

WEST MANATEE FIRE & RESCUE DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

**WEST MANATEE FIRE & RESCUE DISTRICT
FINANCIAL STATEMENTS**

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FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
West Manatee Fire & Rescue District
Manatee County, Florida**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Manatee Fire & Rescue District (the District), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

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 West Manatee Fire & Rescue District, as of September 30, 2021, and the respective changes in financial position 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 3 – 8, the budgetary comparison information on page 41, the schedule of changes in net pension liability (asset) and related ratios – FFRP, schedule of contributions and notes – FFRP, schedule of investment returns – FFRP, schedule of proportionate share of the net pension liability (FRS and HIS), District's contributions (FRS and HIS) and notes to required supplementary information (FRS and HIS) on pages 42 – 50, and the schedule of changes in total OPEB liability and related ratios on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

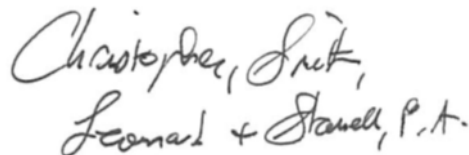
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Manatee Fire & Rescue District's basic financial statements. The supplemental schedule on page 52 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental schedule is the responsibility of management and was derived from and relates 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 supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CHRISTOPHER, SMITH,
LEONARD & STANELL, P. A.

February 3, 2022
Bradenton, Florida



West Manatee Fire & Rescue District



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of West Manatee Fire & Rescue District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021. Readers should consider the information presented here in conjunction with the basic financial statements.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$9,821,778 (*net position*).
- The District's total net position increased by \$1,515,556.
- As of the close of the current fiscal year, the District's governmental fund reported ending fund balances of \$5,164,972, a decrease of \$1,015,072 in comparison with the prior year. Of this total amount, \$1,018,052 is unassigned fund balance. \$3,900,000 is assigned for specific purposes and \$246,920 is restricted.
- The District's total note payable was \$858,288, which decreased by \$201,533 due to principal payments during the current fiscal year. The District also had other long-term liabilities of \$740,790 in compensated absences, \$2,435,660 in OPEB liability, and net pension liability in the amount of \$212,857.
- The District has recorded a net pension asset in the amount of \$4,000,900 related to the Firefighters Pension plan.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to West Manatee Fire & Rescue District's basic financial statements. The District's basic financial statements comprise 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, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and deferred outflows, less its liabilities and deferred inflows, with the difference 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., uncollected revenues and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by fire assessments (non-advalorem taxes), impact fees 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*). The District is engaged in only governmental activities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements. 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 has governmental funds and fiduciary funds.

Governmental funds. Governmental funds 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. These funds are reported using the modified accrual method of accounting and the current financial resources focus. As a result long-term assets and liabilities are not included. The District uses a General fund. The General Fund is the general operating fund. All general tax revenues are accounted for in this fund. From this fund all general operating expenditures, budgeted capital expenditures and debt service costs are paid.

A reconciliation to facilitate the comparison between the governmental fund financial statements and the government-wide financial statements is presented.

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

The basic governmental fund financial statements can be found on pages 11 to 14 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and follow the accrual method of accounting. The District's sole fiduciary fund is a pension trust fund used to account for the Chapter 175 defined benefit pension fund. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the West Manatee Fire & Rescue District's own programs.

The basic fiduciary fund financial statements can be found on pages 15-16 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 beginning on page 17 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of West Manatee Fire & Rescue District, assets and deferred outflows exceeded liabilities and deferred inflows by \$9,821,778 at the close of the most recent fiscal year.

A large portion of the District's net position \$7,733,848 reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide fire protection and emergency services to citizens within the boundaries of the District; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District also had significant assets in cash and investments at year-end.

The following table presents a condensed statement of net position as of September 30, 2021 with comparative totals for September 30, 2020.

	Net Position	
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 5,225,359	\$ 6,250,853
Net pension asset	4,000,900	831,400
Capital assets	<u>8,592,136</u>	<u>7,537,771</u>
Total assets	<u>17,818,395</u>	<u>14,620,024</u>
Deferred outflows of pensions resources	965,214	1,021,535
Long-term liabilities outstanding	4,247,595	5,341,881
Other liabilities	<u>60,387</u>	<u>70,809</u>
Total liabilities	4,307,982	5,412,690
Deferred inflows of pension earnings	4,653,849	1,922,647
Net position:		
Net investment in capital assets	7,733,848	6,477,950
Restricted	246,920	403,455
Unrestricted	<u>1,841,010</u>	<u>1,424,817</u>
Total net position	<u>\$ 9,821,778</u>	<u>\$ 8,306,222</u>

An additional portion of the District's net position, \$246,920, represents resources from impact fees and debt sinking fund reserves that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$1,841,010 may be used to meet the District's ongoing obligations to citizens and creditors.

The District's net position increased by \$1,515,556 during the current fiscal year.

The following table provides a summary of the District's operations for the year ended September 30, 2021 with comparative totals for the year ended September 30, 2020.

Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 112,762	\$ 105,954
Operating grants	17,130	86,114
General revenues:		
Fire assessments	7,597,321	7,356,204
Investment income	14,640	68,480
Impact Fees	83,196	48,657
Other	87,902	75,280
Total revenues	7,912,951	7,740,689
 Expenses:		
Fire Protection Services	5,815,637	7,175,719
Depreciation	557,142	497,020
Interest on long-term debt	24,616	29,577
Total expenses	6,397,395	7,702,316
Increase in net position	1,515,556	38,373
Net Position – Beginning	8,306,222	8,267,849
Net Position – Ending	\$ 9,821,778	\$ 8,306,222

- Fire assessment taxes increased by \$241,117 during the year. Investment income decreased due to less cash on hand and rates earned. Other income increased due to the increase of reimbursements in the current year. Total fire protection service expense decreased by \$1,360,082, mainly due to changes in pension and OPEB changes.

Financial Analysis of the District's Funds

The District utilizes Governmental Funds, which includes the General Fund and Fiduciary Funds, which includes Pension Funds.

Governmental funds. The focus of the District's *governmental fund* 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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental fund reported ending fund balances of \$5,164,972, a decrease of \$1,015,072 in comparison with the prior year. Of this total \$246,920 are restricted for impact fees and debt sinking fund, and \$3,900,000 is assigned by the District to fund future expenditures as identified in Note A (11). The remaining amount of \$1,018,052 is unassigned funds. Unassigned fund balance represents 11% of annual general fund expenditures.

The fund balance of the District's general fund decreased by \$1,015,072 during the current fiscal year. Significant current year activity included:

- An increase in the amount of fire assessments revenues of \$241,117. Operating grants decreased by \$68,984 as less was received related to FEMA reimbursements in the current year. Interest income decreased due to less cash on hand and rates.
- Expenditures in the general fund increased by \$833,643. Personnel costs increased \$173,294, operating expenditures increased by \$85,795, capital outlay increased by \$574,554, and debt service costs remained the same.

General Fund Budgetary Highlights

During the year, the General Fund budget was amended to transfer between line items. Original and final budgeted revenues, including other financing sources, were \$7,819,612. Original and final budgeted expenditures were \$9,410,362. Actual revenues exceeded budgeted revenues by \$91,979. Actual expenditures were less than budgeted expenditures by \$480,041, mainly due to less personal service, operating and capital outlay than anticipated. The budget amendment transferred lines items by reducing personnel services and increasing operating expenditures and capital outlay.

Fiduciary Fund

The District's Pension Trust Fund presents a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position on pages 15 and 16. These activities are excluded from the District's government wide financial statements because the District cannot use these assets to finance its operations.

The District's Pension Trust Fund reported fiduciary net position of \$27,347,398. The fiduciary fund had contributions of \$1,371,994 and net investment income/(loss) of \$4,602,233, offset by benefit payments and expenses of \$254,828. This Pension Trust Fund includes only firefighters hired after January 1, 1996. Other firefighters are included in the State of Florida Retirement System.

Capital Assets

The District's investment in capital assets amounts to \$8,592,136 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The District's investment in capital assets for the current fiscal year increased by \$1,054,365; this was comprised of \$1,613,805 of capital additions, \$557,142 of depreciation expense and \$2,298 of loss on disposal of assets before proceeds. Significant additions included the completion of the Administration Building.

	Capital Assets	
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 960,347	\$ 960,347
Construction in process	-0-	334,005
Building and Improvements	5,818,375	4,088,350
Machinery and equipment	<u>1,813,414</u>	<u>2,155,069</u>
Total (net of depreciation)	<u>\$ 8,592,136</u>	<u>\$ 7,537,771</u>

See note C of this report for additional information on the District's capital assets.

Long-Term Liabilities

At the end of the current fiscal year, the District had a note payable outstanding of \$858,288. The District also records a long-term liability for compensated absences of \$740,790, OPEB liability of \$2,435,660, and net pension liability of \$212,857.

The District's note payable decreased by \$201,533 during the current fiscal year, due to principal payments.

Additional information on the District's long-term debt can be found in Note D of this report.

Economic Factors and Next Year's Budgets and Rates

The District's non-ad valorem assessment rates are limited to increases by F.S. 191.009(2). This revenue limitation is based on the average annual rate of personal income growth in Florida over the previous five years. The District has determined the average annual growth rate in Florida should be determined by using growth rate data provided by the United States Department of Commerce's Bureau of Economic Analysis ("BEA"). While the BEA personal income growth average was calculated at 5.64%, the District increased the assessment on the residential and commercial parcels by 4% for fiscal year 2021-2022.

The increased revenue from the fire protection assessment on all properties will be utilized to offset increased operational costs.

All of these factors will be considered in preparing the District's future budgets.

Requests for Information

This financial report is designed to provide a general overview of the West Manatee Fire & Rescue District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at, West Manatee Fire & Rescue District, 701 63rd St. W., Bradenton, Florida 34209.

WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 2,850,090
Investments	2,082,950
Due from other governments	45,899
Restricted assets:	
Temporarily restricted:	
Cash and cash equivalents	246,420
Net pension asset	4,000,900
Capital assets	
Land	960,347
Other capital assets, net of depreciation	7,631,789
Total Assets	17,818,395
Deferred outflows of pension resources	965,214
LIABILITIES	
Accounts payable and other current liabilities	60,387
Noncurrent liabilities:	
Due within one year	206,619
Due in more than one year	4,040,976
Total Liabilities	4,307,982
Deferred inflows of pension earnings	4,653,849
NET POSITION	
Net Investment in Capital Assets	7,733,848
Restricted	246,920
Unrestricted	1,841,010
TOTAL NET POSITION	\$ 9,821,778

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

**WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Public Safety–Fire Protection	
Personal services	\$ 4,680,785
Operating expenses	1,134,852
Depreciation	557,142
Interest	24,616
Total Program Expenses	6,397,395
Program Revenues:	
Operating grants	17,130
Charges for services	112,762
Net Program Expense	6,267,503
General Revenues:	
Fire assessments	7,597,321
Impact fees	83,196
Investment earnings	14,640
Net gain on sale of fixed assets	1,360
Miscellaneous	86,542
Total General Revenues	7,783,059
Increase in Net Position	1,515,556
Net Position – Beginning	8,306,222
Net Position – Ending	\$ 9,821,778

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

**WEST MANATEE FIRE & RESCUE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2021**

	<u>GENERAL FUND</u>
ASSETS	
Cash and cash equivalents	\$ 2,850,090
Cash and cash equivalents – restricted	246,420
Investments	2,082,950
Due from other governments	45,899
TOTAL ASSETS	<u><u>\$ 5,225,359</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 1,793
Accrued expenses	58,594
TOTAL LIABILITIES	<u>60,387</u>
 FUND BALANCE	
Spendable	
Restricted	246,920
Assigned	3,900,000
Unassigned	1,018,052
TOTAL FUND BALANCE	<u>5,164,972</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 5,225,359</u></u>

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

**WEST MANATEE FIRE & RESCUE DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

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

Fund Balance – Total Governmental Fund	\$ 5,164,972
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,592,136
Long-term assets are not available to pay current period expenditures and, therefore, are not reported in the funds. This amount represents net pension assets.	4,000,900
Deferred outflows of pension resources are not recognized in the governmental funds, however, they are recorded in the statement of net position under full accrual accounting	965,214
Deferred inflows of pension earnings are not recognized in the governmental funds, however, they are recorded in the statement of net position under full accrual accounting	(4,653,849)
Long-term liabilities, including notes payable, compensated absences, net pension liability and OPEB liability are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(4,247,595)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 9,821,778</u></u>

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

**WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	GENERAL FUND
REVENUES	
Fire protection services:	
Tax assessments	\$ 7,597,321
Impact fees	83,196
Interest income - unrestricted	14,640
Inspection fees	22,935
Grant income	17,130
Reimbursements	35,186
Miscellaneous income	141,183
Total Revenues	7,911,591
EXPENDITURES	
Public Safety:	
Personal services	5,955,515
Operating expenditures	1,016,007
Capital outlay	1,732,650
Debt Service:	
Principal	201,533
Interest	24,616
Total Expenditures	8,930,321
Excess of revenues over (under) expenditures	(1,018,730)
Other Financing Sources	
Proceeds from sale of fixed assets	3,658
	3,658
Net Change in Fund Balance	(1,015,072)
FUND BALANCE, October 1, 2020	6,180,044
FUND BALANCE, September 30, 2021	\$ 5,164,972

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

**WEST MANATEE FIRE & RESCUE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

Net changes in fund balances – governmental fund	\$ (1,015,072)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceed depreciation expense and loss on disposal of assets.	1,054,365
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, the transaction has no effect on change in net position.	201,533
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The effects of long-term accounts and pension resources do not provide current financial resources and as such are not recorded in the governmental fund. This is the amount of the change in net pension asset during the year.	3,169,500
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Some expenditures in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the general fund. This represents the current year change in:	
Compensated absences	24,380
OPEB liability	143,572
Net pension liability	724,801
Deferred outflows of pension resources	(56,321)
Deferred inflows of pension earnings	(2,731,202)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,515,556</u>
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The accompanying notes are an integral part of these financial statements.

**WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND – PENSION TRUST FUND
SEPTEMBER 30, 2021**

ASSETS

Contributions receivable	\$ 139,265
Investments, at fair value	
Money Market and short term funds	343,843
U.S. Government Obligations	981,289
Corporate Bonds	1,350,530
Mutual Funds–Fixed income	5,471,433
Mutual Funds–Equity	16,971,193
American Core Realty Fund	2,089,845
Total Investments	<u>27,208,133</u>
TOTAL ASSETS	<u>27,347,398</u>
NET POSITION	
Held in trust for pension benefits	<u><u>\$ 27,347,398</u></u>

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

WEST MANATEE FIRE & RESCUE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

ADDITIONS

CONTRIBUTIONS:

Employer contributions	\$ 896,246
Employee contributions	160,044
State contributions	315,704
Total contributions	1,371,994

INVESTMENT INCOME:

Interest and dividends	828,733
Gain (loss) on sales	171,886
Net appreciation (depreciation) in fair value of investments	3,630,337
	4,630,956

Less investment expense	28,723
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Net investment income (loss)	4,602,233
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TOTAL ADDITIONS	5,974,227
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DEDUCTIONS

Administrative expenses	73,418
Benefits paid to participants	181,410

TOTAL DEDUCTIONS	254,828
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NET INCREASE (DECREASE)	5,719,399
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NET POSITION HELD IN TRUST FOR PENSION BENEFITS:

Beginning of period	21,627,999
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End of period	\$ 27,347,398
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The accompanying notes are an integral part of these financial statements.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

Basic Financial Statements – Fund Financial Statements – The District’s accounts are organized on the basis of funds, which are self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The District utilizes governmental funds, which follow the modified accrual basis of accounting. Under this method, revenues are recorded when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(2) Basis of Presentation – Continued

end of the current fiscal period. Expenditures are generally recorded when a fund liability is incurred. The District also uses a pension trust fund. The District reports the following funds, which are major funds:

Governmental Funds

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

Fiduciary Funds

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

- (3) Budgets and Budgetary Accounting – The District prepares an annual operating budget for the fiscal year commencing October 1. Prior to September 1 of each year, the District's Fire Chief prepares a proposed budget for the upcoming fiscal year. The budget is based on an analysis of prior year actual revenues and expenditures along with anticipated spending and revenue sources. Budgetary control is exercised on the total expenditure level. Appropriations lapse at the end of the year. The pension trust fund is not budgeted. Once the proposed budget is compiled, it is brought before the Board of Commissioners for approval.
- (4) Compensated Absences – It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured or are payable from current financial resources. Compensated absences are liquidated out of the General Fund.
- (5) Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(5) Capital Assets – Continued

extend the useful life of the asset are expensed as incurred. The District does not have infrastructure assets. Property, plant and equipment of the District are depreciated on a straight-line basis over the following estimated useful lives:

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

(6) Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, no long-term obligations are reported as they are not due to be paid from current financial resources.

(7) Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position includes a separate section for deferred outflows. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item qualified for reporting in this category. A deferred outflow of pension resources is reflected in the government-wide statement of net position.

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

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

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(8) Property Taxes –Continued

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

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

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

(9) Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(10) Net Position – Net position is reported in three parts as applicable: Net investment in capital assets; restricted and unrestricted. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed.

(11) Fund Balance – The District follows Governmental Accounting Standards Board Statement No. 54 in reporting fund balance in the governmental fund. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, and Spendable. Spendable is then further classified as Restricted, Committed, Assigned, and Unassigned, as applicable. These classifications reflect not only the nature of funds, but also provide clarity to the level of restrictions placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

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

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

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(11) Fund Balance – Continued

Spendable Fund Balance:

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

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

Spendable:

Restricted:	
Sinking fund	\$ 226,149
Impact fees	<u>20,771</u>
Total restricted	<u>246,920</u>
Assigned:	
90 day operating	1,000,000
Vehicle replacement	200,000
Emergency repair	50,000
Leave liability	125,000
Contingency	2,500,000
Legislative Cancer Fund	<u>25,000</u>
Total assigned	<u>3,900,000</u>
Unassigned	<u>1,018,052</u>
Total Fund Balance	<u>\$ 5,164,972</u>

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE B – CASH AND INVESTMENTS

The District maintains two cash and investment pools. One pool is unrestricted funds and is available for use as determined by the annual budget. The other pool is restricted funds from impact fees. Investments are to be made in the following order of importance: Safety of Capital, Liquidity of Funds, and Investment Income.

Deposits and Investments

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

- (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, like the Manatee County Investment Pool.
- (b) Securities and Exchange Commission registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest bearing time deposits or savings accounts in state-certified Qualified Public Depositories as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.
- (e) Repurchase agreements

Cash accounts are with institutions that are Qualified Public Depositories and post collateral as required by State Law. All of the District's cash deposits are entirely collateralized pursuant to Chapter 280 of the Florida Statutes.

Investments in the general fund consist of investments in Florida Cooperative Liquid Assets Securities System (FLCLASS), which is rated by S&P Global Ratings as AAAM. Investments in FLCLASS are recorded at fair value.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The dollar weighted average days to maturity (WAM) of FLCLASS at September 30, 2021 is 47 days. Next interest rate reset dates of floating rate securities are used in the calculation of WAM. The weighted average life (WAL) of FLCLASS is 84 days.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE C – CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 960,347	\$ -0-	\$ -0-	\$ -0-	\$ 960,347
Construction in progress	<u>334,005</u>	<u>1,559,969</u>	<u>-0-</u>	<u>(1,893,974)</u>	<u>-0-</u>
Total capital assets, not being fully depreciated	<u>1,294,352</u>	<u>1,559,969</u>	<u>-0-</u>	<u>(1,893,974)</u>	<u>960,347</u>
Capital assets being depreciated:					
Buildings and improvements	6,050,480	48,836	-0-	1,893,974	7,993,290
Machinery and equipment	<u>4,620,170</u>	<u>5,000</u>	<u>175,856</u>	<u>-0-</u>	<u>4,449,314</u>
Total capital assets being depreciated	10,670,650	53,836	175,856	1,893,974	12,442,604
Less accumulated depreciation for:					
Buildings and improvements	1,962,130	212,785	-0-	-0-	2,174,915
Machinery and equipment	<u>2,465,101</u>	<u>344,357</u>	<u>173,558</u>	<u>-0-</u>	<u>2,635,900</u>
Total accumulated depreciation	<u>4,427,231</u>	<u>557,142</u>	<u>173,558</u>	<u>-0-</u>	<u>4,810,815</u>
Total capital assets, being depreciated, net	<u>6,243,419</u>	<u>(503,306)</u>	<u>2,298</u>	<u>1,893,974</u>	<u>7,631,789</u>
Governmental activities capital assets, net	<u>\$ 7,537,771</u>	<u>\$ 1,056,663</u>	<u>\$ 2,298</u>	<u>\$ -0-</u>	<u>\$ 8,592,136</u>

Depreciation expense was included in the statement of activities in the amount of \$557,142.

NOTE D – LONG-TERM DEBT

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

Future maturities of long-term debt are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 206,619	\$ 19,530	\$ 226,149
2023	211,833	14,316	226,149
2024	217,178	8,971	226,149
2025	<u>222,658</u>	<u>3,491</u>	<u>226,149</u>
	<u>\$ 858,288</u>	<u>\$ 46,308</u>	<u>\$ 904,596</u>

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE D – LONG-TERM DEBT – CONTINUED

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One-Year</u>
Governmental Activities					
Note payable	\$ 1,059,821	\$ -0-	\$ 201,533	\$ 858,288	\$ 206,619
Notes payable-direct borrowings	1,059,821	-0-	201,533	858,288	206,619
Net pension liability	937,658	243,865	968,666	212,857	-0-
OPEB Liability	2,579,232	-0-	143,572	2,435,660	-0-
Compensated absences	765,170	412,747	437,127	740,790	-0-
Governmental activity					
Long-term liabilities	<u>\$ 5,341,881</u>	<u>\$ 656,612</u>	<u>\$1,750,898</u>	<u>\$ 4,247,595</u>	<u>\$ 206,619</u>

Events of default may occur if the District fails to make scheduled payments under the terms of the note agreements. An event of default may subject the District to certain finance-related consequences such as:

The Lender may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, of the United States of America, or granted and contained in the note agreement, and to enforce and compel the performance of all duties required by the note agreement or by any applicable laws to be performed by the District, the Board or by any officer thereof, and may take all steps to enforce this Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

Upon the occurrence of an event of default the Lender shall be entitled as of right, to the extent permitted by law, to the appointment of a receiver to collect and receive the pledged funds in an appropriate judicial proceeding in a court of competent jurisdiction, whether or not the Lender is also seeking or shall have sought to enforce any other right or exercise any other remedy in connection with the Note. The receiver so appointed shall collect and receive the pledged funds in the manner provided in this agreement for so long as the note shall be outstanding.

In addition, upon the occurrence of an event of default and upon the occurrence of any other event of default and 10 day notice to the District by the Lender, the principal of and interest on the Note shall immediately become due and payable.

Any amount not paid when due shall bear interest at the default rate equal to the Lender's prime rate plus 2% per annum.

The District shall reimburse the Lender for all costs, fees, and expenses of any nature incurred by the Lender as a result of or in connection with the cure of any default hereunder.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

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

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

The District adopted, on January 1, 2001, an Employer Participation Agreement for a Post-Employment Health Plan. The District makes annual contributions to the plan of 1% of base salary. The employee's individual balances will be used to purchase Post Employment Health costs until exhausted. \$51,266 was contributed to the plan for the year ended September 30, 2021.

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

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

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

Notes Payable	\$ 858,288
Compensated Absences	740,790
Net Pension Liability	212,857
OPEB Liability	<u>2,435,660</u>
	<u>\$ 4,247,595</u>

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

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

Capital outlay included as additions	\$ 1,613,805
Loss on disposal of assets	(2,298)
Depreciation expense	<u>(557,142)</u>
	<u>\$ 1,054,365</u>

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS

FLORIDA RETIREMENT SYSTEM – (FRS)

Plan Participation

All full-time employees of the predecessor Districts prior to January 1, 1996, are covered by the State of Florida Retirement System, which is administered by the Florida Department of Management Services, Division of Retirement under the Authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapter 112 and 121. The system is a contributory, defined benefit, cost-sharing multiple-employer PERS (Public Employee Retirement System).

Plan Description

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

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

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

Benefits Provided

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

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

Plan Provisions

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

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

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

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

Contributions Required and Made

Per Chapter 121, Florida Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the Florida Department of Management Services, Division of Retirement. Effective July 1, 2011, both employee and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. The Florida Legislature established a uniform contribution rate system for the FRS. The uniform rates are based on the class an employee is placed into which requires employees to contribute 3% and employers to contribute a specified percentage based on class. The District’s contractually required contribution rate for the year ended September 30, 2021, ranged from 10.00% – 10.82% for regular employees, 24.45% – 25.89% for special risk employees and 16.98% – 18.34% for employees in the DROP Program of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$54,210 for the year ended September 30, 2021.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

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

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

At September 30, 2021, the District reported a liability of \$212,857 for its proportionate share of the net pension liability which includes both FRS and HIS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District’s proportion of the net pension liability was based on a long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District’s proportion was .001424268% for FRS and .000858188% for HIS.

For the year ended September 30, 2021, the District recognized pension income of \$150,597, related to the FRS/HIS Plan. At year end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 18,441	\$ –0–	\$ 3,523	\$ (44)
Changes in assumptions	73,617	–0–	8,272	(4,337)
Net difference between projected and actual earnings on pension plan investments	–0–	(375,345)	110	–0–
Changes in proportion and differences between contributions and proportionate share of contributions	4,116	(426,649)	572	(83,645)
District contributions subsequent to the June 30, 2021 measurement date	<u>7,730</u>	<u>–0–</u>	<u>531</u>	<u>–0–</u>
	<u>\$ 103,904</u>	<u>\$ (801,994)</u>	<u>\$ 13,008</u>	<u>\$ (88,026)</u>

Total deferred outflows were \$116,912 and total deferred inflows were \$890,020. \$7,730 (FRS) and \$531 (HIS) were reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>FRS</u>	<u>HIS</u>
2022	\$ (133,048)	\$ (11,799)
2023	(133,048)	(11,799)
2024	(133,048)	(11,799)
2025	(133,048)	(11,799)
2026	(133,048)	(11,799)
Thereafter	<u>(40,580)</u>	<u>(16,554)</u>
	<u>\$ (705,820)</u>	<u>\$ (75,549)</u>

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

Actuarial Assumptions

The total pension liability in the July 1, 2021 actuarial valuation (June 30, 2021 measurement date) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, including inflation
Investment rate of return	6.80 percent, including inflation at 2.40%

Mortality rates for FRS were based on the PUB-2010 base table, projected generationally with Scale MP-2018, and mortality rates for HIS were based on the Generational RP-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed for that Plan, but were based on certain results of the most recent experience study for the FRS Plan.

The long-term expected rate of return on pension plan investments consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.30%, consistent with the 4.17% real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2021 by the FRS Actuarial Assumptions Conference. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>
Cash	1.00%	2.1%
Fixed income	20.00%	3.8%
Global equity	54.20%	8.2%
Real estate (property)	10.30%	7.1%
Private equity	10.80%	11.7%
Strategic investments	3.70%	5.7%

Discount Rate

The discount rate used to measure the total FRS pension liability was 6.80%, and the HIS pension liability was 2.16%. The HIS rate decreased from 2.21% in the prior year, based on the most recent actuarial study.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM (FRS) – Continued

Actuarial Assumptions – Continued

Discount Rate – Continued

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

The following changes in actuarial assumptions occurred in 2021:

- FRS: The maximum amortization period was decreased to 20 years for all current and future amortization bases.
- HIS: The municipal rate used to determine total pension liability decreased from 2.21% to 2.16%.

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

The following presents the District’s proportionate share of the FRS net pension liability calculated using the discount rate of 6.80%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.80%)	Discount Rate (6.80%)	1% Increase (7.80%)
District’s proportionate share of the FRS net pension liability	\$ 481,137	\$ 107,587	\$ (204,659)

The following presents the District’s proportionate share of the HIS net pension liability calculated using the discount rate of 2.16%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
District’s proportionate share of the HIS net pension liability	\$ 121,702	\$ 105,270	\$ 91,807

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

Pension Plan Fiduciary Net Position

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

BENEFITS FOR NON-FIREFIGHTERS HIRED AFTER JANUARY 1, 1996

Non-firefighters hired after January 1, 1996 receive a contribution in the amount of 12.5% of their salary into a defined contribution plan. This defined contribution arrangement was approved in Ordinance 96-03 passed on July 24, 1996. Total contributions were \$16,228 on a covered payroll of \$128,982. Participants are 100% vested after 10 years.

DEFINED BENEFIT PLAN FOR FIREFIGHTERS HIRED AFTER JANUARY 1, 1996

Plan Description and Summary of Significant Accounting Policies

Ordinance 2000-05, which was amended by Ordinances 2003-02, 2005-02, 2008-04 and 2010-01, 2013-04, 2014-05, 2016-11, 2019-03, and 2021-05 established and amended the West Manatee Fire and Rescue District Firefighters’ Retirement Plan (FFRP) which combined individual plans from two predecessor Districts. This plan meets the requirements of Chapter 175 Florida Statutes. The Plan is a single member, defined benefit, public retirement system.

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

Inactive employees and beneficiaries receiving benefits	6
Inactive employees entitled to, but not yet receiving, benefits	5
Active plan members	<u>38</u>
Total	<u>49</u>

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

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

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

Benefit Provisions

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

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

Early Retirement – 6 years of Credited Service. The accrued benefits are reduced 3% for each year prior to normal retirement.

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

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

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

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

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

Deferred Retirement Option Program –Satisfaction of Normal Retirement requirements. Not to exceed 60 months. Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter. The DROP Balance as of September 30, 2021 is \$0.

Contribution Information

Vesting on employer contributions occurs after 6 years of service. Employees are fully vested in their required contributions when made. Required employee contributions were 5.0% of salary. Required contributions from the District along with state contributions are required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

Benefit Provisions – Continued

Contribution Information – Continued

Employer contributions for the period ended September 30, 2021 were \$896,246, on a covered payroll of \$3,200,877. State contributions totaled \$315,704, and employee contributions were \$160,044.

Investments

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

Plan investments are held by the Salem Trust Company and American Realty Advisors and have a market value of \$27,208,133 and a cost of \$20,162,219 at September 30, 2021.

As of September 30, 2021, the asset allocations are as follows:

	<u>Percent of Total</u>
Money Market Funds	1.26%
U.S. Government Obligations	3.61%
Corporate Bonds	4.96%
Equity Mutual Funds	62.38%
Fixed Income Mutual Funds	20.11%
Commingled Real Estate Fund	7.68%
	<u>100.00%</u>

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

Rate of Return – For the year ended September 30, 2021 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 20.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk – Credit risk results from the potential default of investments that are not financially sound. Investments are limited by Florida Statute Chapter 175 and by an investment policy adopted by the Plan’s Board of Trustees. The Plan’s investments must meet the following criteria: fixed income securities/bonds with a Standard & Poor’s rating of BBB or higher or Moody’s rating of Baa or higher, except that 15% of the fixed income assets, at market, may be invested in securities not meeting this requirement, including foreign. Equities with a Value line ranking for safety 1, 2 or 3, except that 15% of equity assets, at market, may be invested in securities not meeting this requirement. Money Market with a Standard & Poor’s rating of A1 or Moody’s rating of P1. Not more than 5% of the Plan’s assets are to be invested in common stock or capital stock of any one issuing company nor the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the Company. The value of bonds issued by a single corporation shall not exceed 10% of the Plan.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

Benefit Provisions – Continued

Custodial Credit Risk – Continued

The Money Market Fund represents 1.26% of assets and has a Moody’s rating of Aaa.

Interest Rate Risk – The U.S. Government Obligations have interest rates between 0.375% and 6.00% with maturities from 2021 to 2036. Corporate bonds have interest rates between 2.38% and 5.63% with maturities between 2022 and 2029.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan investments are held by Salem Trust Company and American Realty Advisors as Custodians for the West Manatee Fire & Rescue District Firefighter’s Retirement Plan. Management invests with custodians it determines to have an acceptable custodial credit risk.

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

Fair Value

The investments held by the FFRP are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of September 30, 2021:

	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Money Market	\$ 343,843	\$ 343,843	\$ 0–	\$ 0–
Debt securities:				
U.S. Government Obligations	981,289	0–	981,289	0–
Corporate Bonds	1,350,530	0–	1,350,530	0–
Mutual Funds – Fixed Income	5,471,433	0–	5,471,433	0–
Equity securities:				
Mutual Funds – Equity	16,971,193	0–	16,971,193	0–
Commingled Fund – Real Estate	<u>2,089,845</u>	<u>0–</u>	<u>0–</u>	<u>2,089,845</u>
Total investments by fair value	<u>\$ 27,208,133</u>	<u>\$ 343,843</u>	<u>\$24,774,445</u>	<u>\$ 2,089,845</u>

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

Fair Value – Continued

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

Net Pension Liability (Asset)

The measurement date is September 30, 2021. The Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined as of that date. The measurement period for the pension expense was October 1, 2020 to September 30, 2021. The reporting period is October 1, 2020 through September 30, 2021. The total pension liability, net pension liability (asset), and certain sensitivity information are based on an actuarial valuation as of October 1, 2020 and rolled forward to September 30, 2021.

The components of the net pension liability (asset) of the sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 23,334,491
Plan Fiduciary Net Position	<u>(27,335,391)</u>
Sponsor's Net Pension Liability (Asset)	<u>\$ (4,000,900)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	117.15%

	Total Pension Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability (Asset) <u>(a) – (b)</u>
Balance as of September 30, 2020	\$ 20,736,483	\$ 21,567,883	\$ (831,400)
Change for a Year:			
Service cost	1,074,704	–0–	1,074,704
Interest	1,629,036	–0–	1,629,036
Change in members contribution reserve	104,310	–0–	104,310
Difference between expected and actual experience	(389,240)	–0–	(389,240)
Changes in assumptions	360,608	–0–	360,608
Contributions – Employer	–0–	946,246	(946,246)
Contributions – State	–0–	315,705	(315,705)
Contributions – Employee	–0–	160,044	(160,044)
Net investment income	–0–	4,574,429	(4,574,429)
Benefit payments, including refunds of Employee contributions	(181,410)	(181,410)	–0–
Administrative expenses	<u>–0–</u>	<u>(47,506)</u>	<u>47,506</u>
Net Changes	<u>2,598,008</u>	<u>5,767,508</u>	<u>(3,169,500)</u>
Balance as of September 30, 2021	<u>\$ 23,334,491</u>	<u>\$ 27,335,391</u>	<u>\$ (4,000,900)</u>

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2020 rolled forward to September 30, 2021 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary Increases	service based
Discount Rate	7.40%
Investment Rate of Return	7.40%

Mortality Rate Healthy Lives:

Female: PubS.H-2010 for employees, set forward one year.

Male: PubS.H-2010 for employees, set forward one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for disabled retirees/20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

The other significant assumptions are based upon the most recent actuarial experience study dated April 24, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2021, the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	45%	7.5%
International Equity	15%	8.5%
Broad Market Fixed Income	25%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	<u>10%</u>	4.5%
	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate decreased from 7.50% to 7.40% in the current actuarial valuation.

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RETIREMENT PLANS – CONTINUED

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the District, calculated using the discount rate of 7.40% as well as 1% higher and 1% lower than the current rate:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Net Pension Liability (Asset)	\$ (19,053)	\$ (4,000,900)	\$ (7,378,312)

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

For the year ended September 30, 2021 the Sponsor recognized pension expense of \$355,678. At September 30, 2021 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 332,865	\$ (444,195)
Changes of assumptions	515,437	(948,779)
Net difference between projected and actual earnings on investments	-0-	(2,370,855)
Total	\$ 848,302	\$ (3,763,829)

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

Year ending September 30:

2022	\$ (542,713)
2023	\$ (683,638)
2024	\$ (794,120)
2025	\$ (722,793)
2026	\$ (140,374)
Thereafter	\$ (31,889)

AGGREGATE INFORMATION FOR PENSION PLANS

The aggregate balances of the pension plans are as follows:

	Deferred Outflows of Resources	Net Pension Liability	Net Pension Asset	Deferred Inflows of Resources	Pension Expense
Florida Retirement System Firefighters Retirement Plan	\$ 116,912	\$ 212,857	\$ -0-	\$ 890,020	\$ (150,597)
	848,302	-0-	4,000,900	3,763,829	355,678
	\$ 965,214	\$ 212,857	\$ 4,000,900	\$ 4,653,849	\$ 205,081

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE H – OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PLAN

Plan Description

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

Plan membership at September 30, 2021 (date of actuarial valuation):

Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>41</u>
Total	<u>48</u>

Benefits Provided

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

Actuarial Assumptions

The measurement date is September 30, 2021.

The measurement and reporting period for the OPEB expense was October 1, 2020 to September 30, 2021.

The Total OPEB Liability was measured as of September 30, 2021 using a discount rate of 3.51%.

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

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2021, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.00%
Discount Rate	3.51%
Initial Trend Rate – Medical	4.90%
Ultimate Trend Rate – Medical	4.30%
Initial Trend Rate – Pharmacy	5.90%
Ultimate Trend Rate – Pharmacy	4.30%
Initial Trend Rate – Dental and Vision	3.50% and 3.00%
Ultimate Trend Rate – Dental and Vision	3.00% and 3.00%

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

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

Mortality

Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvements projected for 10 years.

Discount Rate

Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.51%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve.

OPEB Expense

For the year ended September 30, 2021, the Sponsor will recognize OPEB income of \$143,572.

Change in Total OPEB Liability

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2020	\$ 2,579,232
Changes for a Year:	
Service Cost	29,916
Interest	69,403
Effect of Economic/Demographic Gains or Losses	90,569
Changes in Assumptions	(333,460)
Net Changes	(143,572)
Reporting Period Ending September 30, 2021	\$ 2,435,660

Changes in assumptions reflect a change in the discount rate from 2.66% for the prior year to 3.51% for the current year.

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

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

	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Total OPEB Liability (Asset)	\$ 2,834,919	\$ 2,435,660	\$ 2,115,100

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

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

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

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

	1% Decrease <u>2.00% – 4.90%</u>	Healthcare Cost Trend Rates <u>3.00% – 5.90%</u>	1% Increase <u>4.00% – 6.90%</u>
Total OPEB Liability (Asset)	\$ 2,097,465	\$ 2,435,660	\$ 2,854,618

NOTE I – RISK MANAGEMENT

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

NOTE J – RENTAL INCOME

The District rents space at fire stations to Manatee County for EMS services. The District also rents space on its tower to a third party for cell phone providers. Total current year rents were \$89,827. Future rental income for the next five years is expected to be approximately \$89,000 per annum.

NOTE K– CONCENTRATIONS OF LABOR SUBJECT TO COLLECTIVE BARGAINING AGREEMENT

The District’s professional Firefighters, including Lieutenants and Captains, as well as Deputy Fire Marshall and Fire Inspectors, which represent a significant portion of the District’s employees are represented by a Union.

NOTE L– CONTINGENCIES

Management of the District continues to evaluate the risks associated with the COVID-19 pandemic. Management of the District is in the process of implementing risk mitigation as to the risk of impact, if any, of COVID-19 related to all aspects of the District’s business transactions with vendors and human interaction within and outside of the District. However, the District cannot at this time make a determination on the ultimate impacts of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION

WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Fire Protection Services:				
Tax assessments	\$ 7,519,795	\$ 7,519,795	\$ 7,597,321	\$ 77,526
Impact fees	40,000	40,000	83,196	43,196
Interest income	45,250	45,250	14,640	(30,610)
Inspection fees	5,000	5,000	22,935	17,935
Grant income	5,000	5,000	17,130	12,130
Reimbursements	21,240	21,240	35,186	13,946
Miscellaneous income	183,327	183,327	141,183	(42,144)
Total Revenues	<u>7,819,612</u>	<u>7,819,612</u>	<u>7,911,591</u>	<u>91,979</u>
EXPENDITURES				
Public Safety:				
Personal services	6,427,672	6,292,671	5,955,515	337,156
Operating expenditures	1,125,541	1,135,542	1,016,007	119,535
Capital outlay	1,631,000	1,756,000	1,732,650	23,350
Debt service:				
Principal	196,572	196,572	201,533	(4,961)
Interest	29,577	29,577	24,616	4,961
Total Expenditures	<u>9,410,362</u>	<u>9,410,362</u>	<u>8,930,321</u>	<u>480,041</u>
Excess of revenues over (under) expenditures	(1,590,750)	(1,590,750)	(1,018,730)	572,020
Other Financing Sources				
Proceeds from sale of fixed assets	-	-	3,658	3,658
	<u>-</u>	<u>-</u>	<u>3,658</u>	<u>3,658</u>
Net Change in Fund Balance	(1,590,750)	(1,590,750)	(1,015,072)	575,678
FUND BALANCE, October 1, 2020	<u>6,180,044</u>	<u>6,180,044</u>	<u>6,180,044</u>	<u>-</u>
FUND BALANCE, September 30, 2021	<u>\$ 4,589,294</u>	<u>\$ 4,589,294</u>	<u>\$ 5,164,972</u>	<u>\$ 575,678</u>

Note 1 – Budgetary Basis

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

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE TO CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS – FFRP
AVAILABLE FISCAL YEARS***

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

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

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE TO CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS - FFRP
AVAILABLE FISCAL YEARS***

	<u>9/30/19</u>	<u>9/30/20</u>	<u>9/30/21</u>
Total Pension Liability			
Service Cost	\$ 1,004,646	\$ 1,036,658	\$ 1,074,704
Interest	1,409,206	1,472,925	1,629,036
Change in Member			
Contribution Reserve	-0-	-0-	104,310
Change in excess State			
Monies	-0-	-0-	-0-
Changes of Benefit Terms	(21,833)	-0-	-0-
Differences Between			
Expected and Actual			
Experience	(113,046)	414,304	(389,240)
Changes in Assumptions	(783,464)	(612,151)	360,608
Benefit Payments,			
Including Refunds of			
Employee Contributions	<u>(68,266)</u>	<u>(355,197)</u>	<u>(181,410)</u>
Net Change in Total			
Pension Liability	1,427,243	1,956,539	2,598,008
Total Pension Liability -			
Beginning	<u>17,352,701</u>	<u>18,779,944</u>	<u>20,736,483</u>
Total Pension Liability -			
Ending (a)	<u>\$ 18,779,944</u>	<u>\$ 20,736,483</u>	<u>\$23,334,491</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 841,232	\$ 860,501	\$ 946,246
Contributions - State	296,972	300,461	315,705
Contributions - Employee	87,465	119,681	160,044
Net Investment Income	727,901	1,935,480	4,574,429
Benefit Payments,			
Including Refunds of			
Employee Contributions	(68,266)	(355,197)	(181,410)
Administrative Expense	(53,061)	(51,180)	(47,506)
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Change in Plan			
Fiduciary Net Position	\$ 1,832,243	\$ 2,809,746	\$ 5,767,508
Plan Fiduciary Net Position			
- Beginning	<u>16,925,894</u>	<u>18,758,137</u>	<u>21,567,883</u>
Plan Fiduciary Net Position			
- Ending (b)	<u>\$ 18,758,137</u>	<u>\$ 21,567,883</u>	<u>\$27,335,391</u>
Net Pension Liability (asset)			
- Ending (a) - (b)	<u>\$ 21,807</u>	<u>\$ (831,400)</u>	<u>\$ (4,000,900)</u>
Plan Fiduciary Net Position			
as a Percentage of the			
Total Pension Liability	99.88%	104.01%	117.15%
Covered Employee Payroll	\$ 3,016,044	\$ 3,068,741	\$ 3,200,877
Net Pension Liability			
(Asset) as a Percentage of			
Covered Employee Payroll	0.72%	(27.09)%	(124.99)%

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

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

Notes to Schedule

Changes in Assumptions:

For measurement date 9/30/2021, the investment rate of return was lowered from 7.50% to 7.40% per year compounded annually, net of investment related expenses.

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2019, based on the Board's review of the April 24, 2019 Experience Study, the following changes were made:

- Investment Return - was lowered from 7.70% to 7.50%.
- Salary Increases - were changed from a flat salary scale.
- Termination Rates - were reduced by one-half.
- Retirement Rates - were changed to the following:
 - a. Vested members under age 50 will begin drawing benefits at the earlier of age 50 or their otherwise Normal Retirement Date. For these individuals, the assumed termination rates will apply.
 - b. Vested members at least age 50 will retire with a 5.0% probability each year until they reach their Normal Retirement Date and will retire with a 100% probability once they reach their Normal Retirement Date.

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Total Contributions as a percentage of Covered Employee Payroll
9/30/2021	\$ 1,232,337	\$ 1,261,951	\$ (29,614)	\$ 3,200,877	39.43%
9/30/2020	\$ 1,141,572	\$ 1,160,962	\$ (19,390)	\$ 3,068,741	37.83%
9/30/2019	\$ 1,082,760	\$ 1,138,204	\$ (55,444)	\$ 3,016,044	37.74%
9/30/2018	\$ 987,431	\$ 1,005,435	\$ (23,004)	\$ 2,767,412	36.33%
9/30/2017	\$ 769,438	\$ 779,013	\$ (9,575)	\$ 2,590,701	30.07%
9/30/2016	\$ 725,162	\$ 780,645	\$ (55,483)	\$ 2,346,803	33.26%
9/30/2015	\$ 739,262	\$ 845,948	\$ (106,686)	\$ 2,260,739	37.42%
9/30/2014	\$ 736,540	\$ 736,540	\$ -0-	\$ 2,057,376	35.80%

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

Notes to Schedule

Valuation Date: 10/01/2019

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

Methods and assumption used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the District's Retirement Plan prepared by Foster & Foster Actuaries and Consultants.

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

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return Net of Investment Expense</u>
9/30/2021	20.87%
9/30/2020	10.23%
9/30/2019	4.21%
9/30/2018	7.57%
9/30/2017	13.19%
9/30/2016	6.37%
9/30/2015	-.82%
9/30/2014	8.69%

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

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
AVAILABLE FISCAL YEARS***

FLORIDA RETIREMENT SYSTEM (FRS)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.005296224%	0.004832336%	0.004353557%	0.003577605%	0.003421197%	0.003459653%	0.001904612%	0.001424268%
District's proportionate share of the net pension liability	\$ 323,148	\$ 624,161	\$ 1,099,277	\$ 1,058,232	\$ 1,030,482	\$ 1,191,456	\$ 825,487	\$ 107,587
District's covered-employee payroll	\$ 839,374	\$ 812,025	\$ 602,731	\$ 501,069	\$ 507,136	\$ 468,199	\$ 324,597	\$ 248,301
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38%	77%	182%	211%	203%	254%	254%	43%
Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%

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

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
AVAILABLE FISCAL YEARS***

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

	2014	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.002819525%	0.002815695%	0.002183475%	0.001553088%	0.001535934%	0.001545383%	0.000918697%	0.000858188%
District's proportionate share of the net pension liability	\$ 263,632	\$ 287,157	\$ 254,475	\$ 166,063	\$ 162,565	\$ 172,913	\$ 112,171	\$ 105,270
District's covered-employee payroll	\$ 839,374	\$ 812,025	\$ 602,731	\$ 501,069	\$ 507,136	\$ 468,199	\$ 324,597	\$ 248,301
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	31%	35%	42%	33%	32%	37%	35%	42%
Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%

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

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
AVAILABLE FISCAL YEARS***

FLORIDA RETIREMENT SYSTEM (FRS)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 116,010	\$ 117,816	\$ 106,168	\$ 93,134	\$ 97,501	\$ 107,274	\$ 63,282	\$ 54,258
Contributions in relation to the contractually required contributions	<u>116,010</u>	<u>117,816</u>	<u>106,168</u>	<u>93,134</u>	<u>97,501</u>	<u>107,274</u>	<u>63,282</u>	<u>54,258</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 839,374	\$ 812,025	\$ 602,731	\$ 501,069	\$ 507,136	\$ 468,199	\$ 324,597	\$ 248,301
Contributions as a percentage of covered-employee payroll	13.82%	14.51%	17.61%	18.59%	19.23%	22.91%	19.50%	21.85%

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

**WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
AVAILABLE FISCAL YEARS***

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 9,659	\$ 10,763	\$ 11,192	\$ 8,219	\$ 8,329	\$ 8,581	\$ 5,294	\$ 5,044
Contributions in relation to the contractually required contributions	<u>9,659</u>	<u>10,763</u>	<u>11,192</u>	<u>8,219</u>	<u>8,329</u>	<u>8,581</u>	<u>5,294</u>	<u>5,044</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 839,374	\$ 812,025	\$ 602,731	\$ 501,069	\$ 507,136	\$ 468,199	\$ 324,597	\$ 248,301
Contributions as a percentage of covered-employee payroll	1.15%	1.33%	1.86%	1.64%	1.64%	1.83%	1.63%	2.03%

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

**WEST MANATEE FIRE & RESCUE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – FRS/HIS**

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial assumptions for both defined benefit plans (FRS and HIS) are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. This HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program.

The total pension liability for each of the defined benefit plans was determined by the individual entry age normal actuarial cost method. Inflation for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index was used to determine the total pension liability for the program. Mortality assumptions for FRS were based on the PUB-2010 base table, projected generationally with Scale MP-2018, and mortality assumptions for HIS were based on the Generational RP-2010 with Projection Scale MP-2018.

The following changes in actuarial assumptions occurred in 2021:

- FRS: The maximum amortization period was decreased to 20 years for all current and future amortization bases.
- HIS: The municipal rate used to determine total pension liability decreased from 2.21% to 2.16%.

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 25,352	\$ 25,352	\$ 29,916	\$ 29,916
Interest	51,375	59,997	52,847	69,403
Recognition of Effect of Economic/Demographic				
Gains or Losses	51,071	(50,764)	569,797	90,569
Changes in assumptions	(136,778)	234,292	34,867	(333,460)
Net change in Total OPEB Liability	(8,980)	268,877	687,427	(143,572)
Total OPEB liability – Beginning	1,631,908	1,622,928	1,891,805	2,579,232
Total OPEB liability – Ending	<u>\$ 1,622,928</u>	<u>\$ 1,891,805</u>	<u>\$ 2,579,232</u>	<u>\$ 2,435,660</u>
Covered–employee payroll	\$ 3,380,320	\$ 3,535,395	\$ 3,569,137	\$ 3,700,567
Total OPEB liability as a percentage of covered– employee payroll	48.01%	53.51%	72.26%	65.82%

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

Notes to Schedule:

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

Fiscal Year Ending September 30, 2021	3.51%
Fiscal Year Ending September 30, 2020	2.66%
Fiscal Year Ending September 30, 2019	2.75%
Fiscal Year Ending September 30, 2018	3.64%

OTHER SUPPLEMENTAL INFORMATION

WEST MANATEE FIRE & RESCUE DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>GENERAL FUND</u>		VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
PERSONAL SERVICES			
Salaries and wages	\$ 3,673,367	\$ 3,529,024	\$ 144,343
Longevity	156,879	163,766	(6,887)
Education incentive	22,680	23,026	(346)
Volunteer pay	45,000	25,665	19,335
Payroll taxes	314,308	278,017	36,291
Compensated expenses	15,000	64,844	(49,844)
Retirement	1,064,973	970,242	94,731
Post employment health plan	57,373	51,266	6,107
Insurance–health and life	814,000	736,500	77,500
Insurance–workers compensation	113,066	100,379	12,687
Uniforms	16,025	12,786	3,239
TOTAL PERSONAL SERVICES	<u>\$ 6,292,671</u>	<u>\$ 5,955,515</u>	<u>\$ 337,156</u>
OPERATING EXPENDITURES			
Repairs and maintenance	\$ 213,000	\$ 210,794	\$ 2,206
Insurance	70,000	70,563	(563)
Training	48,000	33,765	14,235
Office expense	12,250	9,128	3,122
Supplies	64,500	60,373	4,127
Utilities	124,000	120,318	3,682
Fire prevention	16,000	11,989	4,011
Special services	334,000	255,519	78,481
Tax collector/appraiser	225,594	228,577	(2,983)
Miscellaneous	28,198	14,981	13,217
TOTAL OPERATING EXPENDITURES	<u>\$ 1,135,542</u>	<u>\$ 1,016,007</u>	<u>\$ 119,535</u>

OTHER AUDITOR'S REPORTS

**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**

**Board of Commissioners
West Manatee Fire & Rescue District**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of West Manatee Fire & Rescue District (the District) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated February 3, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

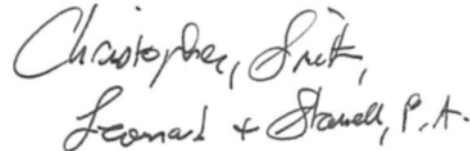
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we considered 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 West Manatee Fire & Rescue 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of the 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.



**CHRISTOPHER SMITH,
LEONARD & STANELL, P.A.**

February 3, 2022
Bradenton, Florida

MANAGEMENT LETTER

**Board of Commissioners
West Manatee Fire & Rescue District**

Report on the Financial Statements

We have audited the financial statements of West Manatee Fire & Rescue District, (the District), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 3, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 3, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

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

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

Specific Information for an Independent Special District

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was 47.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the District's fiscal year was 3.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$3,334,468.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$15,640.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project was \$0, as there were none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance is presented on page 41.

Specific Information for an Independent Special District that imposes Non-Ad Valorem Special Assessments

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported:

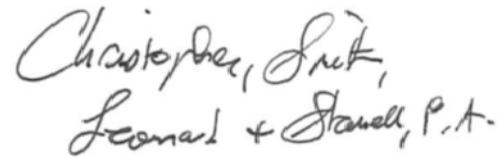
- a. The rate or rates of non-ad valorem special assessments imposed by the District were \$195.53 and \$0.1153 for the residential base rate and residential square foot rate, respectively, and \$485.94 and \$0.2104 for the commercial base rate and commercial square foot rate, respectively.
- b. The total amount of special assessments collected by or on behalf of the District was \$7,597,321.
- c. There were no bonds issued by the District, and as such the outstanding amount is \$0, and there were no terms.

Additional Matters

Section 10.544(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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.

Handwritten signature in cursive script that reads "Christopher, Smith, Leonard & Stanell, P.A."

**CHRISTOPHER, SMITH,
LEONARD & STANELL, P.A.**

February 3, 2022
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT
ON INVESTMENT COMPLIANCE

To the Board of Commissioners
West Manatee Fire & Rescue District
Manatee County, Florida

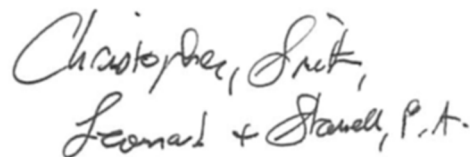
We have examined West Manatee Fire & Rescue District's (the District) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2021.

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.

A handwritten signature in black ink that reads 'Christopher, Smith, Leonard & Stanell, P.A.'.

CHRISTOPHER, SMITH,
LEONARD & STANELL, P.A.

February 3, 2022
Bradenton, Florida

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Ben Rigney, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of West Manatee Fire & Rescue District which is a local government of the State of Florida;
2. The governing body of West Manatee Fire & Rescue District adopted Resolution No. 2007-03 implementing an impact fee; and
3. West Manatee Fire & Rescue District has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Ben Rigney
 Ben Rigney, Chief

STATE OF FLORIDA
COUNTY OF MANATEE

SWORN TO AND SUBSCRIBED before me this 5th day of January, 2022.

Julie Kichar
 NOTARY PUBLIC
 Print Name Julie Kichar

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

