAST LAKE TARPON SPEICAL FIRE CONTROL DISTRICT

CAPITAL ASSETS USED IN THE OPERATION OF THE GOVERNMENTAL FUND

COMPARATIVE SCHEDULES BY SOURCE

SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
GENERAL FIXED ASSETS:		
Land	\$ 447,010	\$ 447,010
Buildings	5,267,383	5,267,383
Improvements other than buildings	1,675	1,675
Equipment	<u>3,381,682</u>	<u>3,232,498</u>
Total general fixed assets	<u>\$ 9,097,750</u>	<u>\$ 8,948,566</u>
Investment in general fixed assets from:		
General Fund	\$ 8,977,750	\$ 8,828,566
Contributions	<u>120,000</u>	<u>120,000</u>
Total investments in general fixed assets	<u>\$ 9,097,750</u>	<u>\$ 8,948,566</u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

CAPITAL ASSETS USED IN THE OPERATION
OF THE GOVERNMENTAL FUND
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2017 AND 2016

	2017				
	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Improvements</u>	<u>Equipment</u>
Public safety:					
EMS and Fire Protection	\$ <u>9,097,750</u>	\$ <u>447,010</u>	\$ <u>5,267,383</u>	\$ <u>1,675</u>	\$ <u>3,381,682</u>
Total general fixed assets	\$ <u><u>9,097,750</u></u>	\$ <u><u>447,010</u></u>	\$ <u><u>5,267,383</u></u>	\$ <u><u>1,675</u></u>	\$ <u><u>3,381,682</u></u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

CAPITAL ASSETS USED IN THE OPERATION
OF THE GOVERNMENTAL FUND
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2017 AND 2016

	2016				
	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Improvements</u>	<u>Equipment</u>
Public safety: EMS and Fire Protection	\$ <u>8,948,566</u>	\$ <u>447,010</u>	\$ <u>5,267,383</u>	\$ <u>1,675</u>	\$ <u>3,232,498</u>
Total general fixed assets	\$ <u><u>8,948,566</u></u>	\$ <u><u>447,010</u></u>	\$ <u><u>5,267,383</u></u>	\$ <u><u>1,675</u></u>	\$ <u><u>3,232,498</u></u>

See Notes to Financial Statements.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS-
BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	General Fixed Assets October 1, 2016	Additions	Deductions	General Fixed Assets September 30, 2017
Public safety:				
EMS and Fire Protection	\$ <u>8,948,566</u>	\$ <u>153,359</u>	\$ <u>4,175</u>	\$ <u>9,097,750</u>
Total public safety	\$ <u><u>8,948,566</u></u>	\$ <u><u>153,359</u></u>	\$ <u><u>4,175</u></u>	\$ <u><u>9,097,750</u></u>

See Notes to Financial Statements.

STATISTICAL SECTION

This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Content	Page
Financial Trends	100
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed overtime.</i>	
Revenue Capacity	108
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity	113
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Operating Information	116
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

STATISTICAL SECTION

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These schedules reflect economic data and financial trends of the District.

COMMENTS ON THE STATISTICAL SECTION

September 30, 2017

The following statistical tables recommended by the national council on governmental accounting are not included for the reasons stated below:

A table on the computation of legal debt margin has been omitted because the constitution of the State of Florida, Florida statutes 200.181 and the charter of the District set no legal debt margin.

Additional schedules which are felt to be useful to various users, principally investors, underwriters, and rating agencies, have been included in this section.

FINANCIAL TRENDS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
Invested in capital assets, net of related debt	\$ 4,687,177	\$ 4,763,388	\$ 4,793,602	\$ 5,074,071	\$ 3,379,340	\$ 3,414,191	\$ 3,694,441	\$ 3,915,182	\$ 4,069,977	\$ 3,835,661
Unrestricted	<u>(1,725,733)</u>	<u>(1,937,493)</u>	<u>(1,650,317)</u>	<u>1,086,041</u>	<u>1,112,568</u>	<u>1,367,149</u>	<u>1,638,469</u>	<u>2,190,825</u>	<u>2,237,897</u>	<u>1,996,929</u>
Total governmental activities net position	<u>\$ 2,961,444</u>	<u>\$ 2,825,895</u>	<u>\$ 3,143,285</u>	<u>\$ 6,160,112</u>	<u>\$ 4,491,908</u>	<u>\$ 4,781,340</u>	<u>\$ 5,332,910</u>	<u>\$ 6,106,007</u>	<u>\$ 6,307,874</u>	<u>\$ 5,832,590</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 4,687,177	\$ 4,763,388	\$ 4,793,602	\$ 5,074,071	\$ 3,379,340	\$ 3,414,191	\$ 3,694,441	\$ 3,915,182	\$ 4,069,977	\$ 3,835,661
Unrestricted	<u>(1,725,733)</u>	<u>(1,937,493)</u>	<u>(1,650,317)</u>	<u>1,086,041</u>	<u>1,112,568</u>	<u>1,367,149</u>	<u>1,638,469</u>	<u>2,190,825</u>	<u>2,237,897</u>	<u>1,996,929</u>
	<u>\$ 2,961,444</u>	<u>\$ 2,825,895</u>	<u>\$ 3,143,285</u>	<u>\$ 6,160,112</u>	<u>\$ 4,491,908</u>	<u>\$ 4,781,340</u>	<u>\$ 5,332,910</u>	<u>\$ 6,106,007</u>	<u>\$ 6,307,874</u>	<u>\$ 5,832,590</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
EXPENSES:										
Governmental Activities:										
Public safety - EMS	\$ 1,589,919	\$ 1,675,320	\$ 1,677,788	\$ 1,628,431	\$ 1,430,036	\$ 1,368,160	\$ 1,254,400	\$ 1,291,671	\$ 1,200,704	\$ 1,141,808
Public safety - fire protection	5,055,176	5,055,815	4,610,842	4,115,460	3,903,432	3,930,940	3,720,957	3,886,799	3,719,306	3,752,457
Total governmental activities expenses	<u>6,645,095</u>	<u>6,731,135</u>	<u>6,288,630</u>	<u>5,743,891</u>	<u>5,333,468</u>	<u>5,299,100</u>	<u>4,975,357</u>	<u>5,178,470</u>	<u>4,920,010</u>	<u>4,894,265</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services	\$ 1,655,425	\$ 1,484,759	\$ 1,462,803	\$ 1,397,987	\$ 1,348,632	\$ 1,246,616	\$ 1,221,943	\$ 1,328,197	\$ 1,192,248	\$ 1,142,986
Grant revenue	5,500	-	-	-	-	-	-	-	32,354	-
Total governmental activities program revenues	<u>1,660,925</u>	<u>1,484,759</u>	<u>1,462,803</u>	<u>1,397,987</u>	<u>1,348,632</u>	<u>1,246,616</u>	<u>1,221,943</u>	<u>1,328,197</u>	<u>1,224,602</u>	<u>1,142,986</u>
NET (EXPENSE) REVENUE	<u>(4,984,170)</u>	<u>(5,246,376)</u>	<u>(4,825,827)</u>	<u>(4,345,904)</u>	<u>(3,984,836)</u>	<u>(4,052,484)</u>	<u>(3,753,414)</u>	<u>(3,850,273)</u>	<u>(3,695,408)</u>	<u>(3,751,279)</u>
Governmental Activities:										
Taxes:										
Property taxes	5,027,839	4,821,911	4,644,316	4,418,722	3,630,186	3,430,161	3,437,305	3,620,342	4,111,300	4,521,017
Infrastructure sales tax	-	-	-	1,495,977	-	-	-	-	-	-
Investment earnings	9,100	8,155	7,281	4,590	4,948	6,673	10,264	16,717	31,214	88,110
Gain on sale of capital asset	-	-	71,403	-	-	31,013	-	-	-	-
Miscellaneous	82,780	98,920	291,614	94,819	60,270	65,014	42,702	11,347	28,178	34,197
Total governmental activities	<u>5,119,719</u>	<u>4,928,986</u>	<u>5,014,614</u>	<u>6,014,108</u>	<u>3,695,404</u>	<u>3,532,861</u>	<u>3,490,271</u>	<u>3,648,406</u>	<u>4,170,692</u>	<u>4,643,324</u>
Special item - payout for executive termination	-	-	-	-	-	-	(541,901)	-	-	-
CHANGE IN NET POSITION	<u>\$ 135,549</u>	<u>\$ (317,390)</u>	<u>\$ 188,787</u>	<u>\$ 1,668,204</u>	<u>\$ (289,432)</u>	<u>\$ (519,623)</u>	<u>\$ (805,044)</u>	<u>\$ (201,867)</u>	<u>\$ 475,284</u>	<u>\$ 892,045</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

EXPENSES BY FUNCTION/PROGRAM

LAST TEN YEARS

(accrual basis of accounting)

FUNCTION/PROGRAM	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
Public safety	\$ 6,573,500	\$ 6,649,840	\$ 6,211,023	\$ 5,662,062	\$ 5,184,180	\$ 5,104,521	\$ 5,389,303	\$ 5,025,280	\$ 4,764,683	\$ 4,733,822
Interest on long- term debt	<u>71,595</u>	<u>81,295</u>	<u>77,607</u>	<u>81,829</u>	<u>149,288</u>	<u>194,579</u>	<u>96,008</u>	<u>153,190</u>	<u>155,327</u>	<u>160,443</u>
Total general governmental activities	<u>\$ 6,645,095</u>	<u>\$ 6,731,135</u>	<u>\$ 6,288,630</u>	<u>\$ 5,743,891</u>	<u>\$ 5,333,468</u>	<u>\$ 5,299,100</u>	<u>\$ 5,485,311</u>	<u>\$ 5,178,470</u>	<u>\$ 4,920,010</u>	<u>\$ 4,894,265</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2007</u>
GENERAL FUND:										
Nonspendable	\$ 164,048	\$ 183,028	\$ 182,408	\$ 173,136	\$ 173,432	\$ 285,523	\$ 346,546	\$ 346,064	\$ 233,721	\$ 1,297,619
Restricted	416,143	638,322	515,435	352,000	223,348	219,348	559,348		-	-
Committed	908,500	757,000	525,100	155,000	715,000	715,000	575,000		-	-
Assigned	850,000	650,000	950,000	925,000	560,000	560,000	560,000	1,543,541	1,706,209	1,412,607
Unassigned	<u>141,064</u>	<u>47,958</u>	<u>121,871</u>	<u>204,982</u>	<u>83,451</u>	<u>193,526</u>	<u>97,318</u>	<u>909,032</u>	<u>744,333</u>	<u>100,000</u>
Total general fund	<u>\$ 2,479,755</u>	<u>\$ 2,276,308</u>	<u>\$ 2,294,814</u>	<u>\$ 1,810,118</u>	<u>\$ 1,755,231</u>	<u>\$ 1,973,397</u>	<u>\$ 2,138,212</u>	<u>\$ 2,798,637</u>	<u>\$ 2,684,263</u>	<u>\$ 2,810,226</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
REVENUES										
Taxes	\$ 5,027,839	\$ 4,821,911	\$ 4,644,316	\$ 4,418,722	\$ 3,630,186	\$ 3,430,161	\$ 3,437,305	\$ 3,620,342	\$ 4,111,300	\$ 4,521,017
Charges for services	1,655,425	1,484,759	1,462,803	1,397,987	1,348,632	1,246,616	1,221,943	1,320,197	1,192,248	1,142,986
Infrastructure sales tax	-	-	-	1,495,977	-	-	-	-	-	-
Grant revenue	-	-	-	-	-	-	-	-	32,354	-
Interest earnings	9,100	8,155	7,281	4,590	4,948	6,673	10,264	16,717	31,214	88,110
Miscellaneous	88,280	98,920	110,463	100,316	60,270	65,014	47,185	19,347	30,493	34,197
Total revenues	6,780,644	6,413,745	6,224,863	7,417,592	5,044,036	4,748,464	4,716,697	4,976,603	5,397,609	5,786,310
EXPENDITURES										
Public safety	6,372,573	5,909,229	5,694,169	5,321,042	4,890,826	4,727,029	4,612,962	4,646,114	4,693,086	4,490,864
Capital outlay	153,359	64,709	143,196	1,814,904	144,617	47,991	-	102,736	332,782	1,244,436
Debt service:										
Principal	176,463	177,018	146,702	141,922	136,677	81,333	77,218	37,131	105,781	159,146
Interest	74,802	81,295	80,057	84,837	90,082	149,426	149,541	76,248	234,357	84,430
Total expenditures	6,777,197	6,232,251	6,064,124	7,362,705	5,262,202	5,005,779	4,839,721	4,862,229	5,366,006	5,978,876
Excess of revenues over expenditures	3,447	181,494	160,739	54,887	(218,166)	(257,315)	(123,024)	114,374	31,603	(192,566)
Other Financing Sources:										
Sale of surplus property	-	-	323,957	-	-	92,500	4,500	-	35,000	-
Special item - payout for executive termination	-	-	-	-	-	-	(541,901)	-	-	-
Repayment of debt	-	-	-	-	-	(2,703,493)	-	-	-	-
Loan proceeds	-	-	-	-	-	2,703,493	-	-	-	-
Total other financing sources	-	-	323,957	-	-	92,500	(537,401)	-	35,000	-
Excess (deficiency) of Revenues and Other Financing Sources over Expenditures	\$ <u>3,447</u>	\$ <u>181,494</u>	\$ <u>484,696</u>	\$ <u>54,887</u>	\$ <u>(218,166)</u>	\$ <u>(164,815)</u>	\$ <u>(660,425)</u>	\$ <u>114,374</u>	\$ <u>66,603</u>	\$ <u>(192,566)</u>
Debt service as a percentage of noncapital expenditures	<u>3.9%</u>	<u>4.4%</u>	<u>4.0%</u>	<u>4.3%</u>	<u>4.6%</u>	<u>4.9%</u>	<u>4.4%</u>	<u>3.3%</u>	<u>6.7%</u>	<u>5.4%</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

TAX REVENUES BY SOURCE
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>
2008	\$ 4,521,017
2009	4,111,300
2010	3,620,342
2011	3,437,305
2012	3,430,161
2013	3,630,186
2014	4,418,722
2015	4,644,316
2016	4,821,911
2017	5,027,839
Change 2008-2017	<u>11.2 %</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

GENERAL FUND EXPENDITURES BY FUNCTION

Fiscal Year Ended September 30,	<u>Public Safety</u>		<u>Capital Outlay</u>		<u>Debt Service</u>		<u>Total</u>
	<u>Fire</u>	<u>EMS</u>	<u>Fire</u>	<u>EMS</u>	<u>Principal</u>	<u>Interest</u>	
2008	\$ 3,374,218	\$ 11,166,646	\$ 1,244,436	\$ -	\$ 159,146	\$ 84,430	\$ 16,028,876
2009	3,497,822	1,195,264	332,782	-	105,781	234,357	5,366,006
2010	3,399,209	1,246,905	102,736	-	37,131	76,248	4,862,229
2011	3,928,596	1,226,267	-	-	77,218	149,541	5,381,622
2012	3,404,168	1,322,861	47,991	-	81,333	149,426	5,005,779
2013	3,495,819	1,395,007	144,617	-	136,677	90,082	5,262,202
2014	3,738,117	1,582,925	1,814,904	-	141,922	84,837	7,362,705
2015	4,086,989	1,607,180	143,196	-	146,702	80,057	6,064,124
2016	4,343,809	1,565,420	64,709	-	177,018	81,295	6,232,251
2017	4,812,342	1,560,231	153,359	-	176,463	74,802	6,777,197

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

GENERAL FUND REVENUES BY SOURCE

<u>Fiscal Year</u> <u>Ended</u> <u>September 30,</u>	<u>Ad Valorem</u> <u>Taxes</u>	<u>EMS</u> <u>Contract</u>	<u>Brooker</u> <u>Creek</u> <u>Contract</u>	<u>Infrastructure</u> <u>Sales Tax</u>	<u>Proceeds</u> <u>Surplus</u> <u>Property</u>	<u>County</u> <u>Reserve</u> <u>Balance</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2008	\$ 4,521,017	\$ 1,142,986	\$ 8,000	\$ -	\$ -	-	\$ 88,110	\$ 26,197	\$ 5,786,310
2009	4,111,300	1,192,248	8,000	-	-	-	31,214	54,847	5,397,609
2010	3,620,342	1,320,197	8,000	-	-	-	16,717	11,347	4,976,603
2011	3,437,305	1,213,943	8,000	-	-	-	10,264	47,185	4,716,697
2012	3,430,161	1,238,616	8,000	-	-	-	6,673	65,014	4,748,464
2013	3,630,186	1,336,632	12,000	-	-	-	4,948	60,270	5,044,036
2014	4,418,722	1,385,987	12,000	1,495,977	-	-	4,590	100,316	7,417,592
2015	4,644,316	1,450,803	12,000	-	323,957	-	7,281	110,463	6,548,820
2016	4,821,911	1,472,759	12,000	-	-	-	8,155	98,920	6,413,745
2017	5,027,839	1,643,425	12,000	-	-	-	9,100	88,280	6,780,644

REVENUE CAPACITY

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (Millage)
2008	\$ 4,373,546,200	\$ 144,557,400	\$ 245,958,000	\$ 1,481,285,720	3,282,775,880	1.4292
2009	(1)	(1)	(1)	(1)	3,002,996,200	1.4200
2010	(1)	(1)	(1)	(1)	2,997,543,513	1.3900
2011	(1)	(1)	(1)	(1)	2,688,174,158	1.3900
2012	(1)	(1)	(1)	(1)	2,353,655,228	1.5110
2013	(1)	(1)	(1)	(1)	2,257,688,728	1.7000
2014	(1)	(1)	(1)	(1)	2,309,396,869	1.9800
2015	(1)	(1)	(1)	(1)	2,428,333,319	1.9800
2016	(1)	(1)	(1)	(1)	2,544,693,647	1.9650
2017	(1)	(1)	(1)	(1)	2,653,947,049	1.9650

⁽¹⁾ This breakdown was not available from the Pinellas County Tax Assessor's Office for the fiscal year for the special districts.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

PROPERTY TAX RATES -
DIRECT AND ALL OVERLAPPING GOVERNMENTS (PER \$1,000)

LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
East Lake Tarpon Special Fire Control District: Operating	1.9650	1.9650	1.9800	1.9800	1.7000	1.5110	1.3900	1.3900	1.4200	1.4292
Pinellas County School Board: Operating	7.3180	7.7700	7.8410	8.0600	8.3020	8.3850	8.3400	8.3460	8.3460	7.7310
Pinellas County: Operating	5.2755	5.3377	5.3377	5.3377	5.0727	4.8730	4.8730	4.8108	4.8108	5.4700
Countywide millage set by other taxing authorities:										
- Pinellas County MSTU	2.0857	2.0857	2.0857	2.0857	2.0857	2.0857	2.0857	2.0857	2.0857	2.3560
- Pinellas Suncoast Transit Authority	0.75	0.7305	0.7305	0.7305	0.7305	0.7305	0.5601	0.5601	0.5601	0.6074
- Pinellas County Library	0.5	0.5	0.25	0.25	0.4437	0.4437	0.4437	0.4437	0.4437	0.5000
- EMS	0.9158	0.9158	0.9158	0.9158	0.9158	0.8506	0.5832	0.5832	0.5832	0.5832
- Other Districts	1.307	1.2629	1.2629	1.2959	1.3034	1.2390	1.4410	1.5728	1.7460	1.6378
Total Countywide millage	<u>18.1520</u>	<u>18.6026</u>	<u>18.4236</u>	<u>18.6756</u>	<u>18.8538</u>	<u>18.6075</u>	<u>18.3267</u>	<u>18.4032</u>	<u>18.5755</u>	<u>18.8854</u>
TOTAL	<u>20.1170</u>	<u>20.5676</u>	<u>20.4036</u>	<u>20.6556</u>	<u>20.5538</u>	<u>20.1185</u>	<u>19.7167</u>	<u>19.7932</u>	<u>19.9955</u>	<u>20.3146</u>

Source: Pinellas County Tax Collector

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

FIRE TAXABLE VALUATIONS, MILLAGE TAXES LEVIED
AND COLLECTED

LAST TEN FISCAL YEARS

	Fiscal Year September 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Taxable valuation	\$ 2,653,947,049	\$ 2,544,693,647	\$ 2,428,333,319	\$ 2,309,396,869	\$ 2,257,686,728	\$ 2,353,655,228	\$ 2,688,174,158	\$ 2,997,543,513	\$ 3,002,996,200	\$ 3,282,775,880
Millage	<u>1.9650</u>	<u>1.9650</u>	<u>1.9800</u>	<u>1.9800</u>	<u>1.7000</u>	<u>1.5110</u>	<u>1.3900</u>	<u>1.3900</u>	<u>1.4200</u>	<u>1.4292</u>
Total taxes levied	\$ 5,215,006	\$ 5,000,323	\$ 4,808,100	\$ 4,572,606	\$ 3,838,067	\$ 3,556,373	\$ 3,736,562	\$ 4,166,585	\$ 4,264,254	\$ 4,691,743
Less Adjustments and discounts	<u>187,167</u>	<u>178,412</u>	<u>163,784</u>	<u>385,403</u>	<u>207,881</u>	<u>126,212</u>	<u>299,257</u>	<u>546,243</u>	<u>152,954</u>	<u>170,726</u>
Net taxes levied	\$ <u>5,027,839</u>	\$ <u>4,821,911</u>	\$ <u>4,644,316</u>	\$ <u>4,572,606</u>	\$ <u>3,630,186</u>	\$ <u>3,430,161</u>	\$ <u>3,437,305</u>	\$ <u>3,620,342</u>	\$ <u>4,111,300</u>	\$ <u>4,521,017</u>
Net collected	\$ <u>5,027,839</u>	\$ <u>4,821,911</u>	\$ <u>4,644,316</u>	\$ <u>4,418,722</u>	\$ <u>3,630,186</u>	\$ <u>3,430,161</u>	\$ <u>3,437,305</u>	\$ <u>3,620,342</u>	\$ <u>4,111,300</u>	\$ <u>4,521,017</u>
Percent	<u>96%</u>	<u>96%</u>	<u>97%</u>	<u>97%</u>	<u>95%</u>	<u>96%</u>	<u>93%</u>	<u>97%</u>	<u>96%</u>	<u>96%</u>

Source: Pinellas County Appraiser.

- (1) Florida Statutes provide for a discount up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates. The District after all tax certificate are sold, has fully collected all ad valorem taxes.
- (2) Net collected includes penalties or late payments.
- (3) Florida Statutes provide for a three percent maximum increase in annual property values.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year September 30	Total Assessed Valuation	Taxable Assessed Valuation	Levy	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of levy
2008	\$ 4,764,061,600	\$ 3,282,775,880	\$ 4,691,743	\$ 4,516,948	97%	4,069	\$ 4,521,017	97
2009	4,484,281,620	3,002,995,900	4,264,254	4,107,292	97	4,008	4,111,300	97
2010	4,170,261,520	2,997,543,400	3,736,563	3,619,022	97	1,320	3,620,342	97
2011	4,169,569,878	2,688,174,158	3,544,768	3,438,425	97	1,120	3,437,305	97
2012	3,083,579,687	2,353,655,228	3,556,373	3,427,789	96%	2,372	3,430,161	97
2013	2,894,986,075	2,257,310,310	3,838,068	3,625,538	94%	4,648	3,630,186	95
2014	2,950,301,574	2,309,396,869	4,572,606	4,418,722	97%	-	4,418,722	97
2015	3,067,134,459	2,428,333,319	4,804,126	4,644,316	97%	-	4,644,316	97%
2016	3,190,893,064	2,544,693,647	5,000,325	4,821,911	96%	-	4,821,911	96%
2017	3,308,685,272	2,653,947,049	5,215,008	5,027,839	96%	-	5,027,839	96%

⁽¹⁾ Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates. The District, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

Source: Pinellas County Property Appraiser.

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

EMS TAXES LEVIED AND CONTRACT COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30</u>	<u>Taxable Assessed Valuation (in thousands)</u>	<u>Millage Rate</u>	<u>Levy</u>	<u>Less Collection Fees, Discounts and County Reallocation</u>	<u>EMS Contract Collections</u>
2008	\$ 3,282,776	0.5832	\$ 1,914,515	\$ 771,529	\$ 1,142,986
2009	3,002,996	0.5832	1,751,347	559,099	1,192,248
2010	2,997,543	0.5832	1,748,167	427,970	1,320,197
2011	2,688,174	0.5832	1,567,743	353,800	1,213,943
2012	2,353,655	0.8506	2,002,019	763,403	1,238,616
2013	2,257,868	0.9158	2,067,756	731,124	1,336,632
2014	2,309,396	0.9158	2,114,945	728,958	1,385,987
2015	2,428,333	0.9158	2,223,867	773,064	1,450,803
2016	2,544,694	0.9158	2,330,430	872,180	1,458,251
2017	2,653,947	0.9158	2,430,485	787,060	1,643,425

DEBT CAPACITY

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Total Primary Government	District Population	Per Capita
	Building Capital Lease	Equipment Capital Leases	Vehicle Capital Leases			
2017	\$ 1,978,197	\$ 120,266	\$ -	\$ 2,098,463	30,962	\$ 67.78
2016	2,134,946	79,123	-	2,214,069	30,962	71.51
2015	2,286,589	-	-	2,286,589	30,962	73.85
2014	2,433,291	-	-	2,433,291	33,800	71.99
2013	2,613,410	-	-	2,613,410	30,962	84.41
2012	2,703,493	-	-	2,703,493	34,053	78.36
2011	2,784,825	-	-	2,784,825	34,053	81.78
2010	2,862,053	-	-	2,862,053	34,053	84.04
2009	2,899,174	-	-	2,899,174	34,053	85.14
2008	3,004,955	-	-	3,004,955	33,000	91.06

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Legal Debt Margin Calculation:										
Total budgeted revenues of the District for the fiscal year ended September 30	\$ 6,580,625	\$ 6,219,492	\$ 6,378,258	\$ 5,753,627	\$ 4,987,709	\$ 4,748,464	\$ 4,841,260	\$ 4,763,788	\$ 5,259,009	\$ 5,761,486
Limitation on debt service	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>
Maximum annual debt service allowable	\$ <u>3,290,313</u>	\$ <u>3,109,746</u>	\$ <u>3,189,129</u>	\$ <u>2,876,814</u>	\$ <u>2,493,855</u>	\$ <u>2,374,232</u>	\$ <u>2,420,630</u>	\$ <u>2,381,894</u>	\$ <u>2,629,505</u>	\$ <u>2,621,862</u>
Total current year's principal and interest payments on the District's outstanding debt:										
Building capital lease	\$ 226,759	\$ 226,759	\$ 226,759	\$ 226,759	\$ 226,759	\$ 230,759	\$ 226,759	\$ 113,379	\$ 340,138	\$ 113,379
Vehicle capital leases	-	-	-	-	-	-	-	-	-	130,197
Equipment capital lease	<u>24,506</u>	<u>24,506</u>	-	-	-	-	-	-	-	-
Total principal and interest payments, fiscal year ended September 30	\$ <u>251,265</u>	\$ <u>251,265</u>	\$ <u>226,759</u>	\$ <u>226,759</u>	\$ <u>226,759</u>	\$ <u>230,759</u>	\$ <u>226,759</u>	\$ <u>113,379</u>	\$ <u>340,138</u>	\$ <u>243,576</u>

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2017

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Net General Nonsell- Supporting Revenue Debt</u>	<u>Total</u>	<u>Percentage Applicable to District</u>	<u>Amount Applicable to District</u>
Direct Debt:					
District	\$ -	\$ 2,098,463	\$ 2,098,463	100%	\$ 2,098,463
Overlapping Debt:					
Pinellas County School Board ⁽¹⁾	6,045,000		6,045,000	3.6%	<u>217,620</u>
Total District Direct and Overlapping Debt					<u>\$ 2,316,083</u>
RATIO:					
Overall debt to 2017 taxable value				<u>0.09%</u>	
Overall debt per capita, 30,962 residents				<u>\$ 74.80</u>	

(1) The District's share is calculated based on the ratio of the 2017 County Taxable Value of \$73,543,239,292 to the District's Taxable Value of \$2,653,947,049.

OPERATING INFORMATION

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

FULL-TIME EQUIVALENT
DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<u>FUNCTION</u>	Full-time Equivalent Employees as of September 30									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Public Safety:										
Fire:										
- Firefighters	38	36	36	36	36	35	35	36	36	40
- EMS Professionals	38	36	36	36	36	35	35	36	36	40
- Administrative Staff	3	3	2	2	1.75	1.75	2	2	2	2

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<u>FUNCTION</u>	Fiscal Year Ended September 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Public Safety:										
Fire										
Number of Fire calls	788	657	583	501	533	799	574	565	663	993
Number of EMS calls	2,677	2,661	2,434	2,427	2,217	1,924	2,136	2,142	1,997	201
District population	30,962	30,962	30,962	33,800	30,962	30,962	34,053	34,053	34,053	33,000

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

CAPITAL ASSETS STATISTICS
LAST TEN FISCAL YEARS

<u>FUNCTION</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Public Safety:										
Fire										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Engines	4	4	4	7	4	4	4	4	4	4
Brush Truck	1	1	1	1	1	1	1	1	1	1
Water Truck	1	1	1	1	1	1	1	1	1	1

EAST LAKE TARPON SPECIAL FIRE CONTROL DISTRICT

SCHEDULE OF INSURANCE IN FORCE

YEAR ENDED SEPTEMBER 30, 2017

<u>Policy Number</u>	<u>Type of Coverage</u>	<u>Term</u>	<u>Company</u>	<u>Limit of Liability</u>	<u>Premiums</u>
VFIS-TR-2058406-09	Commercial Property	10/1/2016 10/1/2017	Public-Risk Insurance	Replacement	\$ 17,263
	General Liability			3,000,000	13,173
	Equipment			Replacement	2,124
	Employee			250,000	6,570
	Crime				323
	Auto			1,000,000	18,667
CU 5054193-03	Umbrella			10,000,000	<u>7,366</u>
	Subtotal				<u>65,486</u>
W150156059	Public Official Bond T. Jamison, Chief	04/09/2017 04/09/2021	Old Republic Surety	5,000	355
W150272634	Public Official Bond Paul Ferreri	11/15/2016 11/15/2020	Old Republic Surety		355
W150272637	Public Official Bond Kevin Kenney	11/15/2016 11/15/2020	Old Republic Surety		355
W150143470	Public Official Bond David Root	11/7/2016 11/7/2020	Old Republic Surety		355
OPO2128402	Public Official Bond Randy Burr	11/02/2016 11/02/2018	Old Republic Surety		185
W150210835	Public Official Bond Thomas McQueen	11/14/2014 11/14/2018	Old Republic Surety		360
LSM0861554	Notary Bond	3/21/2016 3/13/2020	RLI Insurance Company		50
WC FL 10524302 15-15	Worker's Compensation	10/1/2015 9/3/2017	Preferred Governmental Insurance Trust	Statutory	152,598
001108734	Storage tank	10/1/2016 10/1/2017	Commerce and Industry		555
	TOTAL PREMIUMS				<u>\$ 220,654</u>

OTHER REPORTS

East Lake Tarpon Special Fire Control District

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

AND

MANAGEMENT LETTER

AND

ATTESTATION LETTER

AND

MANAGEMENT MEMORANDUM
ON REVIEW OF INTERNAL CONTROL STRUCTURE
September 30, 2017

**REPORT ON INTERNAL CONTROL
AND COMPLIANCE AND OTHER MATTERS**

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The Board of Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the AICPA Professional Standards AT Sections 601.55 and 601.56, the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the East Lake Tarpon Special Fire Control District, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the East Lake Tarpon Special Fire Control District (District) basic financial statements, and have issued our report thereon dated April 9, 2018.

Internal Control Over Financial Reporting

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

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

The Board of Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Davidson, Jamieson & Cristini, P.L.

April 9, 2018

MANAGEMENT LETTER

Davidson, Jamieson & Cristini, P.L.
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The Board of Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

Report on the Financial Statements

We have audited the financial statements of the East Lake Tarpon Special Fire Control Districts of and for the fiscal year ended September 30, 2017 and have issued our report thereon dated April 9, 2018.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General Disclosures in those reports and schedule, which are dated April 9, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address finding and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no findings or recommendations made on internal control and compliance issues during the preceding annual financial audit

The Board of Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This disclosure has been included in the District's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017.

Financial Condition

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

Pursuant to Section 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the East Lake Tarpon Special Fire Control District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

The Board of Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, require that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than those specified parties.

Davidson, Jamieson & Cristini, P.L.

April 9, 2018

ATTESTATION REPORT

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT

The Board of Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

We have examined the East Lake Tarpon Special Fire Control District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Davidson, Jamieson & Cristini, P.L.

April 9, 2018

**MEMORANDUM ON REVIEW
OF INTERNAL CONTROL STRUCTURE**

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

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April 9, 2018

The Board of Commissioners
East Lake Tarpon Special Fire Control District
Palm Harbor, Florida

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the East Lake Tarpon Special Fire Control District as of and for the year ended September 30, 2017, and have issued our report thereon dated April 9, 2018.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated April 9, 2018. Disclosures in that report, if any, should be considered in conjunction with this management memorandum.

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

In planning and performing our audit of the financial statements of East Lake Tarpon Special Fire Control District we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we observed a matter that is an opportunity for strengthening internal control and operating efficiency.

2016-2017

2017-1 Documentation for CERT Purchases

2016-2017

2017-1 Documentation for CERT Purchases

It is our understanding that the District sponsors the local CERT organization.

The Community Emergency Response Team (CERT) program educates volunteers about disaster preparedness for the hazards that may impact their area and trains them in basic disaster response skills.

Any purchases made by the CERT organization are initially paid for by the District. The State of Florida later reimburses the District.

We recommend that the District obtain copies of the invoices for these purchases before the payment is made. The documentation requirements need to follow the District's purchasing policy.

* * * * *

This memorandum is intended solely for the use of the District's Board of Commissioners, the Pinellas County, Florida Board of Commissioners and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesy and assistance provided to us by the District's personnel during our audit. We will review the status of the above comments during our next audit engagement. We have already discussed many of these comments and suggestions with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

DAVIDSON, JAMIESON & CRISTINI, P.L.

MANAGEMENT'S RESPONSE



**EAST LAKE TARPON
SPECIAL FIRE CONTROL DISTRICT**

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**BOARD OF
FIRE COMMISSIONERS**

**Randy Burr
Jim Dalrymple
Kevin Kenney
Tom McQueen
David J. Root**

Management Response

Documentation for CERT Purchases

Management will create a formal process for addressing the transferring of funds to CERT in anticipation of grant funds they are scheduled to receive including copies of invoices. We will also hold CERT accountable to the same purchasing policies the District follows.