



Pinellas Suncoast Fire & Rescue

304 FIRST STREET
INDIAN ROCKS BEACH, FLORIDA 33785-2508

(727) 595-1117 FAX: (727) 595-5879
www.psfrd.org

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 2015

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

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
PINELLAS SUNCOAST FIRE & RESCUE DISTRICT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2015

PREPARED BY THE
FINANCE DIRECTOR

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

BOARD OF FIRE COMMISSIONERS

Laura Martin, Chairwoman

David Gardella
Vice Chairman

Lawrence G. Schear
Fire Commissioner

James C. Terry
Secretary/Treasurer

Joseph Bruni
Fire Commissioner

Fire Chief

Finance Director

Salvatore A. D'Angelo, III

David Martin

INTRODUCTORY SECTION

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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Pinellas Suncoast Fire & Rescue

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www.psfprd.org

FIRE CHIEF

SALVATORE A. D'ANGELO III

The Board of Fire Commissioners,
District City Commissions and Citizens of the Pinellas Suncoast Fire & Rescue District, Florida

June 6, 2016

The Comprehensive Annual Financial Report (“CAFR”) of the Pinellas Suncoast Fire & Rescue District (PSFRD), Florida, for the fiscal year ended September 30, 2015, is submitted herewith pursuant to Florida law and the Rules of the Auditor General of the State of Florida. The CAFR was prepared by the Office of the District Finance Director in close cooperation with the external auditor and associates, and represents the official report of the District’s financial operations and condition to the citizens of The District, District Commission, District personnel, the financial community, and other persons interested in the financial affairs of the District. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District.

We believe the data is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of the District’s operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the District’s financial activity have been included. To provide a reasonable basis for making these representations, management maintains an internal control structure that provides reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statement in accordance with accounting principles. The concept of reasonable assurance recognized that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. We believe that the District’s internal accounting controls adequately safeguard assets and provide assurance of proper recording of financial transactions.

PSFRD’s financial statements have been audited by Davidson, Jamieson & Cristini, P.L, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Pinellas Suncoast Fire & Rescue District for the year ended September 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Pinellas Suncoast Fire & Rescue District's financial statements for the fiscal year ended September 30, 2015, and are fairly presented in conformity

with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report on Page 1.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Pinellas Suncoast Fire & Rescue District's MD&A can be found immediately following the Report of the Independent Auditor.

THE REPORTING ENTITY

The funds related to the Pinellas Suncoast Fire & Rescue District that are included in our Comprehensive Annual Financial Report represent those funds for which the primary government is financially accountable. There are no other entities or organizations for which PSFRD is financially accountable that should be included in the Comprehensive Annual Financial Report. The criteria used in determining the reporting entity are consistent with the Government Accounting Standards Board (GASB) Statement 14 (as amended), which defines a reporting entity. Based on these criteria, the various funds (being all the funds of the District) shown in the Table of Contents are included in this report.

PROFILE OF THE GOVERNMENT

The Pinellas Suncoast Fire & Rescue District is an independent Special Fire Control District created by special act of the legislature in 1953. PSFRD proudly serves the Communities of Belleair Beach, Belleair Shore, Indian Rocks Beach, Indian Shores and Oakhurst. Our overarching goal is to provide all citizens and visitors with the highest level of professionalism and service in their time of need. PSFRD is a full-service fire rescue department with three fire stations and 39 trained EMTs or Paramedics, responding to more than 3,000 calls per year - everything from house fires and heart attacks to car accidents and boat rescues; we are here to serve with pride in selfless service.

PSFRD operates under the District Board of Fire Commissioners/District Fire Chief form of government. The District Board of Fire Commissioners is composed of five commission members, one from each city and two from the Oakhurst area and, as a group, is responsible for enacting ordinances, resolutions, and regulations governing the District, as well as appointing the Fire Chief and the District Attorney.

PSFRD has a land area of approximately nineteen square miles with a year round resident population of approximately 17,000. The beautiful beaches of the District are a major attraction, so the population swells during full season with a combination of seasonal residents and vacationers of all ages.

The annual budget serves as the foundation for the PSFRD's financial planning and control. Budget requests are submitted to the Fire Chief, who then uses these requests as the starting point for developing a proposed budget. The Fire Chief is required, by the District Charter, to present the proposed budget to the District Board of Fire Commissioners. The District Board of Fire Commissioners is required to hold public hearings for the following fiscal year's proposed budget and to adopt a final budget by September 30, the close of the District's fiscal year. The appropriated budget is prepared by fund and line item which are presented by grouped line items. The Finance Director may transfer any unencumbered appropriation or portion thereof between line items of expenditures provided there is no change to the

adopted budget total. The District Board of Fire Commissioners may, by resolution, approve budget amendments as presented by the Fire Chief or transfer any unencumbered appropriation from reserves. A consolidated written monthly Financial Statement and exception report, with budget to actual comparisons, is presented to the Board of Fire Commissioners, supported by governmental fund statements for each fund that an appropriated annual budget has been adopted.

The Pinellas Suncoast Fire & Rescue District is one of four Independent Fire Districts within Pinellas County. PSFRD serves multiple residential and business communities, including Belleair Beach, Belleair Shore, Indian Rocks Beach, Indian Shores and the Oakhurst portion of unincorporated Pinellas County. The District is located in the west central section of Pinellas County, Florida next to the Gulf of Mexico.

LOCAL ECONOMY AND OUTLOOK

Unlike many Fire Departments in Pinellas County, PSFRD does not receive a share of the county's "Pennies for Pinellas" funding program. The District's FY 2014 – 2015 primary funding source was non-ad valorem assessments (84%) while the District's primary call volume was EMS (80%). The District's EMS tax levy was \$2,369k. Pinellas County's re-distributed EMS tax levy apportioned to PSFRD was \$704.9k (29.8% of the levy) representing a staggering disproportionate share to our citizenry within Pinellas Suncoast Fire & Rescue District.

The District's two major funding sources are problematic in that non-ad valorem funding is fixed and may only be changed through a favorable public referendum vote. The last assessment increase was in 2008 and therefore, the District's non-ad valorem source of funds has not kept pace with current consumer price index increases. Pinellas County has systematically reduced allocated EMS funding to PSFRD by 60.0% (\$1,008.6k) from 2009 while increasing the District's EMS tax levy by 14.5% (\$300.7k). Therefore, the District experiences annual customary wear and tear operational cost increases without the benefit of offsetting assessment increases and detrimental EMS funding cuts. Turning this funding deficit around will be the foremost management focus during the next fiscal year 2015-2016, in order to meet the District's obligations to maintain adequate Fund Balance, liquidity and preparedness for basic cost increases, economic downturns and natural disaster recoveries, without diminishing the level of service provided to our communities.

LONG-TERM FINANCIAL PLANNING

A principal responsibility and challenge facing the District is the maintenance and replacement of its infrastructure as fire stations, apparatus and lifesaving equipment are essential to serving our communities. The District methodically maintains an inventory infrastructure to implement systematic annual repairs and plan timely capital expenditure replacements in safeguarding all fire rescue equipment that allows us to deliver a high quality service with safety for our first responders at the highest priority. The plan objective is to facilitate sound administrative facilities, lifesaving equipment, personnel and structure replacements in accordance with NFPA Standards by developing sound enhancements that provide for complete compliance and long term organizational solvency.

RELEVANT FINANCIAL POLICIES

The Commission has adopted a financial standard to maintain a General Fund minimum Unassigned Fund Balance of 60 days of operating expenditures (the equivalent of GASB's recommended 17%) with an operationally permanency goal of 30%. Funds in excess of these required reserves may be appropriated by the District Commission for specific capital improvement projects or other one-time operating or capital necessities. Management's objective is to ensure the District's solvency beyond normal wear and tear replacement expenditures and disaster recoveries by pursuing this 30% goal of Unassigned Fund Balance. The FY 2014 – 2015 Unassigned Fund Balance to operating expenditures was 27.5% before Fund Balance assignments for fire station replacements.

INTERNAL AND BUDGETARY CONTROL

Pinellas Suncoast Fire and Rescue District embraces a major engagement of effective internal controls designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economic and efficient operations; ensure reliability of financial records and reports; and, safeguard assets throughout the organization. Sound internal control and fraud prevention provides a reasonable assurance that assets are safeguarded against loss from unauthorized use, removal or malfeasance, and that financial records are reliable for preparing financial statements and maintaining accountability for assets. In addition, the independent certified public accountants perform annual reviews as part of their examination of the financial statements. Budgetary control is maintained at the line item level by using comparisons to budgeted amounts before encumbering existing funding. Any change in the total adopted budget of either fund must be presented to and approved by the Board of Fire Commissioners.

PROSPECTS FOR THE FUTURE

Many factors point to a positive long-term financial outlook for the District, including opportunities to build stronger fund balances, continue without debt and funding source enhancements enabling our continuous commitment to provide the best full-service professional high quality fire rescue and emergency medical care in our communities with pride in selfless service.

Factors continuing to challenge the District include increases in nondiscretionary costs, such as fuel, apparatus maintenance, risk management insurance, health care insurance, worker's compensation insurance, retirement funding and utilities. In addition, the significant discrepancy between EMS ad valorem taxation and the extreme unbalanced re-distribution by the Pinellas County EMS authority poses the largest hurdle to overcome, so it is the vanguard position on our radar for resolution during FY 2014 - 2015.

ACKNOWLEDGMENTS

Preparation of the District's CAFR was made possible by the dedicated efforts of the Finance Director. All other District personnel, although not as extensively involved in year-end audit activities, contributed significantly to the success of the audit by ensuring the accuracy of accounting information provided for comprehensive reporting throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Everyone's efforts are greatly appreciated.

Finally, appreciation is expressed to the District's auditors, Davidson, Jamieson & Cristini, P.L. who contributed suggestions and comments that were used in the preparation of the CAFR. Their testing, suggestions and attention to detail made the CAFR better than it would have been otherwise.

Respectfully Submitted,

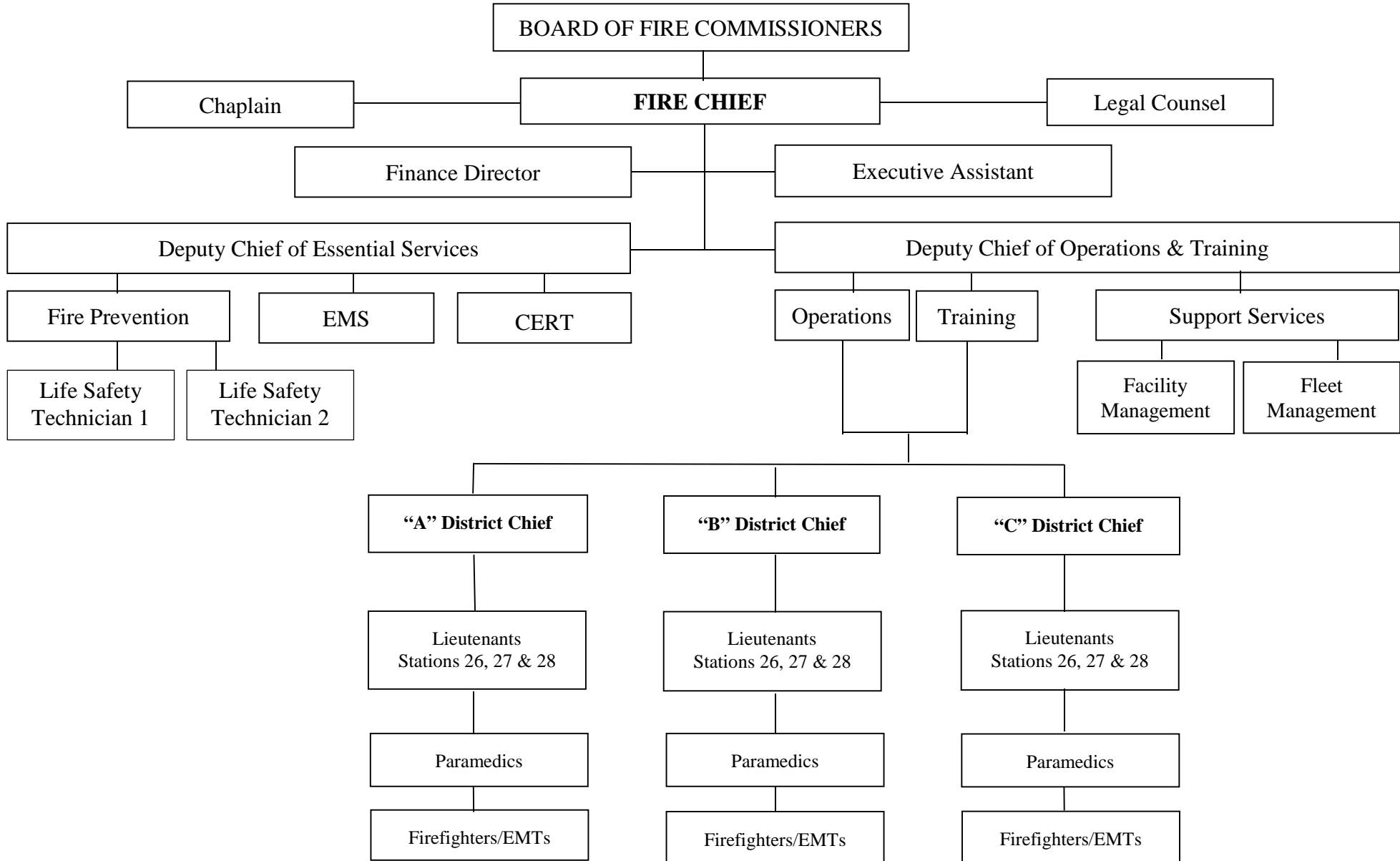


Salvatore A. D'Angelo
Fire Chief



David Martin
Finance Director

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT ORGANIZATIONAL STRUCTURE



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

LISTING OF DISTRICT OFFICIALS

ELECTED OFFICIALS

Commissioner - Seat 2 Indian Rocks Beach	Laura T. Martin
Commissioner - Seat 4 Unincorporated Pinellas County	Joseph V. Bruni
Commissioner - Seat 1 Indian Shores	Lawrence G. Schear
Commissioner - Seat 5 Unincorporated Pinellas County	James C. Terry
Commissioner - Seat 3 Belleair Beach & Belleair Shore	David Gardella

APPOINTED OFFICIALS

Fire Chief	Salvatore A. D'Angelo, III
Attorney	Jeff Albinson

FINANCIAL SECTION

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

General Fund Financial Statements

INDEPENDENT AUDITOR'S REPORT

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

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm

John N. Davidson, CPA, CVA
Harry B. Jamieson, CPA
Richard A. Cristini, CPA, CPPT, CGFM
Jeanine L. Bittinger, CPA, CPPT
Karen Curran, CPA, CVA

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of Pinellas Suncoast Fire & Rescue District as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Board of Fire Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pinellas Suncoast Fire & Rescue District as of September 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 and the schedules of net pension liability and District contributions for the FRS pension and HIS programs on pages 62-65 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 statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Fire Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

Other Information

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

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

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

Davidson, Jamieson & Cristine, P.L.

December 16, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis September 30, 2015

As management of the Pinellas Suncoast Fire & Rescue District (hereinafter the district), we offer readers the District's financial statements and budgetary highlights for the fiscal year ending September 30, 2015.

FINANCIAL HIGHLIGHTS

- (A) The assets of the district exceeded its liabilities at the close of the 2015 fiscal year by \$223,200 (*net position*). Of this amount, the unrestricted net position had a deficit of (\$1,687,056).
- (B) The district's net position decreased by \$1,804,403. This decrease was the net result of a \$120,972 net change in fund balance increase in Capital Projects, a \$141,050 net change in fund balance decrease in the General Fund, a \$40,224 reduction in net capital assets, \$66,065 reductions on long term debt obligations in compensated absences, a \$23,879 increase in prepaid items related to the deferred referendum expenditures and a \$1,701,915 decrease in the new GASB 68 regulation disclosure of net deferred inflows and outflows of resources related to pension plan, all of which does not require the use of current financial resources).
- (C) As of fiscal year 2015 close, the District's governmental funds (general and capital projects funds) reported an ending fund balance of \$2,708,725. This is a decrease of \$20,078 in comparison with the prior year. Approximately \$2,184,547 is available for spending at the district's discretion.
- (D) Outstanding debt includes compensated absences and post-employment health care obligations at the end of fiscal year 2015 totaling \$562,017.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis
September 30, 2015

Governmental-wide financial statements

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

The *statement of net assets* presents information on all of the district's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. unused vacation leave).

The government-wide financial statements should distinguish functions of the Pinellas Suncoast Fire & Rescue District (district) that are principally supported by the district's residents and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the district's activities are governmental. The district is the *primary government* and has no component units.

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

Fund Financial Statements

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

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of*

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis September 30, 2015

spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The district maintains two governmental funds, its general fund and a capital projects fund. These funds are presented in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

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

The basic governmental fund financial statements can be found on pages 17 through 21 of this report.

Fiduciary Funds

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

The District had no fiduciary funds in 2015.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 65 of this report.

Other information

Individual general fund financial statements and schedules can be found on pages 66 – 72 of this report.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis September 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

In the District's case, assets exceeded liabilities by \$223,200 at the fiscal year ended on September 30, 2015.

The District's capital assets represent investments in land, buildings and improvements and equipment. Approximately 47% of the total net assets are capital assets. The District uses these capital assets to provide services to its citizens and property owners. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the district has no debt outstanding and the capital assets themselves cannot be used to liquidate general operating liabilities.

The *unrestricted* category of net assets, with a deficit balance of (\$1,687,056) at year end.

	<u>Statement of Net Position</u>	
	<u>2015</u>	<u>2014</u>
Cash	\$ 644,094	\$ 888,841
Other current assets	2,549,114	2,063,238
Capital assets, net	1,423,007	1,463,231
Deferred Outflow – Pension Plan	<u>1,295,968</u>	<u>-</u>
Total Assets	5,912,183	4,415,310
Long-term liabilities	3,360,934	399,011
Other liabilities	597,941	320,218
Deferred Inflow – Pension Plan	<u>1,730,108</u>	<u>-</u>
Total liabilities	5,688,983	719,229
Net Position:		
Capital assets	1,423,007	1,463,231
Capital projects	487,249	366,277
Unrestricted	<u>(1,687,056)</u>	<u>1,866,573</u>
Total Net Position	\$ 223,200	\$ 3,696,081

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis September 30, 2015

Governmental activities. As the district has no business-type activities, governmental activities were responsible for decreasing the district's net position. A reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the governmental fund to the Statement of Activities can be found on page 20.

Pinellas Suncoast Fire & Rescue District's Change in Net Position

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Program Revenues:		
Charges for services	\$ 42,088	\$ 68,553
Operating and capital contributions	<u>-</u>	<u>-</u>
Total Program Revenues	42,088	68,553
General Revenues:		
Property assessments	3,641,391	3,623,779
Impact fees	201,776	110,969
Investment earnings	15,672	15,661
Intergovernmental revenue	704,947	664,235
Other	<u>75,683</u>	<u>51,096</u>
Total General Revenues	<u>4,640,469</u>	<u>4,465,740</u>
Total Program and General Revenues	4,682,557	4,534,293
Expenses		
Public Safety - Fire and EMS Protection	<u>6,486,960</u>	<u>4,338,108</u>
Total Expenses	<u>6,486,960</u>	<u>4,338,108</u>
Change in net position	(1,804,903)	196,185
Prior period adjustments	(1,668,478)	-
Net position, beginning of year	<u>3,696,081</u>	<u>3,499,896</u>
Net position end of year	<u>\$ 223,200</u>	<u>\$ 3,696,081</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis
September 30, 2015

Financial Analysis of the District's Funds

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

Governmental funds. The focus of the district's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the district's financing requirements. In particular, *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.

The general fund is the district's chief operating fund. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$1,226,552. As a measure of the general fund's liquidity, it is beneficial to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 26.5% of total general fund expenditures.

Total fund balance of the General Fund decreased \$141,050 during the current fiscal year. Key factors in the fiscal year operational results, are as follows:

Revenue:

- Fire Assessment Fees exceeded the adopted budget by \$31.8k due to tax certificate sale proceeds and a few delinquent tax receipts.
- A \$38.6k (50% of budget) shortfall has occurred in Plan and Inspection Fee earnings due to a number of factors, including an increase in complex time consuming plan reviews, three large high profile construction projects and numerous "one of" special projects related to the realignment of the department's senior management infrastructure. Both Fire Inspectors are working diligently to remedy this situation during the early part of the new fiscal year.
- The interest earnings exceeded the budget by \$5.7k due to improved investment opportunities during the year.
- The net of expense reimbursements and refunded expenses is a \$26.1k surplus. This surplus is mainly due to a worker's compensation audit refund, a final settlement from Harbor Financial and an award for an insurance safety reimbursement program.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis September 30, 2015

Operating Expense:

The expense projection is reflective of a tightly scrutinized spending plan during the final quarter of the fiscal year. The result of this late year projection is as follows:

Personnel

- “Personnel Services – Compensation” – the year ended with a negative variance of 0.1% (\$1,581). This is directly related to an unexpected fourth quarter surgery consuming six weeks of recovery and incurring additional overtime.
- “Personnel Services – Benefits” - the year ended with a negative variance of 0.4% (\$4,829). This is directly related to a larger fourth quarter FRS increase than anticipated.

General Operating Expense

- “Operating Expense” - the year ended with a negative variance of 0.7% (\$4,790). This is directly related to an excessive increase in an electronic NFPA subscription that we are required to participate in.

It is worthy to note that the \$55.3k of excess revenues includes a \$5,000 education offset and a \$19,000 insurance refund for apparatus accident repair costs. If we were permitted to contra the expenses directly against the costs incurred by applying the revenues as expense refunds, the negative result in the overall operating expense would be negated to a favorable variance in the amount of \$14.2k.

Excess (Deficiency) of Revenues Over/Under Expenses:

- The final net deficit is 45.4k less than the amended budget shortfall. This is directly proportional to the excess revenues received during the year and a consummate all-out effort to diminish expenses wherever possible, thereby reducing the deficit to a maximum possible outcome.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis September 30, 2015

Our primary goal is for the protection of our First Responders, through ongoing training and maintaining compliance with all safety standards. Our secondary goal is to grow the Fund Balance reserves for expansion capabilities needed for future capital expenditure additions and replacements. Our success in attaining our secondary objective provides the necessary components to accomplish our primary objective while maintaining the District's continued solvency to provide a full-service fire rescue with devoted selfless pride. The district's continued independence demands a safeguard of the funds required to meet continued stability and solvency. To this end the district intends to implement two critical programs in FY 2015 - 2016, as follows:

1. Work with the Pinellas County EMS Authority, through F.S Statute 164's Intergovernmental Dispute Resolution process, to fund EMS expenditures that have not been reimbursed since 2008, in the amount of \$5,183,147.
2. Present the district's constituents with a referendum to add an AdValorem tax to provide funding for capital infrastructure and apparatus necessities that cannot be met with the fixed non-advalorem tax assessment structure that the district currently operates under.

General Fund Budgetary Highlights

The annual budget is legally adopted for the Capital Projects Fund and the General Fund. There were two amendments to the budget during the fiscal year. One was an adjustment between line items that had no change in the overall budget. However, the second amendment was presented for the sole purpose to re-open station 26 to suitably support the southern portion of the district in accordance with our charter. This move was unanimously approved by the Board of Commissioners providing for the limited use of General Fund reserves until the current funding shortfall is resolved.

As in past years, property assessment and EMS income represents the greater portion (96.9%) of the district's total revenue of \$4,346,338. The 3.1% differential reflects fire safety and non-repetitive income streams.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis
September 30, 2015

Fiscal Year 2015 Budget – General Fund

	2015			2014
	Budget (Final)	Actual	Variance	Actual
Revenues:				
Property Assessments	\$ 3,609,577	\$3,641,391	\$ 31,814	\$ 3,623,779
Other	<u>814,912</u>	<u>815,793</u>	<u>881</u>	<u>791,186</u>
Total Revenues	4,424,489	4,457,184	32,695	4,414,965
Expenditures:				
General Government:				
Public Safety – Fire and EMS	<u>4,610,860</u>	<u>4,620,829</u>	<u>(9,969)</u>	<u>4,289,657</u>
Net Change in fund balance	<u>(\$ 186,371)</u>	<u>(\$ 163,645)</u>	<u>\$ 22,726</u>	<u>\$ 125,308</u>

Fiscal Year 2014 Budget – General Fund

	2014			2013
	Budget (Final)	Actual	Variance	Actual
Revenues:				
Property Assessments	\$ 3,599,533	\$3,623,779	\$ 24,246	\$ 3,609,518
Other	<u>785,759</u>	<u>791,186</u>	<u>5,427</u>	<u>760,755</u>
Total Revenues	4,385,292	4,414,965	29,673	4,370,273
Expenditures:				
General Government:				
Public Safety – Fire and EMS	<u>4,371,003</u>	<u>4,289,657</u>	<u>81,346</u>	<u>4,354,676</u>
Net Change in fund balance	<u>\$ 14,289</u>	<u>\$ 125,308</u>	<u>\$ 111,019</u>	<u>\$ 15,597</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis September 30, 2015

Capital Assets

At the end of 2015, the district's investment in capital assets for its governmental activities was \$1,423,007 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and equipment.

Change in Capital Assets – Governmental Activities

	2015			2014
	Beginning Balance	Net Additions (Deletions)	Ending Balance	Ending Balance
Land	\$ 61,000	\$ -	\$ 61,000	\$ 61,000
Buildings and improvements	349,350	-	349,350	349,350
Equipment	<u>2,470,616</u>	<u>112,943</u>	<u>2,583,559</u>	<u>2,470,616</u>
Total Capital Assets	2,880,966	112,943	2,993,909	2,880,966
Less accumulated depreciation	<u>(1,417,735)</u>	<u>(153,167)</u>	<u>(1,570,902)</u>	<u>(1,417,735)</u>
Capital assets, net	<u>\$ 1,463,231</u>	<u>(\$ 40,224)</u>	<u>\$ 1,423,007</u>	<u>\$ 1,463,231</u>
	2014			2013
	Beginning Balance	Net Additions (Deletions)	Ending Balance	Ending Balance
Land	\$ 61,000	\$ -	\$ 61,000	\$ 61,000
Buildings and improvements	349,350	-	349,350	349,350
Equipment	<u>2,490,727</u>	<u>(20,111)</u>	<u>2,470,616</u>	<u>2,490,727</u>
Total Capital Assets	2,901,077	(20,111)	2,880,966	2,901,177
Less accumulated depreciation	<u>(1,334,807)</u>	<u>(82,928)</u>	<u>(1,417,735)</u>	<u>(1,334,807)</u>
Capital assets, net	<u>\$ 1,566,270</u>	<u>(\$ 103,039)</u>	<u>\$ 1,463,231</u>	<u>\$ 1,566,270</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis
September 30, 2015

Total Capital

Additional information on the district's capital assets can be found in note 7 on page 43 of this report.

LONG-TERM DEBT

At the end of 2015, the district had total long-term debt outstanding made up of post-employment health care obligation and accrued sick and vacation pay totaling \$562,017.

More detailed information about the district's long-term debt can be found in note 8 on page 44 of this report.

ECONOMIC FACTORS

The district's board of commissioners approved a \$4,610,860 budget for the 2015 fiscal year. This adopted budget represents a 5.0 % increase from the previous year's actual expenditures providing for contingencies to cover the following major possibilities:

- Compensation increase due to re-opening Station 26.
- Continued Health Care increases due to new federal government regulations.
- Aging apparatus repair costs.
- Aging facility repair costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Fire Chief Salvatore A. D'Angelo, III
304 First Street
Indian Rocks Beach, FL 33785-2508

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

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

Notes to Financial Statements

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

ASSETS

Cash	\$ 644,094
Investments	2,257,790
Receivables	
net of allowance for uncollectible accounts	243,350
Prepaid items	36,929
Accrued interest	11,045
Capital Assets:	
Land	61,000
Buildings and improvements	349,350
Equipment	2,583,559
Accumulated depreciation	<u>(1,570,902)</u>
Total capital assets, net	<u>1,423,007</u>
 TOTAL ASSETS	 4,616,215

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to FRS pension plan	1,295,968
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LIABILITIES

Accounts payable	311,018
Accrued salaries and benefits	173,465
Noncurrent liabilities	
Due within one year	113,458
Due in more than one year	448,559
Net pension liability, long-term	<u>2,912,375</u>
 TOTAL LIABILITIES	 3,958,875

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to FRS pension plan	1,730,108
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NET POSITION

Net investment in capital assets	1,423,007
Restricted for capital projects	487,249
Unrestricted	<u>(1,687,056)</u>
 TOTAL NET POSITION	 \$ <u><u>223,200</u></u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXPENSES:

Public safety - fire and EMS protection:

Personnel services	\$ 5,677,342
Materials and supplies	656,051
Depreciation	<u>153,567</u>

Total public safety - fire and EMS protection	<u>6,486,960</u>
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TOTAL PROGRAM EXPENSES	6,486,960
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PROGRAM REVENUES:

Charges for services	<u>42,088</u>
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Total program revenues	<u>42,088</u>
------------------------	---------------

Net program expenses	6,444,872
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GENERAL REVENUES:

Assessments	3,641,391
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Impact fees	202,776
-------------	---------

Intergovernmental Revenue:

County-EMS	700,037
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State	4,910
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Investment earnings	15,672
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Miscellaneous	<u>75,683</u>
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TOTAL GENERAL REVENUES	<u>4,640,469</u>
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CHANGE IN NET POSITION	(1,804,403)
------------------------	-------------

NET POSITION - BEGINNING	3,696,081
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RESTATEMENT OF NET POSITION

DUE TO PRIOR PERIOD ADJUSTMENT	(1,668,478)
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NET POSITION - BEGINNING RESTATED	<u>2,027,603</u>
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NET POSITION - ENDING	<u><u>\$ 223,200</u></u>
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See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

(with comparative totals as of September 30, 2014)

<u>ASSETS</u>	General Fund	Capital Projects	Total Governmental Funds	Totals 2014
Cash	\$ 156,845	\$ 487,249	\$ 644,094	\$ 888,841
Investments	2,257,790	-	2,257,790	2,000,705
Prepaid items	36,929	-	36,929	13,050
Accrued interest	11,045	-	11,045	7,825
Receivables (net of allowance for uncollectibles):				
State	1,710	-	1,710	690
Accounts	241,640	-	241,640	40,968
TOTAL ASSETS	\$ 2,705,959	\$ 487,249	\$ 3,193,208	\$ 2,952,079

LIABILITIES AND FUND BALANCE

Liabilities:				
Accounts payable	\$ 311,018	\$ -	\$ 311,018	\$ 98,855
Accrued salaries and benefits payable	173,465	-	173,465	124,421
	484,483	-	484,483	223,276
Fund balance:				
Nonspendable	36,929	-	36,929	13,050
Restricted	-	487,249	487,249	366,277
Assigned	957,995	-	957,995	1,019,495
Unassigned	1,226,552	-	1,226,552	1,329,981
	2,221,476	487,249	2,708,725	2,728,803
Total liabilities and fund balance	\$ 2,705,959	\$ 487,249	\$ 3,193,208	\$ 2,952,079

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

Fund balance - total governmental fund \$ 2,708,725

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.

Governmental capital assets	\$ 2,993,909	
Less accumulated depreciation	<u>(1,570,902)</u>	
		1,423,007

Certain deferred outflows of resources and prepaid items are not available to pay current period expenditures and therefore are not reported in the funds.

Deferred outflows of resources related to pension plan.		1,295,968
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.

Post-employment health care obligations	108,186	
Compensated absences	<u>453,831</u>	
		(562,017)

Certain liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.

Net pension liability	(2,912,375)	
Deferred inflows of resources related to the pension plan.	<u>(1,730,108)</u>	
		(4,642,483)

Net position of governmental activities		\$ <u><u>223,200</u></u>
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See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

(with comparative totals for the fiscal year ended September 30, 2014)

	<u>General</u>	<u>Capital</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Projects</u>	<u>Governmental</u>	<u>2014</u>
			<u>Funds</u>	
REVENUES:				
Assessments	\$ 3,641,391	\$ -	\$ 3,641,391	\$ 3,623,779
Intergovernmental	704,947	-	704,947	664,235
Impact fees	-	202,776	202,776	110,969
Charge for services	42,088	-	42,088	68,553
Investment income	15,672	-	15,672	15,661
Miscellaneous	53,086	-	53,086	42,737
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	4,457,184	202,776	4,659,960	4,525,934
EXPENDITURES:				
Current:				
Public safety - Fire and EMS:				
Personnel services	3,933,240	-	3,933,240	3,743,643
Operating services	656,051	-	656,051	555,196
Capital outlay	31,538	81,804	113,342	14,327
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	4,620,829	81,804	4,702,633	4,313,166
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(163,645)	120,972	(42,673)	212,768
OTHER FINANCING SOURCES:				
Proceeds from sale of equipment	3,546	-	3,546	50
Proceeds from insurance	19,049	-	19,049	8,309
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	22,595	-	22,595	8,359
NET CHANGE IN FUND BALANCE	(141,050)	120,972	(20,078)	221,127
FUND BALANCE, OCTOBER 1	<hr/>	<hr/>	<hr/>	<hr/>
	2,362,526	366,277	2,728,803	2,507,676
FUND BALANCE, SEPTEMBER 30	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,221,476	\$ 487,249	\$ 2,708,725	\$ 2,728,803

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balance - total governmental fund \$ (20,078)

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

Governmental funds report capital outlays as expenditures.

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

Expenditures for capital assets	\$ 113,344	
Less current year depreciation	<u>(153,567)</u>	(40,223)
Deferred outflows of resources related to the pension plan.		1,295,968

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

Post-employment health care obligations	-	
Change in compensated absences	(66,065)	
Change in net pension liability	(1,243,897)	
Deferred inflows of resources related to pension plan.	<u>(1,730,108)</u>	<u>(3,040,070)</u>

Change in net position of governmental activities \$ (1,804,403)

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:				
Assessments	\$ 3,609,577	\$ 3,609,577	\$ 3,641,391	\$ 31,814
EMS contract	692,339	692,339	700,037	7,698
Intergovernmental	4,200	4,200	4,910	710
Charge for services	79,513	79,513	42,088	(37,425)
Investment income	9,790	9,790	15,672	5,882
Miscellaneous	<u>29,070</u>	<u>29,070</u>	<u>53,086</u>	<u>24,016</u>
 TOTAL REVENUES	 4,424,489	 4,424,489	 4,457,184	 32,695
EXPENDITURES:				
Current:				
Public safety - Fire and EMS:				
Personnel services	3,825,890	3,926,830	3,933,240	(6,410)
Operating	578,970	671,030	656,051	14,979
Capital outlay	<u>6,000</u>	<u>13,000</u>	<u>31,538</u>	<u>(18,538)</u>
 TOTAL EXPENDITURES	 <u>4,410,860</u>	 <u>4,610,860</u>	 <u>4,620,829</u>	 <u>(9,969)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES:	 13,629	 (186,371)	 (163,645)	 22,726
OTHER FINANCING SOURCES:				
Proceeds from sale of equipment	-	-	3,546	3,546
Proceeds from insurance	<u>-</u>	<u>-</u>	<u>19,049</u>	<u>19,049</u>
TOTAL OTHER FINANCING SOURCES	-	-	22,595	22,595
 NET CHANGE IN FUND BALANCE	 13,629	 (186,371)	 (141,050)	 45,321
 FUND BALANCE, OCTOBER 1	 <u>2,362,526</u>	 <u>2,362,526</u>	 <u>2,362,526</u>	 <u>-</u>
 FUND BALANCE, SEPTEMBER 30	 <u>\$ 2,376,155</u>	 <u>\$ 2,176,155</u>	 <u>\$ 2,221,476</u>	 <u>\$ 45,321</u>

See Notes to Financial Statements.

NOTES TO
FINANCIAL STATEMENTS

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies

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

Reporting Entity - The District is a political subdivision of the State of Florida, located in Pinellas County in the southwest portion of the State. The District was incorporated in 1953 under the provisions of the Laws of Florida, Chapter 29438 under a Board of Commissioners (Board) structure. On June 5, 2000, the Charter was amended to, among other items, provide for the renaming of the District and restated the boundaries of the District. The District is approximately nineteen square miles in area. The District was organized to prevent and control damage, destruction or injury to people or property by fire, disaster, or other emergencies and to provide Emergency Medical Services (EMS) to citizens in need in the District in accordance with an annually renewable agreement for services between the District and the Pinellas County, Florida Board of County Commissioners.

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

This governmental accounting standard requires that this financial statement present the District (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The following component units have been presented in the District's reporting entity as blended component units because of the significance of their operational or financial relationships with the District.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Government-wide and fund financial statements - As discussed more fully in Note 2 the District has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." The government-wide financial statements required under this statement (the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are supported by taxes and intergovernmental revenues, continue to be reported separately from fiduciary funds.

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

Separate financial statements are provided for governmental (general and capital projects) funds. Fiduciary funds and component units that are fiduciary in nature (i.e. the pension trust funds) are excluded from the government-wide financial statements. The District does not currently have any fiduciary funds. The major individual governmental fund is reported as a separate column in the fund financial statements.

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

Measurement focus, basis of accounting, and financial statement presentation- The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property assessments are

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The only revenue that is susceptible to accrual is interest revenue. EMS revenues collected and held by Pinellas County, Florida at year end on behalf of the District also are recognized as revenue of the current fiscal period. Plan and inspection fees are not susceptible to accrual because generally they are not measurable until received in cash. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The *capital projects fund* accounts for revenues generated under the Public Safety Construction Fee Resolution which is designated for acquisition and construction of capital improvements. This Resolution was adopted and the fund was established during the fiscal year ended September 30, 2005.

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

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

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

Assets, Liabilities, and Net Position or Equity:

Deposits and investments - The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition.

The District's investment policy is structured to place the highest priority on the safety of principal and liquidity of funds and adopts the Prudent Person Rule, which states that "Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment".

The District's policy to maintain funds within the limitations established by Florida Statutes, Chapter 218.415(17) which states: The local government may invest or reinvest any surplus public funds in their control or possession in:

- a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01.
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

- c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.
- d) Direct obligations of the U.S. Treasury.

The securities listed in paragraphs © and (d) shall be invested to provide sufficient liquidity to pay obligations as they come due.

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

Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Receivables and payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e, the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

Prepaid Items - Certain payments to vendors and for insurance premiums reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures using the purchase method. Under this method, prepaid items are recorded as expenditures when purchased. Prepaid items reported in the general fund are therefore equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

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

The special assessment levy (assessment) of the District is established by the Board of Commissioners on or after February 1 of each year and the Pinellas County Property Appraiser incorporates the District's assessment into the total tax levy, which includes the Pinellas County District School Board tax requirements. The District may change the rate of assessment from that assessed in the prior year only if approved by referendum. The 2015 assessment by the District was \$3,641,391.

An assessment roll showing the assessment rate is prepared and completed by the Board of Commissioners on or before September 10 of each year.

The Board of Commissioners, upon the adoption of the resolution fixing the rate of assessment, shall prepare an assessment and collection roll setting forth a description of each lot or parcel of land subject to taxation in the district together with the amount of assessment against the lot or parcel of land and attach thereto a certified copy of the resolution fixing the rate of assessment, and it shall, before September 15 each year, deliver the roll to the County Tax Collector of Pinellas County, for collection of the assessments. All assessments shall be made against the land subject to assessment, and the roll shall set forth the names of the owners of such land.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

All assessments are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid assessments become delinquent on April 1 following the year in which they are assessed.

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

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

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

Capital assets - Capital assets, which include property, plant and equipment are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated 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 maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

<u>Assets</u>	<u>Years</u>
Buildings	45 - 55
Buildings and improvements	20 - 30
Equipment	5 - 15

Compensated absences - It is the District's policy to permit employees to accumulate earned but unused vacation, holiday and sick pay benefits.

Accrued Leave - Permanent, full-time employees earn vacation and sick leave beginning with an employee's first pay period and accruing according to the number of regularly scheduled hours an employee works and the length of service.

Accrued Leave (Continued):

Holiday Leave:

In consideration for time worked on and around holidays while other departmental employees are off, the following compensation will be granted one hundred twenty hours paid time off per year for all forty-eight hour per week employees.

Vacation Leave:

- A. Permanent full-time Collective Bargaining employees shall accrue vacation time from their first full calendar month of employment with the District so as to enjoy the following vacation leave upon completion of each level of service:

<u>Service Completed</u>	<u>Fifty-Six Hour Personnel Vacation</u>
1 thru 2 Years of Completed Service	6-24 Hr Shifts
3 thru 4 Years of Completed Service	9-24 Hr Shifts
5 Years of Completed Service	12-24 Hr Shifts
6 thru 7 Years of Completed Service	13-24 Hr Shifts
8 thru 10 Years of Completed Service	14-24 Hr Shifts
11 thru 13 Years of Completed Service	15-24 Hr Shifts
14 or More of Completed Service	16-24 Hr Shifts

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Accrued Leave (Continued):

B. Administrative Personnel

Service Completed	Work Days	
	Sworn Personnel	Civilian Personnel
1 thru 2 years of Completed Service	14.9	10
3 years of Completed service	22.4	15
4 years of Completed service	22.4	20
5 years of Completed service	29.9	21
6 years of Completed service	32.4	22
7 years of Completed service	32.4	23
8 years of Completed service	34.9	24
9 years of Completed service	34.9	25
10 years of Completed service	34.9	26
11 years of Completed service	37.4	27
12 years of Completed service	37.4	29
13 years of Completed service	37.4	29
14 or More years of Completed service	39.8	30

All employees may store up to two (2) years of their paid time off accrual. Hours earned in excess of this maximum must be taken as earned or forfeited.

Sick Leave:

- A. Permanent full-time Collective Bargaining employees shall be entitled to earn and accrue sick leave while on active pay status at the rate of twelve (12) hours for every calendar month to a maximum of one thousand four hundred forty (1,440).
- B. Administrative Personnel shall be entitled to earn and accrue sick leave while on active pay status at the rate of twelve (12) hours for every calendar month to a maximum of one thousand two hundred (1,200).

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Accrued Leave (Continued):

Accrued Holiday and Vacation Leave Pay-Outs:

- A. Upon separation by retirement, resignation, or reduction in force, permanent full-time Collective Bargaining employees shall be paid for earned paid time off (Holiday + Vacation) up to a maximum of 504 hours.
- B. Upon separation, Sworn and Civilian Administrative personnel shall be paid for earned paid time off at the rate of 50% of accrued PTO up to a maximum of 240 hours.

Accrued Sick Leave Pay-Outs:

- A. Upon separation by retirement or any job-related disability retirement, as defined by the Florida Retirement System, permanent full-time Collective Bargaining employees shall be paid for accrued sick leave equal to 20 hours per year of employment to a maximum of 300 hours.
- B. Upon separation by retirement, as defined by the Florida Retirement System, Sworn Administrative personnel shall be paid for accrued sick leave equal to 20 hours per year of employment to a maximum of 420 hours.
- C. Upon separation by retirement, as defined by the Florida Retirement System, Civilian Administrative personnel shall be paid for accrued sick leave equal to 10 hours per year of employment to a maximum of 200 hours.

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Accrued Leave (Continued):

All sick and 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, for example, as a result of employee resignations and retirements.

Long-Term Obligations - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement.

Fund equity - In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

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

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

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

Minimum Fund Balance Policy - It is the desire of the District to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The Commission has adopted a financial standard to maintain a General Fund minimum fund balance of 60 days of budgeted expenditures.

Fund balance created as a result of actual revenue and expenditure deviations from the budget will be used to achieve and maintain the District's minimum fund balance goals and to meet the next year's budget expenditure requirements.

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

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

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

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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

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

In implementing GASB Statement No. 65 the District established the following items that qualify for reporting in this category:

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

Cost-Sharing Pension Plan - For purposes of measuring the net pension liability, pension related deferred outflows and deferred inflows of resources, and pension expense, the District's specific information from the Florida Retirement System (FRS) and additions to/deductions from the District's Fiduciary Net Position have been determined on the same basis as they are reported by FRS. Information regarding the District's total pension liability is obtained from FRS through a report prepared for the District by the FRS consulting actuary, Milliman, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

Net Position:

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

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

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

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

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

Comparative data/reclassifications - Comparative total data for the prior year have been presented only for individual general and pension funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

Subsequent Events - Management has adopted the provisions set forth in GASB Statement No. 56 and FASB ASU No. 2010-09, *Subsequent Events*, and considered subsequent events through the date of the audit report which is the date that the financial statements were available to be issued.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net positions - governmental activities* as reported in the government-wide statement of net position. The detail of this (\$2,485,525) difference is as follows:

Capital assets, net of accumulated depreciation	\$ 1,423,007
Post-employment health obligation	(108,186)
Compensated absences	(453,831)
Deferred outflows of resources	1,295,968
Net pension liability	(2,912,375)
Deferred inflows of resources	<u>(1,730,108)</u>
Net adjustment to decrease <i>fund balance - total Governmental funds</i> to arrive at <i>net position - Governmental activities</i>	\$ <u><u>(2,485,525)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses." The details of this \$1,255,745 difference are as follows:

Capital outlay	\$ 113,344
Depreciation expense	(153,567)
Deferred outflows of resources	<u>1,295,968</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	\$ <u><u>1,255,745</u></u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(3,040,070) difference are as follows:

Post-employment health care obligation	\$ -
Compensated absences	(66,065)
Net pension liability	(1,243,897)
Deferred inflows of resources	<u>(1,730,108)</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (3,040,070)</u>

3. Stewardship, Compliance and Accountability

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. On or before June 1 of each year, the department heads of each of the District's divisions submit requests for appropriation to the Fire Chief so that a budget may be prepared. The budget is prepared by fund, function and activity (divisions), and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

3. Stewardship, Compliance and Accountability (Continued)

Expenditures may not legally exceed budgeted appropriations at the division level within the general fund. During the year, there were no supplementary appropriations.

Encumbrances - Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

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

Establishment/Elimination of Funds - During the fiscal year ended September 30, 2015, the District did not establish or eliminate any funds.

Excess of appropriation over expenditures - The general fund had an operating deficit of \$163,645 for the fiscal year ended September 30, 2015.

4. Deposits

At year-end the carrying amount of the District's deposits was \$644,094 and the bank balance maintains a balance of \$649,326. The District's operating and payroll account balances are swept into the bank's separate brokerage investment fund accounts each evening. Deposits in these accounts have been reported as investments in these financial statements. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State

Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

5. Investments

Interest Rate Risk - The District manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The District limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure benchmarks.

Credit Risk - Consistent with state law the District's investment guidelines limit its fixed income investments to a quality rating of 'A' or equivalent as rated by one or more recognized bond rating service at the time of purchase. Fixed income investments which are downgraded to 'Baa' or equivalent must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments which are downgraded below 'Baa' shall be liquidated immediately.

Florida Surplus Asset Fund Trust (the "Trust"), was established in 2007 to be a Stable Net Asset Value investment pool to meet the investment needs of local governments in Florida and began operations in 2008. The Trust is a common law trust organized in 2007 under the laws of the State of Florida. Section 218.415, Florida Statutes, authorizes units of local government to invest and reinvest public funds in excess of the amounts needed to meet current expenses in certain enumerated investments, in any other investments authorized by law or by a municipal or county ordinance or by a school district or special district by law or by resolution, and in addition authorizes units of local government to invest and reinvest such surplus public funds in any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes.

Section 163.01, Florida Statutes, authorizes a political subdivision, agency, or officer of the State of Florida, including but not limited to state government, county, city, school district, single and multipurpose special district, single and multi-purpose public authority, metropolitan or consolidated government, a separate legal entity or administrative entity created under subsection (7) of Section 163.01, Fla. Stat., or an independently elected county officer (each of the foregoing a "Local Government Entity" or "Entity:), to exercise jointly with any other Entity any power, privilege, or authority which such Entities share in common and which each might exercise separately.

The Trust includes a liquid money market like investment, called the FL SAFE Fund" or "Fund" and one or more Term Series portfolios, as may be established from time to time, each of which has a fixed duration. Participants in the Trust may invest in the Fund and any Term Series portfolio, and in a value added program of the Trust called the Fixed Income Investment Program ("FIIP"), authorized by the Board of Trustees. Through FIIP, Participants may purchase investments for their own portfolio. The Board of Trustees may authorize other Programs of the Trust in the future.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

5. Investments (Continued)

The Fund has received and maintained an AAAM rating since December 2007 from Standard & Poor's ("S&P"). Standard & Poor's fund ratings criteria were updated on November 1, 2011 and are based on analysis of credit quality market price exposure, and management. According to S&P's rating criteria, the AAAM rating signifies excellent safety of invested principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not either as "market" rating nor a recommendation to buy, hold or sell the securities.

Although the Fund will try to invest wisely, all investments involve risk. A decline in short-term interest rates will reduce the yield of the Fund and the return on an investment. The Fund invests only in high-quality obligations, but there is still the risk that an issuer may be unable to make principal and interest payments when due. If an issuer fails to pay interest or to repay principal, the investment will be adversely affected and the net asset value (or "NAV") per share of the Fund could decline. NAV may also be adversely affected by a substantial increase in short-term interest rates if it becomes necessary for the Fund to sell a fixed-rate instrument prior to maturity. The Fund will have industry concentration risk to the extent their assets are concentrated in an industry (such as the banking industry). In addition, the Fund's performance is subject to manager risk that a security selection could cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government or private agency. Although the Fund seeks to maintain a stable value of \$1.00 per share, it is possible to lose money by investing in the Fund.

FL SAFE Investment Policy - The general investment approach and objectives of the Fund's investment activities shall be: (1) safety of capital; (2) liquidity of funds; (3) transparency; and (4) investment income, in that order.

The Fund adheres to an Investment Policy adopted by the Board of Trustees, as amended on January 18, 2013, and follows the investment criteria for a AAAM S&P rated Net Stable Value Fund. As more fully described herein:

- * The Fund will invest only in Permitted Investments including investments in approved financial institutions and securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, and highly rated short-term corporate obligations. Asset allocation will be in full conformance with S&P guidelines.
- * The Fund's investments will conform to its Permitted Investments and is structured to meet S&P's investment guidelines to achieve and maintain an AAAM rating, the highest attainable rating for a Local Government Investment Pool.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

5. Investments (Continued)

- * The Fund will invest will not invest in asset-backed commercial paper securities that are classified as Structured Investment Vehicles, Collateralized Debt Obligations, Structure Arbitrage Vehicles, or Extendible Commercial Paper.
- * The weighted average maturity of the Fund’s portfolio shall not exceed 60 days per S&P guidelines.
- * The Fund seeks to maintain, but does not guarantee, a NAV at \$1.00 per share. To date, the value of the Fund has maintained a stable net asst value within the parameters to maintain its S&P AAAM rating.

Investments as of September 30, 2015 are presented as follows:

<u>Investment Type</u>	<u>Overall Credit Rating</u>	<u>Fair Value</u>	<u>Average Effective Duration (Years)</u>
Bank United NA, 0.75% Certificate of Deposit (matures July 25, 2016)	Not Rated	\$ 500,000	N/A
Florida Safe	Not Rated	257,790	Open-ended
FLS Term Series 205394	Not Rated	300,000	N/A
FLS Term Series 206481	Not Rated	700,000	N/A
FLS Term Series 212705	Not Rated	250,000	N/A
FLS Term Series 212706	Not Rated	<u>250,000</u>	N/A
Total investments		<u>\$ 2,257,790</u>	

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

5. Investments (Continued)

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

6. Receivables

Receivables at September 30, 2015, consist of the following:

	<u>General Fund</u>
Receivables:	
Accounts	\$ 241,640
Intergovernmental	<u>1,710</u>
Gross receivables	243,350
Less: Allowance for uncollectibles	<u>-</u>
Net total receivables	<u><u>\$ 243,350</u></u>

The receivables in the General Fund are due from the State of Florida and residents of the District.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

7. Capital Assets

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015
<u>Governmental activities:</u>				
Capital assets, not being				
Land	\$ 61,000	\$ -	\$ -	\$ 61,000
Total capital assets, not being	61,000	-	-	61,000
Capital assets, being				
Buildings and improvements	349,350	-	-	349,350
Equipment	2,470,616	113,343	(400)	2,583,559
Total capital assets, being depreciated	2,819,966	113,343	(400)	2,932,909
Less accumulated depreciation				
Buildings and improvements	257,045	5,823	-	262,868
Equipment	1,160,690	147,744	400	1,308,034
Total accumulated depreciation	1,417,735	153,567	400	1,570,902
Total capital assets, being	1,402,231	(40,224)	-	1,362,007
Governmental activities capital assets, net	\$ 1,463,231	\$ (40,224)	\$ -	\$ 1,423,007

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental activities:</u>	
Public safety - Fire and EMS Protection	\$ <u>153,567</u>
Total depreciation expenses - governmental activities	\$ <u><u>153,567</u></u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

8. Long-Term Debt

Long-term debt is summarized as follows:

<u>Description</u>	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2015</u>	<u>Due Within One Year</u>
Post-employment health care obligation (Note 15)	\$ 108,186	\$ -	\$ -	\$ 108,186	\$ -
Compensated absences	387,766	94,488	(28,423)	453,831	113,458
	<u>\$ 495,952</u>	<u>\$ 94,488</u>	<u>\$ (28,423)</u>	<u>\$ 562,017</u>	<u>\$ 113,458</u>

9. Accrued Leave

General long-term debt as of September 30, 2015 includes accrued leave costs which will not normally be liquidated with expendable available financial resources early in the 2015 accounting period. Specific due dates for the future payment of these costs cannot be forecast as of the date of these financial statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

10. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases all of its insurance coverages from commercial insurance carriers.

The District also carries commercial insurance for all other risks of loss including health and employee accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District has not had any significant coverage reductions under these policies from the prior year.

11. Details of Constraints on Fund Balances of Governmental Funds

The District has recognized that adequate unassigned fund balance is needed to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures).

	General Fund	Capital Projects Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Nonexpendable	\$ 36,929	\$ -	\$ 36,929
Restricted for:			
Equipment and improvements	-	487,249	487,249
Assigned for rolling stock	957,995	-	957,995
Unassigned	<u>1,226,552</u>	<u>-</u>	<u>1,226,552</u>
 Total fund balances	 <u>\$ 2,221,476</u>	 <u>\$ 487,249</u>	 <u>\$ 2,708,725</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employee Retirement Systems

Florida Retirement System

Plan Description:

All Firefighters and general employees participate in the Florida Retirement System (System), a cost-sharing multiple-employer public employee retirement system (PERS). The District does not provide postemployment benefits for firefighters or general employees other than pension benefits.

The District's current elected officials (Board of Commissioners) are required to participate in this system.

The District contributes to the FRS which is administered by the Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes, which may be amended by the Florida Legislature, assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement. The FRS issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to:

State of Florida
Division of Retirement
3639-C North Monroe Street
Tallahassee, Florida 32399-1560

The five classes of members are as follows:

1. *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
2. *Senior Management Service Class (SMSC)* - Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, assistant capital collateral representatives, and judges of compensation claims. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the SMSC in lieu of the Elected Officers' Class.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employee Retirement Systems (Continued)

Florida Retirement System (Continued)

3. *Special Risk Class* - Members who are employed as law enforcement officers, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001, through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
4. *Special Risk Administrative Support Class* - Former Special Risk Class members who are transferred or reassigned to nonspecial risk, law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
5. *Elected Officers Class (EOC)* - Members who are elected state and county officers, firefighters, and the elected officers of cities and special districts that choose to place their elected officials in this class.

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting benefits after six-years of creditable service for members initially enrolled during this period. Members not actively working in a position covered by the FRS on July 1, 2001 must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

Regular Class, Senior Management Service Class, and Elected Officers' Class Members - For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employee Retirement Systems (Continued)

Florida Retirement System (Continued)

Special Risk Class and Special Risk Administrative Support Class Members - For members initially enrolled in the FRS before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

For members initially enrolled in the FRS or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Per State Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the FRS Board. Employees are required to contribute 3.00 percent of their annual pay. The District's contractually required contribution rates for the year ended June 30, 2015 and September 30, 2015, was 7.37 and 7.26 percent, respectively, 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 \$465,000 for the year ended September 30, 2015.

Funding Policy:

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates, established by state law, are determined using the entry-age actuarial funding method. Future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employees Retirement Systems (Continued)

Retirement benefits and the District's contribution rates are summarized as follows:

Membership Category	Retirement Benefit	Vesting	District Contributions Rate Actuarially Determined	
			Employer Contribution Rates Through June 30, 2015	Employer Contribution Rates Beginning July 1, 2015
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	7.37% of covered payroll	7.26% of covered payroll
Special Risk	3.0% times years of service times average compensation (5 highest years) if age 55 or 25 years of service at any age.	After 6 years of creditable service.	19.82% of covered payroll	22.04% of covered payroll
Special District Elected Officers	Same as Special Risk	After 6 years of creditable service.	43.82% of covered payroll	42.27% of covered payroll
DROP From FRS	-	-	12.28% of covered payroll	12.88% of covered payroll

Participants in FRS contribute 3% of their salary.

Deferred Retirement Option Program

The FRS Deferred Retirement Option Program (DROP) is available to a member when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5%. (The DROP interest rate is reduced to 1.3% for members who enter DROP on or after 7/1/11.) The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Employers must pay contributions at a rate of 12.28% of salary for all DROP participants prior to June 30, 2015. The contribution rate for DROP participants after July 1, 2015 was also 12.88%. FRS also provides disability and survivors' benefits.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employees Retirement Systems (Continued)

Funding Policy (Continued):

The District's contributions include 1.26% for a post-retirement health insurance subsidy. FRS also provides disability and survivors benefits.

The contribution requirements of employers for the pension plan and the HIS program are established and may be amended by the Division of Retirement. The District's contributions and its required contributions for the past two years are summarized as follows:

<u>Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
September 30, 2014	\$ 418,565	100.0%
September 30, 2015	465,750	100.0

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

At September 30, 2015, the District reported a liability of \$2,100,218 and \$812,157 for its proportionate share of the net pension and HIS liability, respectively. The net pension liability was measured as of June 30, 2015, and the total pension and HIS liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan and HIS program relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2015, the District's proportion was 0.016260165 percent for the pension plan and 0.007963551 for the HIS program.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employees Retirement Systems (Continued)

Florida Retirement System (Continued)

Funding Policy (Continued):

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions and HIS Program (Continued)**

For the year ended September 30, 2015, the District recognized pension expense of \$1,799,465 and \$4,823 for the HIS program. At September 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to the pension plan and the HIS program from the following sources:

	<u>FRS Pension Plan</u>		<u>FRS HIS Program</u>		<u>Total</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Difference between expected and experience	\$ 221,721	\$ (49,811)	\$ -	\$ -	\$ 221,721	\$ (49,811)
Changes in assumptions	139,399	-	63,896	-	203,295	-
Net difference between projected and actual earnings on pension plan investments	739,755	(1,241,252)	440	-	740,195	(1,241,252)
Changes in proportion and difference between District's contribution and proportionate share of contributions	-	(435,681)	4,506	(3,364)	4,506	(439,045)
District contributions subsequent to the measurement date	<u>115,648</u>	<u>-</u>	<u>10,603</u>	<u>-</u>	<u>126,251</u>	<u>-</u>
Total	<u>\$ 1,216,523</u>	<u>(1,726,744)</u>	<u>\$ 79,445</u>	<u>\$ (3,364)</u>	<u>\$ 1,295,968</u>	<u>\$ (1,730,108)</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employees Retirement Systems (Continued)

Florida Retirement System (Continued)

Funding Policy (Continued):

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and HIS Program (Continued)

\$936 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Pension <u>Plan</u>	HIS <u>Plan</u>	<u>Total</u>
2016	\$ (55,159)	\$ 8,225	\$ (46,934)
2017	(55,159)	8,225	(46,934)
2018	(55,159)	8,225	(46,934)
2019	(55,159)	8,225	(46,934)
2020	(55,159)	8,225	(46,934)
Thereafter	(234,426)	34,958	(199,468)

Actuarial Assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Pension Plan</u>	<u>HIS Program</u>
Inflation	2.60 percent	2.60 percent
Salary increases	3.25 percent, average, including inflation	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation	3.80 percent, net of HIS Program investment expense
Discount rate of return	7.65 percent	3.80 percent

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. **Employees Retirement Systems (Continued)**

Florida Retirement System (Continued)

Funding Policy (Continued):

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions and HIS Program (Continued)**

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB for both the pension plan and HIS program..

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013 for both the pension plan and the HIS program..

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employees Retirement Systems (Continued)

Florida Retirement System (Continued)

Funding Policy (Continued):

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions and HIS Program (Continued)**

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed income	18%	4.8%	4.7%	4.7%
Global equity	53%	8.5%	7.2%	17.7%
Real estate (property)	10%	6.8%	6.2%	12.0%
Private equity	6%	11.9%	8.2%	30.0%
Strategic investments	12%	6.7%	6.1%	11.4%
Assumed Inflation - Mean		2.6%		1.9%

Discount rate. The discount rate used to measure the total pension liability for the pension plan was 7.65 percent and 3.80 percent for the HIS program. 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 the District 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 for projected benefit payments to determine the total pension liability.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Employees Retirement Systems (Continued)

Florida Retirement System (Continued)

Funding Policy (Continued):

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions and HIS Program (Continued)**

Sensitivity of the District's proportionate shares of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, 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:

	Pension Plan		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of the net pension liability	\$ 5,439,565	\$ 2,100,218	\$ 680,810

	HIS Program		
	1% Decrease (2.80)	Current Discount Rate (3.80%)	1% Increase (4.80%)
District's proportionate share of the net pension liability	\$ 2,103,487	\$ 812,157	\$ 263,270

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

13. Contingent Liabilities

The District did not receive federal grant funds during the fiscal year ended September 30, 2015 which were subject to the program compliance audit by the grantee under the Office of Management and Budget Circular A-133.

14. Deferred Compensation Plan

The District maintains a deferred compensation plan (plan) under the provisions of Section 457 of the Internal Revenue Code, as amended. This law stipulates that all assets and income of the plan must be held in trust for the exclusive benefit of the Plan participants and their beneficiaries. The District's plan is administered by the Ameritas Life Insurance Corp, Retirement Plan Division, and provides the plan participants with the option to invest in different registered investment funds. The District has adopted a trust for this Plan in accordance with Section 457(b) of the Internal Revenue Code. Although the District will be the Trustee of this plan, the District has no administrative involvement and performs no investing function for the plan and has not therefore, included the plan in this financial report.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

15. Post-Employment Health Care Benefits

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

GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB obligation. The effective date for implementation of GASB 45 by the District is October 1, 2009. Accordingly, the District did obtain an actuarial valuation in accordance with GASB 45 standards as of October 1, 2009, and discloses the following:

Plan Description and Funding Policy

Employees who retire from the District (District), and eligible dependents and survivors, are eligible to continue to participate in the District's health insurance programs at the "blended" employee group rate which is determined annually by the District and approved by the District Trustees. Retirees have 31 days to elect to enroll in the District's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of September 30, 2015, a total of 2 eligible retirees and dependents were participating in the District's health program.

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

15. Post-Employment Health Care Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The District's annual OPEB cost for its plan for the latest valuation is as follows:

	<u>9/30/13</u>
Annual required contributions (ARC)	\$ 128,975
Interest on net OPEB obligation	3,406
Adjustment to ARC	<u>(3,384)</u>
Annual OPEB cost	128,997
Contributions made (pay-as-you-go basis)	<u>(49,195)</u>
Increase in net OPEB obligation	79,802
Net Pension obligation, beginning of year	<u>28,384</u>
Net pension obligation, end of year	<u><u>\$ 108,186</u></u>

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

15. Post-Employment Health Care Benefits (Continued)

Actuarial Methods and Assumptions

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

Measurement Date	October 1, 2013
Actuarial Cost Method	Projected Unit Credit
Amortization method	Closed
Discount rate	4.00%
CPI	3.20%
Health Cost Trend Rate	10% (grading down to 5% in 2020)
Payroll Growth Rate	3.0% annually

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

16. Recently Issued and Implemented Accounting Pronouncements

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

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

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

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

17. Restatement of Beginning Net Position

Statement No. 68 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Pensions*, requires the net pension liability of the District's allocation of the Florida Retirement System to be reported as a liability in the Statement of Net Position. Accordingly, the beginning net position as of October 1, 2014 has been restated as follows:

Statement of Net Position

	Governmental Activities		
	Pension Plan	HIS Program	Total
Beginning Net Position as previously reported, 9/30/14			\$ 3,696,081
Deduct: Net Pension Liability, 9/30/14	\$ (1,015,282)	\$ (748,665)	(1,763,947)
Add: Deferred outflows, 10/01/2014	88,659	6,810	95,469
Total changes	\$ <u>(926,623)</u>	\$ <u>(741,855)</u>	\$ <u>(1,668,478)</u>
Beginning Net Position, as restated, 9/30/14			\$ <u>2,027,603</u>

REQUIRED SUPPLEMENTARY INFORMATION

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE FLORIDA RETIREMENT SYSTEM
PENSION PLAN NET PENSION LIABILITY**

Last One Fiscal Year

	<u>September 30, 2015</u>
District's proportion of the net pension liability (asset)	0.016260165%
District's proportionate share of the net pension liability (asset)	\$ 2,100,218
District's covered employee payroll	\$ 21,676,198
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	103.21%
Plan fiduciary net position as a percentage of the total pension liability	92.00%

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TO THE FLORIDA RETIREMENT SYSTEM PENSION PLAN

Last One Fiscal Year

	September 30, 2015 <hr style="border: 1px solid black;"/>
Contractual required contribution	\$ 381,341
Contributions in relation to the contractually required contribution	381,341 <hr style="border: 1px solid black;"/>
Contribution deficiency (excess)	\$ - <hr style="border: 3px double black;"/>
District's covered employee payroll	\$ 2,167,619
Contributions as a percentage of covered-employee payroll	17.59%

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICTS PROPORTIONATE SHARE
OF THE FLORIDA RETIREMENT SYSTEM
HIS PROGRAM NET PENSION LIABILITY**

Last One Fiscal Year

	<u>September 30, 2015</u>
District's proportion of the net pension liability (asset)	0.007963551%
District's proportionate share of the net pension liability (asset)	\$ 812,157
District's covered employee payroll	\$ 2,167,619
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	266.89%
Plan fiduciary net position as a percentage of the total pension liability	0.005962977%

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TO THE FLORIDA RETIREMENT SYSTEM HIS PROGRAM

Last One Fiscal Year

	<u>September 30,</u> <u>2015</u>
Contractual required contribution	\$ 83,708
Contributions in relation to the contractually required contribution	<u>83,708</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
District's covered employee payroll	\$ 2,167,619
Contributions as a percentage of covered-employee payroll	3.86%

INDIVIDUAL GENERAL FUND

FINANCIAL STATEMENTS

AND

SCHEDULES

GOVERNMENTAL FUNDS

GENERAL FUND

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL FUND

COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Cash	\$ 156,845	\$ 522,564
Investments	2,257,790	2,000,705
Prepaid items	36,929	13,050
Accrued interest	11,045	7,825
Accounts receivable (net of uncollectible accounts):		
Intergovernmental:		
State		690
Accounts	243,350	40,968
TOTAL ASSETS	<u>\$ 2,705,959</u>	<u>\$ 2,585,802</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	\$ 311,018	\$ 98,855
Accrued salaries and benefits payable	173,465	124,421
TOTAL LIABILITIES	484,483	223,276
FUND BALANCE:		
Nonspendable	36,929	13,050
Assigned	957,995	1,019,495
Unassigned	1,226,552	1,329,981
TOTAL FUND BALANCE	<u>2,221,476</u>	<u>2,362,526</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,705,959</u>	<u>\$ 2,585,802</u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015				2014			
	ORIGINAL	FINAL	ACTUAL	VARIANCE	ORIGINAL	FINAL	ACTUAL	VARIANCE
	BUDGET	BUDGET		FAVORABLE	BUDGET	BUDGET		FAVORABLE
				(UNFAVORABLE)				(UNFAVORABLE)
REVENUES:								
Assessments:								
Fire	\$ 3,609,577	\$ 3,609,577	\$ 3,641,391	\$ 31,814	\$ 3,599,533	\$ 3,599,533	\$ 3,623,779	\$ 24,246
EMS contract	692,339	692,339	700,037	7,698	660,815	660,815	660,815	-
Plan and Inspection fees	79,513	79,513	42,088	(37,425)	60,059	64,059	68,553	8,494
Investment income	9,790	9,790	15,672	5,882	7,400	14,820	15,661	8,261
Miscellaneous	29,070	29,070	53,086	24,016	53,645	42,645	42,737	(10,908)
Intergovernmental:								
State	4,200	4,200	4,910	710	3,840	3,420	3,420	(420)
TOTAL REVENUES	4,424,489	4,424,489	4,457,184	32,695	4,385,292	4,385,292	4,414,965	29,673
EXPENDITURES:								
Current:								
Public Safety-Fire and EMS:								
Salaries	2,368,069	2,515,810	2,485,440	(117,371)	2,368,291	2,365,477	2,358,889	9,402
Overtime	75,000	75,000	106,951	(31,951)	93,600	101,414	101,414	(7,814)
Social security	181,658	181,658	179,686	1,972	173,988	173,988	171,643	2,345
Retirement	447,203	449,344	473,492	(26,289)	446,105	438,355	419,101	27,004
Group health insurance	633,510	576,450	575,575	57,935	546,514	511,804	511,264	35,250
Workers' compensation	120,450	128,568	112,096	8,354	129,930	129,930	129,930	-
Legal fees	14,400	14,400	25,575	(11,175)	13,000	36,300	36,258	(23,258)
Physicals	16,465	16,465	13,545	2,920	16,202	16,202	15,144	1,058
Tax collection	196,439	196,439	199,222	(2,783)	188,910	196,660	196,660	(7,750)
Professional fees	15,800	15,800	15,517	283	16,450	16,450	15,867	583
Travel	3,080	3,080	5,030	(1,950)	4,485	4,410	1,950	2,535
Telephone	8,467	8,467	8,619	(152)	6,605	6,680	6,676	(71)
Postage	900	900	1,093	(193)	879	879	821	58
Electricity	15,120	15,120	16,511	(1,391)	16,556	15,656	15,559	997
Water	3,659	3,659	3,987	(328)	2,552	3,452	3,445	(893)
Small equipment	5,985	5,985	4,386	1,599	18,262	17,912	5,491	12,771
Information technology	10,535	10,535	10,849	(314)	9,499	9,499	9,212	287
Insurance	59,390	59,390	58,980	410	56,594	57,194	57,171	(577)
Apparatus and equipment repairs	66,959	152,019	91,054	(24,095)	53,792	72,342	72,310	(18,518)
Repair and maintenance	19,800	26,800	28,509	(8,709)	16,920	16,920	10,512	6,408
Public relations	6,091	6,091	5,783	308	6,273	6,273	5,693	580
Office supplies	4,550	4,550	4,541	9	5,618	4,768	2,496	3,122
Operations	17,404	17,404	17,685	(281)	11,222	11,272	9,680	1,542
Small tools and supplies	250	250	508	(258)	250	250	-	250
Petroleum products	40,260	40,260	29,495	10,765	48,044	38,794	35,604	12,440
Custodial	3,325	3,325	2,903	422	3,700	3,700	2,763	937
Uniforms and protective gear	10,781	10,781	45,654	(34,873)	8,983	24,643	24,635	(15,652)
Education	10,525	10,525	18,179	(7,654)	11,371	11,371	11,153	218
Emergency Operation Center	500	500	223	277	500	500	18	482
Recertifications	180	180	-	180	165	865	836	(671)
Dues and publications	4,323	4,323	5,773	(1,450)	5,258	4,558	4,048	1,210
Capital outlay	6,000	13,000	31,538	(25,538)	33,000	33,000	14,327	18,673
Principal - equipment loan	8,749	8,749	8,749	-	-	-	-	-
Interest - equipment loan	1,763	1,763	1,763	-	-	-	-	-
Expense reimbursements	33,270	33,270	31,918	1,352	57,485	39,485	39,087	18,398
SUB-TOTAL PUBLIC SAFETY-								
Fire and EMS expenditures	4,410,860	4,610,860	4,620,829	(9,969)	4,371,003	4,371,003	4,289,657	81,346

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT
GENERAL FUND
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(CONTINUED)

	2015				2014			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL EXPENDITURES	4,410,860	4,610,860	4,620,829	(9,969)	4,371,003	4,371,003	4,289,657	81,346
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,629	(186,371)	(163,645)	22,726	14,289	14,289	125,308	111,019
OTHER FINANCING SOURCES:								
Proceeds from sale of assets	-	-	3,546	3,546	-	-	50	50
Proceeds from insurance	-	-	19,049	19,049	-	-	8,309	8,309
Total other financing sources	-	-	22,595	22,595	-	-	8,359	8,359
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	13,629	(186,371)	(141,050)	45,321	14,289	14,289	133,667	119,378
FUND BALANCE, OCTOBER 1	2,362,526	2,362,526	2,362,526	-	2,228,859	2,228,859	2,228,859	-
FUND BALANCE, SEPTEMBER 30	\$ 2,376,155	\$ 2,176,155	2,221,476	\$ 45,321	\$ 2,243,148	\$ 2,243,148	2,362,526	\$ 119,378

See Notes to Financial Statements.

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS USED IN THE OPERATION OF THE GOVERNMENTAL FUND

COMPARATIVE SCHEDULES BY SOURCE

SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
GENERAL FIXED ASSETS:		
Land	\$ 61,000	\$ 61,000
Buildings	349,350	349,350
Equipment	<u>2,583,559</u>	<u>2,470,616</u>
Total general fixed assets	<u>\$ 2,993,909</u>	<u>\$ 2,880,966</u>
Investment in general fixed assets from:		
General Fund	<u>\$ 2,993,909</u>	<u>\$ 2,880,966</u>
Total investments in general fixed assets	<u>\$ 2,993,909</u>	<u>\$ 2,880,966</u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

SEPTEMBER 30, 2015 AND 2014

	2015			
	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Equipment</u>
Public safety:				
EMS and Fire Protection	\$ <u>2,993,909</u>	\$ <u>61,000</u>	\$ <u>349,350</u>	\$ <u>2,583,559</u>
Total general fixed assets	\$ <u><u>2,993,909</u></u>	\$ <u><u>61,000</u></u>	\$ <u><u>349,350</u></u>	\$ <u><u>2,583,559</u></u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

SEPTEMBER 30, 2015 AND 2014

	2014			
	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Equipment</u>
Public safety:				
EMS and Fire Protection	\$ <u>2,880,966</u>	\$ <u>61,000</u>	\$ <u>349,350</u>	\$ <u>2,470,616</u>
Total general fixed assets	\$ <u><u>2,880,966</u></u>	\$ <u><u>61,000</u></u>	\$ <u><u>349,350</u></u>	\$ <u><u>2,470,616</u></u>

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	General Fixed Assets October 1, 2014	Additions	Deductions	General Fixed Assets September 30, 2015
Public safety:				
EMS and Fire Protection	\$ 2,880,966	\$ 113,343	\$ 400	\$ 2,993,909
Total public safety	<u>\$ 2,880,966</u>	<u>\$ 113,343</u>	<u>\$ 400</u>	<u>\$ 2,993,909</u>

See Notes to Financial Statements.

STATISTICAL SECTION

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

Content	Page
Financial Trends	73
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	80
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	85
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.</i>	
Operating Information	87
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

FINANCIAL TRENDS

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities:										
Invested in capital assets	\$ 1,423,007	\$ 1,463,231	\$ 1,566,270	\$ 1,308,296	\$ 1,266,962	\$ 1,420,348	\$ 1,436,053	\$ 1,536,592	\$ 1,585,793	\$ 1,700,194
Restricted for capital projects	487,249	366,277	278,817	302,547	277,663	260,092	707,293	734,722	787,737	514,327
Unrestricted	<u>(1,687,056)</u>	<u>1,866,573</u>	<u>1,654,809</u>	<u>1,726,116</u>	<u>1,486,632</u>	<u>1,382,940</u>	<u>816,203</u>	<u>851,810</u>	<u>724,246</u>	<u>792,236</u>
Total primary government net position	<u>\$ 223,200</u>	<u>\$ 3,696,081</u>	<u>\$ 3,499,896</u>	<u>\$ 3,336,959</u>	<u>\$ 3,031,257</u>	<u>\$ 3,063,380</u>	<u>\$ 2,959,549</u>	<u>\$ 3,123,124</u>	<u>\$ 3,097,776</u>	<u>\$ 3,006,757</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
EXPENSES										
Governmental Activities:										
Public safety Fire										
and EMS Protections:										
Fire and EMS protection	\$ 6,486,960	\$ 4,338,108	\$ 4,354,676	\$ 4,069,373	\$ 4,399,152	\$ 4,445,672	\$ 4,626,791	\$ 4,421,725	\$ 3,940,007	\$ 3,724,997
Total governmental activities expenses	\$ <u>6,486,960</u>	\$ <u>4,338,108</u>	\$ <u>4,354,676</u>	\$ <u>4,069,373</u>	\$ <u>4,399,152</u>	\$ <u>4,445,672</u>	\$ <u>4,626,791</u>	\$ <u>4,421,725</u>	\$ <u>3,940,007</u>	\$ <u>3,724,997</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 42,088	\$ 68,553	\$ 67,311	\$ 75,954	\$ 92,353	\$ 47,191	\$ 52,422	\$ 44,570	\$ 253,479	\$ 207,404
Operating grants and contributions	-	-	-	-	-	-	-	536	595	785
Capital contributions	-	-	-	-	-	-	-	-	-	10,550
Total governmental activities program revenues	\$ <u>42,088</u>	\$ <u>68,553</u>	\$ <u>67,311</u>	\$ <u>75,954</u>	\$ <u>92,353</u>	\$ <u>47,191</u>	\$ <u>52,422</u>	\$ <u>45,106</u>	\$ <u>254,074</u>	\$ <u>218,739</u>
NET (EXPENSE) REVENUE										
Governmental activities	\$ <u>(6,444,872)</u>	\$ <u>(4,269,555)</u>	\$ <u>(4,287,365)</u>	\$ <u>(3,993,419)</u>	\$ <u>(4,306,799)</u>	\$ <u>(4,398,481)</u>	\$ <u>(4,574,369)</u>	\$ <u>(4,376,619)</u>	\$ <u>(3,685,933)</u>	\$ <u>(3,506,168)</u>
Total primary government net expense	\$ <u>(6,444,872)</u>	\$ <u>(4,269,555)</u>	\$ <u>(4,287,365)</u>	\$ <u>(3,993,419)</u>	\$ <u>(4,306,799)</u>	\$ <u>(4,398,481)</u>	\$ <u>(4,574,369)</u>	\$ <u>(4,376,619)</u>	\$ <u>(3,685,933)</u>	\$ <u>(3,506,168)</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CHANGES IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities:										
Taxes:										
Assessments	\$ 3,641,391	\$ 3,623,779	\$ 3,609,518	\$ 3,552,094	\$ 3,595,772	\$ 3,449,661	\$ 2,648,035	\$ 2,665,955	\$ 2,636,310	\$ 2,633,960
Impact fees	202,776	110,969	80,029	18,240	8,608	12,276	-	-	72,414	256,925
Intergovernmental revenues	704,947	664,235	636,510	592,656	549,606	940,828	1,714,363	1,661,217	1,005,451	962,586
Investment earnings	15,672	15,661	21,389	26,296	26,043	25,095	10,263	41,303	53,653	50,003
Miscellaneous	75,683	51,096	102,856	109,835	94,647	74,452	38,133	33,492	9,124	26,313
Total governmental activities	<u>4,640,469</u>	<u>4,465,740</u>	<u>4,450,302</u>	<u>4,299,121</u>	<u>4,274,676</u>	<u>4,502,312</u>	<u>4,410,794</u>	<u>4,401,967</u>	<u>3,776,952</u>	<u>3,929,787</u>
Total primary government	<u>\$ 4,640,469</u>	<u>\$ 4,465,740</u>	<u>\$ 4,450,302</u>	<u>\$ 4,299,121</u>	<u>\$ 4,274,676</u>	<u>\$ 4,502,312</u>	<u>\$ 4,410,794</u>	<u>\$ 4,401,967</u>	<u>\$ 3,776,952</u>	<u>\$ 3,929,787</u>
CHANGE IN NET POSITION										
Governmental activities	<u>\$ (1,804,403)</u>	<u>\$ 196,185</u>	<u>\$ 162,937</u>	<u>\$ 305,702</u>	<u>\$ (32,123)</u>	<u>\$ 103,831</u>	<u>\$ (163,575)</u>	<u>\$ 25,348</u>	<u>\$ 91,019</u>	<u>\$ 423,619</u>
Total primary government	<u>\$ (1,804,403)</u>	<u>\$ 196,185</u>	<u>\$ 162,937</u>	<u>\$ 305,702</u>	<u>\$ (32,123)</u>	<u>\$ 103,831</u>	<u>\$ (163,575)</u>	<u>\$ 25,348</u>	<u>\$ 91,019</u>	<u>\$ 423,619</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Funds:										
Nonspendable	\$ 36,929	\$ 13,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	487,249	366,277	278,817	302,547	277,663	260,092	315,190	334,196	382,199	389,317
Assigned	957,995	1,019,495	916,866	1,454,882	1,293,175	713,841	1,072,145	1,141,738	935,267	937,207
Unassigned	<u>1,226,552</u>	<u>1,329,981</u>	<u>1,311,993</u>	<u>718,592</u>	<u>698,012</u>	<u>1,061,771</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>200,000</u>
Total governmental funds	<u>\$ 2,708,725</u>	<u>\$ 2,728,803</u>	<u>\$ 2,507,676</u>	<u>\$ 2,476,021</u>	<u>\$ 2,268,850</u>	<u>\$ 2,035,704</u>	<u>\$ 1,837,335</u>	<u>\$ 1,925,934</u>	<u>\$ 1,767,466</u>	<u>\$ 1,526,524</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
REVENUES										
Assessments	\$ 3,641,391	\$ 3,623,779	\$ 3,609,518	\$ 3,552,094	\$ 3,595,772	\$ 3,449,661	\$ 2,648,035	\$ 2,665,955	\$ 2,636,310	\$ 2,633,960
Intergovernmental	704,947	664,235	636,510	592,656	549,606	938,628	1,708,603	1,661,217	1,005,451	962,586
Impact fees	202,776	110,969	80,029	18,240	8,608	12,276	-	-	72,414	256,925
Charges for services	42,088	68,553	67,311	75,954	92,353	47,191	52,422	44,570	253,479	207,494
Interest earnings	15,672	15,661	21,389	26,296	26,043	25,095	10,263	41,303	53,653	50,003
Miscellaneous	53,086	42,737	74,556	109,835	94,647	76,652	43,893	34,028	9,719	37,648
Total revenues	<u>4,659,960</u>	<u>4,525,934</u>	<u>4,489,313</u>	<u>4,375,075</u>	<u>4,367,029</u>	<u>4,549,503</u>	<u>4,463,216</u>	<u>4,447,073</u>	<u>4,031,026</u>	<u>4,148,616</u>
EXPENDITURES										
Public safety:										
Fire and EMS protection	<u>4,702,633</u>	<u>4,313,166</u>	<u>4,485,958</u>	<u>4,167,904</u>	<u>4,179,844</u>	<u>4,791,923</u>	<u>4,551,815</u>	<u>4,289,155</u>	<u>3,791,584</u>	<u>3,835,002</u>
Total expenditures	<u>4,702,633</u>	<u>4,313,166</u>	<u>4,485,958</u>	<u>4,167,904</u>	<u>4,179,844</u>	<u>4,791,923</u>	<u>4,551,815</u>	<u>4,289,155</u>	<u>3,791,584</u>	<u>3,835,002</u>
Excess of revenues over (under) expenditures	(42,673)	212,768	3,355	207,171	187,185	(242,420)	(88,599)	157,918	239,442	313,614
OTHER FINANCING SOURCES (USES)										
Sale of equipment	3,546	50	28,300	-	21,500	-	-	550	1,500	800
Proceeds from insurance	19,049	8,309	-	-	-	-	-	-	-	-
Proceeds from capital lease obligation	-	-	-	-	24,461	440,789	-	-	-	-
Total other financing sources (uses)	<u>22,595</u>	<u>8,359</u>	<u>28,300</u>	<u>-</u>	<u>45,961</u>	<u>440,789</u>	<u>-</u>	<u>550</u>	<u>1,500</u>	<u>800</u>
Net change in fund balances	<u>\$ (20,078)</u>	<u>\$ 221,127</u>	<u>\$ 31,655</u>	<u>\$ 207,171</u>	<u>\$ 233,146</u>	<u>\$ 198,369</u>	<u>\$ (88,599)</u>	<u>\$ 158,468</u>	<u>\$ 240,942</u>	<u>\$ 314,414</u>
Debt service as a percentage of noncapital expenditures	<u>-%</u>	<u>-%</u>	<u>6.49%</u>	<u>1.54%</u>	<u>1.81%</u>	<u>1.35%</u>	<u>-%</u>	<u>-%</u>	<u>-%</u>	<u>-%</u>

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTIONS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Public Safety Fire and EMS</u>	<u>Capital Outlay Fire and EMS</u>	<u>Total</u>
2006	\$ 3,621,816	\$ 213,197	\$ 3,835,013
2007	3,722,488	69,096	3,791,584
2008	4,202,889	86,266	4,289,155
2009	4,494,904	56,911	4,551,815
2010	4,287,843	504,080	4,791,923
2011	4,155,602	24,242	4,179,844
2012	4,147,935	19,969	4,167,904
2013	4,458,437	27,521	4,485,958
2014	4,298,839	14,327	4,313,166
2015	4,589,291	113,342	4,702,633

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Assessments</u>	<u>Intergovernmental</u>	<u>Impact Fees</u>	<u>Charge for Services</u>	<u>Investment Income</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 2,633,960	\$ 962,586	\$ 256,925	\$ 207,494	\$ 50,003	\$ 37,648	\$ 4,148,616
2007	2,636,310	1,005,451	72,414	253,479	53,653	9,719	4,031,026
2008	2,665,955	1,661,217	-	44,570	41,303	34,028	4,447,073
2009	2,648,035	1,708,603	-	52,422	10,263	43,893	4,463,216
2010	3,449,661	938,628	12,276	47,191	25,095	76,652	4,549,503
2011	3,595,772	549,606	8,608	92,353	26,043	94,647	4,367,029
2012	3,552,094	592,656	18,240	75,954	26,296	109,835	4,375,075
2013	3,609,518	636,510	80,029	67,311	21,389	74,556	4,489,313
2014	3,623,779	664,235	110,969	68,553	15,661	42,737	4,525,934
2015	3,641,391	704,947	202,776	42,088	15,672	53,086	4,659,960

REVENUE CAPACITY

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

ASSESSMENT FEE SCHEDULE

September 30, 2015

	<u>2004 to 2009</u>	<u>2010 to 2015</u>
SINGLE RESIDENCES	\$ 120.00	\$ 260.00
APARTMENTS AND CONDOMINIUMS	120.00	260.00
MOTELS:		
Manager's or Owner's Quarters	120.00	260.00
Rental Units (Efficiencies or otherwise)	60.00	165.00
VACANT LOTS: Each Lot	20.00	95.00
UNPLATTED LAND: Each Acre	-	124.00
COMMERCIAL UNITS: Up to 500 Sq. Ft.	180.00	286.00
Per sq. foot over the first 500 Sq. Ft.	0.15	0.20
MOBILE HOME LOTS:		
Occupied by Manager or Owner	120.00	260.00
Rental Space	60.00	165.00
RECREATIONAL VEHICLE LOTS:		
Occupied by Manager or Owner	120.00	260.00
Rental Space	60.00	165.00
FUEL PUMPS (Any number)	370.00	625.00
ABOVE GROUND OIL STORAGE TANKS:		
5000 gal. or less	280.00	490.00
Each 1000 gal. or fraction thereof over 5000	11.00	85.00
HOTELS:	210.00	385.00
(a) With Kitchen..... additional	210.00	385.00
(b) With Dining Room..... additional	210.00	385.00
(c) With Bar..... additional	210.00	385.00
(d) Each Room..... additional	30.00	115.00

Voters approved an increased tax assessment by referendum on September 23, 2003. The increased tax assessment was not collected until November 2004. (Fiscal year ended September 30, 2005)

Voters approved an increased tax assessment by referendum on March 11, 2008. The increased tax assessment was not collected until November 2009 (Fiscal year ending September 30, 2010)

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

<u>Fiscal Year</u>	<u>Taxable Assessed Valuation</u>	<u>EMS Millage Rate</u>	<u>Levy</u>	<u>Less Collection Fees Discounts and County Reallocation</u>	<u>EMS Contract Collections*</u>
2006	2,776,779,800	0.66	1,832,675	874,987	957,688
2007	4,049,176,510	0.63	2,550,981	1,549,970	1,001,011
2008	3,555,619,328	0.5832	2,073,637	430,132	1,643,505
2009	3,559,423,786	0.5832	2,075,856	367,253	1,708,603
2010	2,700,559,002	0.5832	1,574,966	636,338	938,628
2011	2,439,994,339	0.8506	2,075,459	1,529,473	545,986
2012	2,339,423,742	0.9158	2,142,444	1,553,478	588,966
2013	2,302,317,537	0.9158	2,108,462	1,494,798	613,664
2014	2,413,441,940	0.9158	2,210,230	1,549,415	660,815
2015	2,587,208,019	0.9158	2,369,365	1,664,418	704,947

*Includes revenue for the Redington EMS District.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

<u>Fiscal Year Ended September 30</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Other Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>
2006	2,836,073,300	105,702,900	82,561,200	247,377,600	2,776,959,800
2007	4,135,371,850	154,128,878	120,385,203	360,709,421	4,049,176,510
2008	3,438,749,815	116,854,435	174,000	158,922	3,555,619,328
2009	3,388,474,136	108,555,200	62,604,200	209,750	3,559,423,786
2010	2,415,614,328	158,886,902	126,057,772	-	2,700,559,002
2011	2,202,453,514	122,039,752	115,501,073	-	2,439,994,339
2012	2,126,759,904	108,933,747	103,730,121	-	2,339,423,772
2013	2,087,701,524	110,494,298	104,121,715	-	2,302,317,537
2014	2,206,353,200	102,093,496	104,995,244	-	2,413,441,940
2015	2,370,485,003	103,332,219	113,390,797	-	2,587,208,019

* This information was not available from Pinellas County for the fiscal years ended September 30, 2010 to 2013.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

TAXABLE ASSESSED PROPERTY BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Single Family	Mobile Homes	Condominiums and Cooperatives	Multi-Family	Retirement Homes	Commercial	Industrial	Institutional and Agricultural	Miscellaneous	Total
2006 \$	1,342,450,900	4,752,900	1,139,611,900	180,921,000	179,000	102,187,900	3,390,000	1,976,200	1,490,000	2,776,959,800
2007	1,957,471,855	6,930,360	1,661,705,631	263,806,867	261,006	149,003,541	4,943,070	2,881,562	2,172,618	4,049,176,510
2008	1,794,299,899	7,090,515	1,483,787,063	151,957,870	221,855	112,086,365	4,768,070	1,167,100	240,591	3,555,619,328
2009	*	*	*	*	*	*	*	*	*	3,559,423,786
2010	1,152,934,562	1,528,100	1,094,964,570	118,457,269	870,000	158,016,902	0	204,528	173,583,071	2,700,559,002
2011	1,098,134,224	1,376,875	977,423,860	111,180,833	785,000	121,254,752	0	16,256	129,822,539	2,439,994,339
2012	1,057,289,998	1,345,020	956,968,905	100,979,097	674,236	108,259,511	0	236,136	113,670,869	2,339,423,772
2013	1,052,312,936	1,342,078	924,667,775	100,735,750	631,641	109,862,657	0	259,845	112,501,855	2,302,317,537
2014	1,078,943,499	1,452,152	993,850,778	98,500,703	638,798	101,378,122	0	265,024	138,412,864	2,413,441,940
2015	1,153,783,967	1,558,075	1,067,636,046	105,649,112	657,353	102,674,866	0	267,872	154,980,728	2,587,208,019

* The 2009 property types were not available from Pinellas County.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

TAXABLE VALUATIONS, ASSESSMENTS
LEVIED AND COLLECTED
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Taxable valuation	\$ <u>2,776,959,800</u>	\$ <u>4,049,176,510</u>	\$ <u>3,555,619,328</u>	\$ <u>3,559,423,786</u>	\$ <u>2,700,559,002</u>	\$ <u>2,439,994,339</u>	\$ <u>2,339,423,772</u>	\$ <u>2,302,317,537</u>	\$ <u>2,413,441,940</u>	\$ <u>2,587,208,019</u>
Total assessments levied	\$ 2,693,266	\$ 2,693,540	\$ 2,757,406	\$ 2,728,482	\$ 3,555,669	\$ 3,577,890	\$ 3,539,544	\$ 3,596,701	\$ 3,606,890	\$ 3,622,953
Less: Adjustments and discounts	<u>59,306</u>	<u>57,230</u>	<u>91,451</u>	<u>80,447</u>	<u>125,830</u>	<u>130,722</u>	<u>124,546</u>	<u>125,539</u>	<u>121,822</u>	<u>193,673</u>
Net assessments levied	\$ <u>2,633,960</u>	\$ <u>2,636,310</u>	\$ <u>2,665,955</u>	\$ <u>2,648,035</u>	\$ <u>3,429,840</u>	\$ <u>3,447,168</u>	\$ <u>3,414,998</u>	\$ <u>3,471,162</u>	\$ <u>3,485,068</u>	\$ <u>3,429,280</u>
Net assessments collected	\$ <u>2,633,960</u>	\$ <u>2,636,310</u>	\$ <u>2,655,955</u>	\$ <u>2,648,035</u>	\$ <u>3,372,580</u>	\$ <u>3,382,129</u>	\$ <u>3,339,378</u>	\$ <u>3,406,963</u>	\$ <u>3,414,533</u>	\$ <u>3,425,048</u>

DEBT CAPACITY

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

COMPUTATION OF OVERLAPPING DEBT
GENERAL OBLIGATION BONDS AND OTHER DEBT⁽²⁾
SEPTEMBER 30, 2015

		<u>Net General Obligation Bonded Debt Outstanding</u>		<u>Net General Nonsell- Supporting Revenue Debt</u>		<u>Total</u>		<u>Percentage Applicable to District</u>		<u>Amount Applicable to District</u>
Overlapping debt:										
Pinellas County School Board (1)	\$	14,884,000	\$	-	\$	14,884,000		*	\$	*
RATIO:										
Overall debt to 2015 taxable value								* =====		%
Overall debt per capita								\$ * =====		

⁽¹⁾ The District's share is calculated based on the ratio of the 2015 County Taxable Value of \$ _____ to the District's Taxable Value of \$ _____*.

⁽²⁾ The District has no direct general obligation bonded debt.

* The information for this schedule has not been available from Pinellas County since FYE 09/30/13.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST NINE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Legal Debt Margin Calculation: ⁽¹⁾									
Total budgeted revenues of the District for the fiscal year ended September 30	\$ 4,424,489	\$ 4,385,292	\$ 4,391,201	\$ 4,260,759	\$ 4,101,236	\$ 4,560,690	\$ 4,503,050	\$ 4,449,949	\$ 3,960,462
Limitation on debt service	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>	<u>50%</u>
Maximum annual debt service allowable	\$ <u>2,212,245</u>	\$ <u>2,192,646</u>	\$ <u>2,195,600</u>	\$ <u>2,130,380</u>	\$ <u>2,050,618</u>	\$ <u>2,280,345</u>	\$ <u>2,251,525</u>	\$ <u>2,224,975</u>	\$ <u>1,980,231</u>
Total current year's principal and interest payments on the District's outstanding debt: Capital lease note	\$ _____	\$ _____	\$ <u>284,489</u>	\$ <u>73,992</u>	\$ <u>73,992</u>	\$ <u>75,931</u>	\$ _____	\$ _____	\$ _____
Total principal and interest payments, fiscal year ended September 30	\$ _____	\$ _____	\$ <u>284,489</u>	\$ <u>73,992</u>	\$ <u>73,992</u>	\$ <u>75,931</u>	\$ _____	\$ _____	\$ _____

⁽¹⁾ In accordance with c.189 Florida Statutes.

OPERATING INFORMATION

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

<u>FUNCTION</u>	Full-Time Equivalent Employees as of September 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety:										
Fire:										
- Firefighters	13	13	13	13	12	14	12	16	14	17
- EMS Professionals	23	17	17	17	15	15	15	18	19	18
- Administrative Staff	7	6	6	6	8	8	8	8	7	7
- Mechanic and maintenance	2	2	2	2	2	2	2	2	2	2

Note: 2010 includes two part time firefighter positions that were terminated as of 10/1/10.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

OPERATING INDICATORS BY FUNCTIONS
LAST TEN FISCAL YEARS

<u>FUNCTION</u>	Fiscal Year Ended September 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety:										
Fire:										
Number of Fire calls	604	526	523	584	377	937	806	627	650	1,072
Number of EMS calls	2,412	2,183	2,217	2,323	2,214	3,209	2,346	2,526	2,531	3,937
District population *	17,153	17,153	17,153	17,153	17,153	17,153	12,438	12,339	12,315	12,278

* Last census - 2010

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS STATISTICS
LAST TEN FISCAL YEARS

	Fiscal Year Ended September 30,									
<u>FUNCTION</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety:										
Fire/EMS:										
Fire Stations	3	2	2	2	2	2	3	3	3	3
Fire Engines	4	4	4	4	4	4	4	4	4	4

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

SCHEDULE OF INSURANCE IN FORCE

September 30, 2015

Policy Number	Type of Coverage	Effective Date	Company	Limit of Liability	Premium
VFIS-TR-2065196-04/000	Property - Station 27	10/01/14	American Alternative Insurance Corporation (AAIC)	\$ 2,812,160	\$ 32,432
	Property - Station 28			1,687,296	
	<u>Crime:</u>				
	Public Employee Dishonesty			100,000	
	Computer Fraud			10,000	
	Identity Fraud			10,000	
	Management Liability			2,000,000	
	General Liability			2,000,000	
	Excess Liability			2,000,000	
	Public Employee Dishonesty			100,000	
	Portable Equipment			Replacement Cost	
VFIS-CM-1059191-04/000	Auto	10/01/14	AAIC	1,000,000	\$ 18,676
WC FL1 0524001 14-10	Worker's Compensation	10/01/14	PGIT	1,000,000	\$ 112,096
Public Official Bonds:					
21-210261	Bruni, Joseph	11/18/14 to 11/17/18	AAIC	5,000	\$ 344
21BSBGJ0052	Martin, Laura T.	11/20/12 to 11/20/16	The Hartford	5,000	\$ 0
21BSBGQ1374	Schear, Lawrence G.	01/22/14 to 11/20/16	The Hartford	5,000	\$ 0
21BSBG0980	Gardella, David	04/01/15 to 01/17/18	The Hartford	5,000	\$ 311
21BSBGH9890	Terry, James C.	07/17/12 to 07/17/16	The Hartford	5,000	\$ 0
CFP-5410-0288D-2	Accidental Death - Paid	10/01/14	National Union Fire Insurance Company of Pittsburgh	50,000	\$ 6,470
ADD N11086767	Blanket Accident Insurance	10/01/14	Ace American	65,000	\$ 747
TOTAL PREMIUMS				\$ <u>171,076</u>	

OTHER REPORTS

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

AND

MANAGEMENT LETTER

AND

ATTESTATION REPORT

AND

MANAGEMENT MEMORANDUM
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2015

**REPORT ON
INTERNAL CONTROL
AND COMPLIANCE**

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

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm
John N. Davidson, CPA, CVA
Harry B. Jamieson, CPA
Richard A. Cristini, CPA, CPPT, CGFM
Jeanine L. Bittinger, CPA, CPPT
Karen Curran, CPA, CVA

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

Board of Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the AICPA Professional Standards AT Sections 601.55 and 601.56, the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the Pinellas Suncoast Fire & Rescue District, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Pinellas Suncoast Fire & Rescue District, Florida's (District) basic financial statements, and have issued our report thereon dated December 16, 2015.

Internal Control Over Financial Reporting

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

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

Board of Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Davidson, Jamieson & Cristine, P.L.

December 16, 2015

ATTESTATION REPORT

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm

John N. Davidson, CPA, CVA
Harry B. Jamieson, CPA
Richard A. Cristini, CPA, CPPT, CGFM
Jeanine L. Bittinger, CPA, CPPT
Karen Curran, CPA, CVA

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Board of Fire Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

We have examined the Pinellas Suncoast Fire & Rescue District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Davidson, Jamieson & Cristini, P.L.

December 16, 2015

MANAGEMENT LETTER

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

1956 Bayshore Boulevard
Indian Rocks Beach, Florida 34698-2503
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Karen Curran, CPA, CVA

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The Board of Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Pinellas Suncoast Fire & Rescue District, Florida as of and for the fiscal year ended September 30, 2015 and have issued our report thereon dated December 16, 2015.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General Disclosures in those reports and schedule, which are dated December 16, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

The Board of Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This disclosure has been included in the District's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015.

Financial Condition

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

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

The Board of Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

Other Matters

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

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

Purpose of this Letter

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

Davidson, Jamieson & Christie, P.L.

December 16, 2015

**MEMORANDUM ON REVIEW
OF INTERNAL CONTROL STRUCTURE**

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants
1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm
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Member
American Institute of
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Certified Public Accountants

December 16, 2015

The Board of Commissioners
Pinellas Suncoast Fire & Rescue District
Indian Rocks Beach, Florida

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the Pinellas Suncoast Fire & Rescue District of and for the year ended September 30, 2015, and have issued our report thereon dated December 16, 2015.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated December 16, 2015. Disclosures in that report, if any, should be considered in conjunction with this management memorandum.

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

In planning and performing our audit of the financial statements of Pinellas Suncoast Fire & Rescue District we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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

2014-2015

Implementation of New GASB Statements

2013-2014

Accounting and Financial Reporting for Pensions

2014--2015

Implementation of New GASB Statements

We recommend that the Finance Director and the Chief become familiar with the following new GASB Statements:

GASB Statement No. 82 Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73

GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

GASB Statement No. 74 Financial Reporting for Postemployment Benefits Other Than Pension Plans

GASB Statement No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68

GASB Statement No. 72 Fair Value Measurement and Application

2013--2014

Accounting and Financial Reporting for Pensions

Effective for the fiscal year ending September 30, 2015, the District will implement GASB Statement 68 which is an amendment of GASB Statement 27.

Under this Standard, the District is required to report a liability on the government-wide statement of net position.

The information for this liability and the related note disclosures for the District's CAFR will be provided by the Florida Retirement System.

We recommend that the District's Finance Director educate the District's Board of Commissioners as to how this new standard will impact the District's CAFR for the next fiscal year.

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

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

DAVIDSON, JAMIESON & CRISTINI, P.L.

MANAGEMENT'S RESPONSE



Pinellas Suncoast Fire & Rescue

304 FIRST STREET
INDIAN ROCKS BEACH, FLORIDA 33785-2587
(727) 595-1117 FAX: (727) 595-5879
www.psfrd.org

FIRE CHIEF
SALVATORE A. D'ANGELO III

March 30, 2015

Davidson, Jamieson & Associates
Ms. Jeanine L. Bittinger, CPA
Partner
1956 Bayshore Blvd.
Dunedin, Florida 34698-2503

Dear Jeanine:

In reference to your December 19, 2014 letter to the Board of Commissioners regarding implementation of GASB Statement 68, "ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS—AN AMENDMENT OF GASB STATEMENT NO. 27". Under this standard, the District is required to report a liability on the government-wide statement of net position, the information for which will be provided by the Florida Retirement System.

As recommended, the Finance Director has educated the District's Board of Commissioners as to how this new standard will impact the District's CAFR for the next fiscal year.

We are committed to GASB standards compliance with continued support to implement relevant statement applications as we strive for full financial disclosure in accordance with the principles of generally accepted governmental reporting

Sincerely,

David Martin
Finance Director

cc. Chief D'Angelo, III