



# ***Pinellas Suncoast Fire & Rescue***

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

## **PINELLAS SUNCOAST FIRE & RESCUE DISTRICT**

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL  
YEAR ENDED SEPTEMBER 30, 2016**

**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, 2016**

**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, 2016

TABLE OF CONTENTS

Page

**INTRODUCTORY SECTION**

|  |    |
|--|----|
| <b>Table of Contents</b> .....   | i  |
| <b>Transmittal Letter</b> .....  | v  |
| <b>Pinellas Suncoast Fire &amp; Rescue District Organization</b> ..... | x  |
| <b>Listing of District Officials</b> .....                             | xi |

**FINANCIAL SECTION**

|  |    |
|--|----|
| <b>Independent Auditor's Report</b> .....                                  | 1  |
| Management's Discussion and Analysis .....                                 | 4  |
| <b>Basic Financial Statements</b>  |    |
| Government-Wide Financial Statements:                                      |    |
| Statement of Net Position .....  | 15 |
| Statement of Activities .....  | 16 |
| Fund Financial Statements:   |    |
| Balance Sheet - Governmental Funds .....                                   | 17 |
| Reconciliation of the Balance Sheet to the Statement of                    |    |
| Net Position - Governmental Funds .....                                    | 18 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances -        |    |
| Governmental Funds .....   | 19 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes      |    |
| in Fund Balance of the Governmental Funds to the Statement of Activities - |    |
| Governmental Funds .....   | 20 |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| <b><u>FINANCIAL SECTION (CONTINUED)</u></b>  |             |
| Statement of Revenues, Expenditures, and Changes in Fund Balance -<br>Budget and Actual:                     |             |
| General Fund . . . . .   | 21          |
| Notes to Financial Statements . . . . .  | 22          |
| <b>Required Supplementary Information:</b>   |             |
| Schedule of the District’s Proportionate Share of the Florida  |             |
| Retirement System Pension Plan Net Pension Liability . . . . .   | 68          |
| Schedule of the District’s Contributions to the Florida  |             |
| Retirement System Pension Plan . . . . .   | 69          |
| Schedule of the District’s Proportionate Share of the Florida  |             |
| Retirement System HIS Program Net Pension Liability . . . . .  | 70          |
| Schedule of the District’s Contributions to the Florida  |             |
| Retirement System HIS Program . . . . .  | 71          |
| <b>Individual Fund Financial Statements and Schedules</b>  |             |
| <u>General Fund:</u>   |             |
| Comparative Balance Sheets . . . . .   | 72          |
| Comparative Schedules of Revenues, Expenditures and<br>Changes in Fund Balance - Budget and Actual . . . . . | 73          |
| <u>Capital Assets Used in Operation of Governmental Funds:</u>   |             |
| Comparative Schedules by Source . . . . .  | 75          |
| Comparative Schedules by Function and Activity . . . . .   | 76          |
| Schedule of Changes by Function and Activity . . . . .   | 78          |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

Page

**STATISTICAL SECTION**

**Fund Information:**

Financial Trends:

|   |    |
|---|----|
| Net Position by Component . . . . .                     | 79 |
| Changes in Net Position . . . . .                       | 80 |
| Fund Balances, Governmental Funds. . . . .              | 82 |
| Changes in Fund Balances, Governmental Funds . . . . .  | 83 |
| General Governmental Expenditures by Function . . . . . | 84 |
| General Governmental Revenues by Source . . . . .       | 85 |

Revenue Capacity:

|   |    |
|---|----|
| Assessment Fee Schedule . . . . .                             | 86 |
| Assessed Value and Actual Value of Taxable Property . . . . . | 87 |
| Taxable Assessed Property by Type . . . . .                   | 89 |
| Taxable Valuations, Assessments Levied and Collected. . . . . | 90 |

Debt Capacity:

|   |    |
|---|----|
| Computation of Direct and Overlapping Debt - General Obligation Bonds . . . . . | 91 |
| Legal Debt Margin Information . . . . .   | 92 |

Operating Information:

|   |    |
|---|----|
| Full Time Equivalent District Employees by Function . . . . . | 93 |
| Operating Indicators by Function . . . . .                    | 94 |
| Capital Assets Statistics. . . . .                            | 95 |
| Schedule of Insurance in Force . . . . .                      | 96 |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

Page

**OTHER REPORTS**

|   |     |
|---|-----|
| Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Based on An Audit of Financial<br>Statements Performed in Accordance with <i>Government Auditing Standards</i> . . . . . | 97  |
| Attestation Report . . . . .  | 99  |
| Management Letter . . . . .   | 100 |
| Memorandum on Review of Internal Control Structure . . . . .  | 103 |
| Management’s Response. . . . .  | 107 |





# **Pinellas Suncoast Fire & Rescue**

**304 FIRST STREET  
INDIAN ROCKS BEACH, FLORIDA 33785-2587**

**(727) 595-1117 FAX: (727) 595-5879**

**[www.psfrd.org](http://www.psfrd.org)**

**FIRE CHIEF**

**SALVATORE A. D'ANGELO III**

June 6, 2017

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

The Comprehensive Annual Financial Report ("CAFR") of the Pinellas Suncoast Fire & Rescue District (PSFRD), Florida, for the fiscal year ended September 30, 2016, 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, PL, 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, 2016 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, 2016, 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, 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 38 trained EMTs or Paramedics, responding to more than 3,600 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 other Fire Departments in Pinellas County, PSFRD has not received a share of the county's "Pennies for Pinellas" funding program. The Districts FY 2015 – 2016 primary funding source was non-ad valorem assessments (73.0%) while the District's primary EMS call volume was (81.6%). The District's EMS tax levy was \$2,555.4k. Pinellas County's re-distributed EMS tax levy apportioned to PSFRD was \$1,229.3k (48.9% of the levy) representing a continued staggering disproportionate share to our citizenry within the Pinellas Suncoast Fire & Rescue District.

The districts 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 systematically reduced allocated EMS funding to PSFRD by 58.8% (\$1,004.8k) from 2009 to 2015 while increasing the Districts EMS tax levy by 23.1% (\$479.6k). The District continues to experience annual customary wear and tear operational cost increases without the benefit of revenue offsets due to a stagnant assessment and the detrimental EMS defunding for station 26 and 28. Chief D'Angelo managed to have station 26 funding reinstated in FY 2015 - 2016 and will continue building the necessary relationships with county officials to reestablish funding for station 28 and amicably settle the Intergovernmental Dispute Resolution during fiscal year 2016 – 2017. Full EMS funding and the additional funding through an ad-valorem tax is required to meet the District's sustainability to meet its obligations and 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 the citizens and visitors of 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 the delivery of high quality service and safety for our first responders. The plan objective is to facilitate sound administrative facilities, lifesaving equipment, personnel and structure replacements in accordance with NFPA Standards by developing funding source 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 operational 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 2015 – 2016 Unassigned Fund Balance to operating expenditures was 17.2% 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 with minimum debt obligations 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.

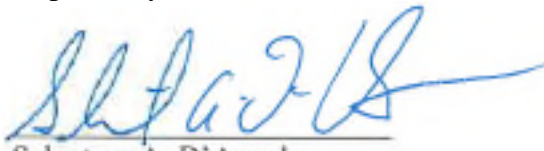
Factors continuing to challenge the District include increases in nondiscretionary costs, such as fuel, apparatus maintenance, risk management insurance, health care insurance, worker's compensation insurance, retirement funding and utilities. In November 2016 our referendum was voted in favor of implementing an ad-valorem tax. Although there is a law suit disputing the referendum question, it was the District's most significant hurdle to overcome. Additionally, the discrepancy between EMS ad valorem taxation and the unbalanced re-distribution by the Pinellas County EMS authority poses the last hurdle to overcome, which is the frontline subject for resolution during FY 2016 - 2017.

#### 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, PL. 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,

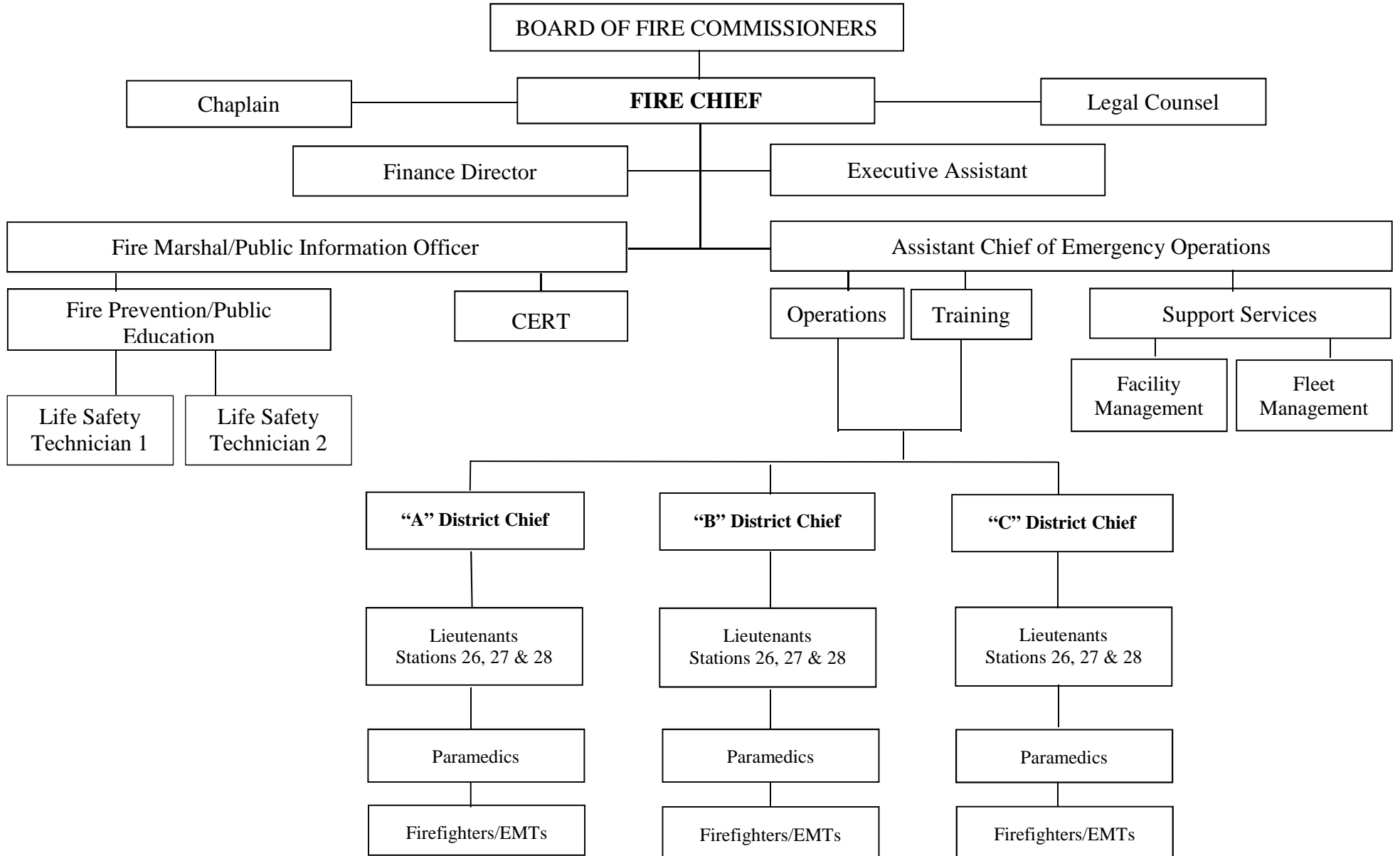


Salvatore A. D'Angelo  
Fire Chief



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, 2016, 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, 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-14 and the schedules of net pension liability and District contributions for the FRS pension and HIS programs on pages 64-67 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.*

May 4, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis September 30, 2016

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, 2016.

### FINANCIAL HIGHLIGHTS

- (A) In accordance with GASB 68, the liabilities of the District exceeded its assets at the close of the 2016 fiscal year by \$883,173 (*net position*). Of this amount, the unrestricted net position had a deficit of (\$2,911,516).
- (B) The District's net position decreased by \$1,106,373. This decrease was the net result of a \$242,238 change in fund balance increase in Capital Projects, a \$215,333 change in fund balance decrease in the General Fund, a \$124,151 reduction in net capital assets, \$1,400,562 increase in deferred outflows of resources related to the pension plan, \$196,360 increase in post-employment health care obligations, \$24,049 increase in compensated absence obligations, \$3,453,991 increase in net pension liability, a \$138,075 assessment correction and a \$1,402,786 decrease in deferred inflows of resources related to pension plan, all of which do not require the use of current financial resources.
- (C) As of the fiscal year 2016 close, the District's governmental funds (general and capital projects funds) reported an ending fund balance of \$2,735,630. This is a decrease of \$26,905 in comparison with the prior year. Approximately \$1,926,949 is available for spending at the district's discretion.
- (D) Outstanding debt includes compensated absences, post-employment health care obligations and an assessment correction at the end of fiscal year 2016 totaling \$920,501.

### 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, 2016

## **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. Prior to GASB 68, increases or decreases in net assets could serve as a useful indicator of whether the financial position of the district is improving or deteriorating. However, the implementation of GASB 68 no longer serves this function.

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, 2016

*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*. However, GASB 68 has changed all meaningful analysis through the introduction of actuarial data references for pension plans.

The District maintains two governmental funds, a 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 2016.

### **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 63 of this report.

### **Other information**

Individual general fund financial statements and schedules can be found on pages 68 – 74 of this report.



# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis September 30, 2016

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Due to GASB 68, the District's liabilities exceeded assets by \$1,106,373 at the fiscal year ended on September 30, 2016.

The District's capital assets represent investments in land, buildings and improvements and equipment. Approximately 19% 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.

Due to GASB 68, the *unrestricted* category of net assets, has become a deficit balance of (\$2,911,516) at year end.

|                                  | <u>Statement of Net Position</u> |                    |
|----------------------------------|----------------------------------|--------------------|
|                                  | <u>2016</u>                      | <u>2015</u>        |
| Cash                             | \$ 821,776                       | \$ 644,094         |
| Other current assets             | 2,201,647                        | 2,549,114          |
| Capital assets, net              | 1,298,856                        | 1,423,007          |
| Deferred Outflows – Pension Plan | <u>2,696,530</u>                 | <u>1,295,968</u>   |
| Total Assets                     | 7,018,809                        | 5,912,183          |
| Long-term liabilities            | 7,139,782                        | 3,360,934          |
| Other liabilities                | 434,878                          | 597,941            |
| Deferred Inflows – Pension Plan  | <u>327,322</u>                   | <u>1,730,108</u>   |
| <br>Total liabilities            | <br>7,901,982                    | <br>5,688,983      |
| Net Position:                    |                                  |                    |
| Capital assets                   | 1,298,856                        | 1,423,007          |
| Capital projects                 | 729,487                          | 487,249            |
| Unrestricted                     | <u>(2,911,516)</u>               | <u>(1,687,056)</u> |
| Total Net Position               | <u>(\$ 883,173)</u>              | <u>\$ 223,200</u>  |

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis September 30, 2016

**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> |             |
|---|--------------------------------|-------------|
|   | 2016                           | 2015        |
| Program Revenues:                       |                                |             |
| Charges for services                    | \$ 40,338                      | \$ 42,088   |
| Operating and capital contributions     | -                              | -           |
| Total Program Revenues                  | 40,338                         | 42,088      |
| General Revenues:                       |                                |             |
| Property assessments                    | 3,634,012                      | 3,641,391   |
| Impact fees                             | 242,238                        | 201,776     |
| Investment earnings                     | 21,085                         | 15,672      |
| Intergovernmental revenue               | 1,254,652                      | 704,947     |
| Other                                   | 25,964                         | 75,683      |
| Total General Revenues                  | 5,177,951                      | 4,640,469   |
| Total Program and General Revenues      | 5,218,289                      | 4,682,557   |
| Expenses                                |                                |             |
| Public Safety - Fire and EMS Protection | 6,324,662                      | 6,486,960   |
| Total Expenses                          | 6,324,662                      | 6,486,960   |
| Change in net position                  | (1,106,373)                    | (1,804,403) |
| Prior period adjustments                | -                              | (1,668,478) |
| Net position, beginning of year         | 223,200                        | 3,696,081   |
| Net position end of year                | (\$ 883,173)                   | \$ 223,200  |

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2016

## **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 \$892,360. 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 17.2% of total general fund expenditures.

Total fund balance of the General Fund decreased \$215,333 during the current fiscal year. Key factors in the fiscal year operational results, are as follows:

### **Revenue:**

- Fire Assessment Fees are slightly ahead of the adopted budget due to prior year delinquent tax receipts.
- EMS funding is 1.5% greater than the budget due to County funding of the internal CME education program.
- Inspection Fees are under budget due to an increase in code compliance, lessening the need for re-inspections, thereby reducing the associated revenues.
- Interest earnings are 26% ahead of the budget due to an increase in short term investment ROI and the Money Market investment of surplus cash.

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2016

## Operating Expense:

Overall expenditures are \$157,196 under budget which is reflective of a tightly scrutinized spending plan during the fiscal year. The result of our closely monitored cost control programs are as follows:

### **Personnel**

- “Personnel Services – Compensation” – although we experienced uncharacteristic personnel change activity during this fiscal year, compensation expenditures were \$100k less than original projections, due to Chief D’Angelo’s innovative fiscal management aptitude and swiftness in identifying operational weaknesses and acting accordingly.
- “Personnel Services – Benefits” – this year’s reduction in health care and worker’s compensation costs contributed to significant budget savings providing for additional contingencies to work with throughout the year.

### **General Operating Expense**

- “Operating Expense” – savings in fuel costs, reductions in equipment purchases and stringent expense monitoring resulted in a 2.9% budget savings.

## Excess (Deficiency) of Revenues Over/Under Expenses:

- Through unyielding cost control programs, the budget deficit was successfully reduced from \$390.6k to \$215.3k representing a \$175.2k budget deficit savings for the fiscal year. This positive outcome is a direct result of managing staff changes, the health care and worker’s compensation cost decreases and focused expense management. Our continuous cost control improvement process is employed to enhance the “Net Change in Unassigned Fund Balance” and increase reserves, essential for future capital expenditure additions and replacements.

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis September 30, 2016

Our mission is to provide quality emergency services to all residents under our protection as well as to all visitors or travelers who may encounter natural or man-made disasters; emergencies such as medical, fire, vehicle, hazardous materials, boat and water. We strive to reduce injuries, loss of life, property and environmental damage through education, training, skills, technology, building codes, enforcement, and people. Our primary objective for meeting our mission is for the protection of our First Responders, through ongoing training and maintaining compliance with all safety standards. Our secondary objective 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 implemented three critical programs in FY 2016 - 2017, as follows:

1. Re-open station 26 in Indian Shores and acquire a commitment from the Pinellas County EMS Authority for funding to resume on a long-term basis.
2. 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. This process moved into FY 2016 – 2017 with anticipated pre-mediation resolution during the third or fourth quarter.
3. Successfully present the district's constituents with a referendum to add an advalorem tax complimenting the non-advalorem assessment to provide funding for capital infrastructure and apparatus requirements for mission achievement.

### **General Fund Budgetary Highlights**

The annual budget is legally adopted for the Capital Projects Fund and the General Fund. There were no amendments to the budget during the fiscal year other than line item adjustments that had no change in the overall budget.

As in past years, property assessment and EMS income represents the greater portion (98.1%) of the district's total operating revenue of \$4,975,956. The 1.9% differential reflects fire safety, investment interest earnings and non-repetitive income streams.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2016

**Fiscal Year 2016 Budget – General Fund**

|                                   | <u>2016</u>               |                       |                   | <u>2015</u>           |
|-----------------------------------|---------------------------|-----------------------|-------------------|-----------------------|
|                                   | <u>Budget<br/>(Final)</u> | <u>Actual</u>         | <u>Variance</u>   | <u>Actual</u>         |
| Revenues:                         |                           |                       |                   |                       |
| Property Assessments              | \$ 3,630,696              | \$3,634,012           | \$ 3,316          | \$ 3,641,391          |
| Other                             | <u>1,327,314</u>          | <u>1,342,039</u>      | <u>14,725</u>     | <u>815,793</u>        |
| <b>Total Revenues</b>             | \$ 4,958,010              | \$4,976,051           | \$ 18,041         | \$ 4,457,184          |
| Expenditures:                     |                           |                       |                   |                       |
| General Government:               |                           |                       |                   |                       |
| Public Safety – Fire and EMS      | <u>5,348,580</u>          | <u>5,191,384</u>      | <u>157,196</u>    | <u>4,620,829</u>      |
| <b>Net Change in fund balance</b> | ( <u>\$ 390,570</u> )     | ( <u>\$ 215,333</u> ) | <u>\$ 175,237</u> | ( <u>\$ 163,645</u> ) |

**Fiscal Year 2015 Budget – General Fund**

|                                   | <u>2015</u>               |                       |                  | <u>2014</u>       |
|-----------------------------------|---------------------------|-----------------------|------------------|-------------------|
|                                   | <u>Budget<br/>(Final)</u> | <u>Actual</u>         | <u>Variance</u>  | <u>Actual</u>     |
| 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>    |
| <b>Total Revenues</b>             | 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>  |
| <b>Net Change in fund balance</b> | ( <u>\$ 186,371</u> )     | ( <u>\$ 163,645</u> ) | <u>\$ 22,726</u> | <u>\$ 125,308</u> |

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

## Management's Discussion and Analysis September 30, 2016

### Capital Assets

At the end of 2016, the district's investment in capital assets for its governmental activities was \$1,298,856 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and equipment.

#### Change in Capital Assets – Governmental Activities

|                               | 2016                 |                                 |                     | 2015                |
|-------------------------------|----------------------|---------------------------------|---------------------|---------------------|
|                               | Beginning<br>Balance | Net<br>Additions<br>(Deletions) | Ending<br>Balance   | Ending<br>Balance   |
| Land                          | \$ 61,000            | \$ -                            | \$ 61,000           | \$ 61,000           |
| Buildings and improvements    | 349,350              | -                               | 349,350             | 349,350             |
| Equipment                     | <u>2,583,559</u>     | <u>(126,411)</u>                | <u>2,457,148</u>    | <u>2,583,559</u>    |
| Total Capital Assets          | 2,993,909            | (126,411)                       | 2,993,909           | 2,993,909           |
| Less accumulated depreciation | <u>(1,570,902)</u>   | <u>2,260</u>                    | <u>(1,568,642)</u>  | <u>(1,570,902)</u>  |
| Capital assets, net           | <u>\$ 1,423,007</u>  | <u>(\$ 124,151)</u>             | <u>\$ 1,298,856</u> | <u>\$ 1,423,007</u> |
|                               |                      |                                 |                     |                     |
|                               | 2015                 |                                 |                     | 2014                |
|                               | Beginning<br>Balance | Net<br>Additions<br>(Deletions) | Ending<br>Balance   | Ending<br>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> |

# PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

Management's Discussion and Analysis  
September 30, 2016

## **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 2016, the district's outstanding long-term debt consisted of post-employment health care obligation, an assessment correction and accrued sick and vacation pay totaling \$920,501.

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 \$5,348,580 budget for the 2016 fiscal year. This adopted budget represents a 16.0% increase from the previous year's actual expenditures providing for contingencies to cover the following major possibilities:

- Station 26 labor and overhead.
- Personnel overtime and FRS increases.
- Aging apparatus repairs.
- Aging facility repairs.

## **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, 2016

ASSETS

|   |                    |
|---|--------------------|
| Cash  | \$ 821,776         |
| Investments                                 | 2,074,704          |
| Receivables                                 |                    |
| net of allowance for uncollectible accounts | 41,693             |
| Prepaid items                               | 79,194             |
| Accrued interest                            | 6,056              |
| Capital Assets:                             |                    |
| Land  | 61,000             |
| Buildings and improvements                  | 349,350            |
| Equipment                                   | 2,457,148          |
| Accumulated depreciation                    | <u>(1,568,642)</u> |
| Total capital assets, net                   | <u>1,298,856</u>   |
| <br>TOTAL ASSETS                            | <br>4,322,279      |

DEFERRED OUTFLOWS OF RESOURCES

|  |           |
|--|-----------|
| Deferred outflows of resources related to FRS pension plan | 2,696,530 |
|--|-----------|

LIABILITIES

|                                  |                  |
|----------------------------------|------------------|
| Accounts payable                 | 154,351          |
| Accrued salaries and benefits    | 133,442          |
| Noncurrent liabilities           |                  |
| Due within one year              | 147,085          |
| Due in more than one year        | 773,416          |
| Net pension liability, long-term | <u>6,366,366</u> |
| <br>TOTAL LIABILITIES            | <br>7,574,660    |

DEFERRED INFLOWS OF RESOURCES

|   |         |
|---|---------|
| Deferred inflows of resources related to FRS pension plan | 327,322 |
|---|---------|

NET POSITION

|                                  |                                |
|----------------------------------|--------------------------------|
| Net investment in capital assets | 1,298,856                      |
| Restricted for capital projects  | 729,487                        |
| Unrestricted                     | <u>(2,911,516)</u>             |
| <br>TOTAL NET POSITION           | <br>\$ <u><u>(883,173)</u></u> |

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

EXPENSES:

Public safety - fire and EMS protection:

|                        |                |
|------------------------|----------------|
| Personnel services     | \$ 5,220,720   |
| Materials and supplies | 949,186        |
| Depreciation           | <u>154,756</u> |

|   |                  |
|---|------------------|
| Total public safety - fire and EMS protection | <u>6,324,662</u> |
|---|------------------|

|                        |           |
|------------------------|-----------|
| TOTAL PROGRAM EXPENSES | 6,324,662 |
|------------------------|-----------|

PROGRAM REVENUES:

|                      |               |
|----------------------|---------------|
| Charges for services | <u>40,338</u> |
|----------------------|---------------|

|                        |               |
|------------------------|---------------|
| Total program revenues | <u>40,338</u> |
|------------------------|---------------|

|                      |           |
|----------------------|-----------|
| Net program expenses | 6,284,324 |
|----------------------|-----------|

GENERAL REVENUES:

|             |           |
|-------------|-----------|
| Assessments | 3,634,012 |
|-------------|-----------|

|             |         |
|-------------|---------|
| Impact fees | 242,238 |
|-------------|---------|

Intergovernmental Revenue:

|            |           |
|------------|-----------|
| County-EMS | 1,247,107 |
|------------|-----------|

|       |       |
|-------|-------|
| State | 7,545 |
|-------|-------|

|                     |        |
|---------------------|--------|
| Investment earnings | 21,085 |
|---------------------|--------|

|               |               |
|---------------|---------------|
| Miscellaneous | <u>25,964</u> |
|---------------|---------------|

|                        |                  |
|------------------------|------------------|
| TOTAL GENERAL REVENUES | <u>5,177,951</u> |
|------------------------|------------------|

|                        |             |
|------------------------|-------------|
| CHANGE IN NET POSITION | (1,106,373) |
|------------------------|-------------|

|                          |                |
|--------------------------|----------------|
| NET POSITION - BEGINNING | <u>223,200</u> |
|--------------------------|----------------|

|                       |                            |
|-----------------------|----------------------------|
| NET POSITION - ENDING | <u><u>\$ (883,173)</u></u> |
|-----------------------|----------------------------|

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

(with comparative totals as of September 30, 2015)

| <u>ASSETS</u>   | General<br>Fund     | Capital<br>Projects | Total<br>Governmental<br>Funds | Totals<br>2015      |
|---|---------------------|---------------------|--------------------------------|---------------------|
| Cash  | \$ 92,289           | \$ 729,487          | \$ 821,776                     | \$ 644,094          |
| Investments   | 2,074,704           | -                   | 2,074,704                      | 2,257,790           |
| Prepaid items   | 79,194              | -                   | 79,194                         | 36,929              |
| Accrued interest                                      | 6,056               | -                   | 6,056                          | 11,045              |
| Receivables (net of allowance<br>for uncollectibles): |                     |                     |                                |                     |
| Accounts  | 37,525              | -                   | 37,525                         | 241,640             |
| Intergovernmental                                     |                     |                     |                                |                     |
| State   | 1,285               | -                   | 1,285                          | -                   |
| County  | 2,883               | -                   | 2,883                          | 1,710               |
| <b>TOTAL ASSETS</b>                                   | <b>\$ 2,293,936</b> | <b>\$ 729,487</b>   | <b>\$ 3,023,423</b>            | <b>\$ 3,193,208</b> |
| <br><u>LIABILITIES AND FUND BALANCE</u>               |                     |                     |                                |                     |
| Liabilities:  |                     |                     |                                |                     |
| Accounts payable                                      | \$ 154,351          | \$ -                | \$ 154,351                     | \$ 311,018          |
| Accrued salaries and benefits payable                 | 133,442             | -                   | 133,442                        | 173,465             |
|   | 287,793             | -                   | 287,793                        | 484,483             |
| Fund balance:   |                     |                     |                                |                     |
| Nonspendable  | 79,194              | -                   | 79,194                         | 36,929              |
| Restricted  | -                   | 729,487             | 729,487                        | 487,249             |
| Assigned  | 957,995             | -                   | 957,995                        | 957,995             |
| Unassigned  | 968,954             | -                   | 968,954                        | 1,226,552           |
|   | 2,006,143           | 729,487             | 2,735,630                      | 2,708,725           |
| <b>Total liabilities and fund balance</b>             | <b>\$ 2,293,936</b> | <b>\$ 729,487</b>   | <b>\$ 3,023,423</b>            | <b>\$ 3,193,208</b> |

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, 2016

Fund balance - total governmental fund \$ 2,735,630

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   | \$ 2,867,498       |           |
| Less accumulated depreciation | <u>(1,568,642)</u> |           |
|                               |                    | 1,298,856 |

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. |  | 2,696,530 |
|---|--|-----------|

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 | 304,546        |           |
| Settlement                              | 138,075        |           |
| Compensated absences                    | <u>477,880</u> |           |
|   | 920,501        | (920,501) |

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                                      | (6,366,366)      |                    |
| Deferred inflows of resources related to the pension plan. | <u>(327,322)</u> |                    |
|  |                  | <u>(6,693,688)</u> |

|   |  |                            |
|---|--|----------------------------|
| Net position of governmental activities |  | \$ <u><u>(883,173)</u></u> |
|---|--|----------------------------|

See Notes to Financial Statements.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

(with comparative totals for the fiscal year ended September 30, 2015)

|  | <u>General</u> | <u>Capital</u>  | <u>Total</u>        |              |
|--|----------------|-----------------|---------------------|--------------|
|  | <u>Fund</u>    | <u>Projects</u> | <u>Governmental</u> | <u>Total</u> |
|  |                |                 | <u>Funds</u>        | <u>2015</u>  |
| REVENUES:  |                |                 |                     |              |
| Assessments  | \$ 3,634,012   | \$ -            | \$ 3,634,012        | \$ 3,641,391 |
| Intergovernmental  | 1,254,652      | -               | 1,254,652           | 704,947      |
| Impact fees  | -              | 242,238         | 242,238             | 202,776      |
| Charge for services  | 40,338         | -               | 40,338              | 42,088       |
| Investment income  | 21,085         | -               | 21,085              | 15,672       |
| Miscellaneous  | 25,964         | -               | 25,964              | 53,086       |
|  | <hr/>          | <hr/>           | <hr/>               | <hr/>        |
| TOTAL REVENUES   | 4,976,051      | 242,238         | 5,218,289           | 4,659,960    |
| EXPENDITURES:  |                |                 |                     |              |
| Current:   |                |                 |                     |              |
| Public safety - Fire and EMS:                                |                |                 |                     |              |
| Personnel services   | 4,349,668      | -               | 4,349,668           | 3,933,240    |
| Operating services   | 825,421        | -               | 825,421             | 656,051      |
| Capital outlay   | 16,295         | -               | 16,295              | 113,342      |
|  | <hr/>          | <hr/>           | <hr/>               | <hr/>        |
| TOTAL EXPENDITURES   | 5,191,384      | -               | 5,191,384           | 4,702,633    |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | (215,333)      | 242,238         | 26,905              | (42,673)     |
| OTHER FINANCING SOURCES:                                     |                |                 |                     |              |
| Proceeds from sale of equipment                              | -              | -               | -                   | 3,546        |
| Proceeds from insurance                                      | -              | -               | -                   | 19,049       |
|  | <hr/>          | <hr/>           | <hr/>               | <hr/>        |
| Total other financing sources                                | -              | -               | -                   | 22,595       |
| NET CHANGE IN FUND BALANCE                                   | (215,333)      | 242,238         | 26,905              | (20,078)     |
| FUND BALANCE, OCTOBER 1                                      | <hr/>          | <hr/>           | <hr/>               | <hr/>        |
|  | 2,221,476      | 487,249         | 2,708,725           | 2,728,803    |
| FUND BALANCE, SEPTEMBER 30                                   | <hr/>          | <hr/>           | <hr/>               | <hr/>        |
|  | \$ 2,006,143   | \$ 729,487      | \$ 2,735,630        | \$ 2,708,725 |

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, 2016

Net change in fund balance - total governmental fund \$ 26,905

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                             | \$ 30,605        |           |
| Less current year depreciation                              | <u>(154,756)</u> |           |
|   |                  | (124,151) |
| Deferred outflows of resources related to the pension plan. |                  | 1,400,562 |

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                | (196,360)        |                    |
| Change in compensated absences                         | (24,049)         |                    |
| Change in net pension liability                        | (3,453,991)      |                    |
| Settlement   | (138,075)        |                    |
| Deferred inflows of resources related to pension plan. | <u>1,402,786</u> |                    |
|  |                  | <u>(2,409,689)</u> |

Change in net position of governmental activities \$ (1,106,373)

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, 2016

|                               | <u>ORIGINAL<br/>BUDGET</u> | <u>FINAL<br/>BUDGET</u> | <u>ACTUAL<br/>AMOUNTS</u> | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|-------------------------------|----------------------------|-------------------------|---------------------------|---|
| REVENUES:                     |                            |                         |                           |   |
| Assessments                   | \$ 3,630,696               | \$ 3,630,696            | \$ 3,634,012              | \$ 3,316  |
| EMS contract                  | 1,228,762                  | 1,247,108               | 1,247,107                 | (1)   |
| Intergovernmental             | 10,800                     | 7,545                   | 7,545                     | -   |
| Charge for services           | 67,725                     | 40,312                  | 40,338                    | 26  |
| Investment income             | 7,738                      | 16,780                  | 21,085                    | 4,305   |
| Miscellaneous                 | <u>12,289</u>              | <u>15,569</u>           | <u>25,964</u>             | <u>10,395</u>                                   |
| TOTAL REVENUES                | 4,958,010                  | 4,958,010               | 4,976,051                 | 18,041  |
| EXPENDITURES:                 |                            |                         |                           |   |
| Current:                      |                            |                         |                           |   |
| Public safety - Fire and EMS: |                            |                         |                           |   |
| Personnel services            | 4,686,025                  | 4,482,411               | 4,349,668                 | 132,743   |
| Operating                     | 651,305                    | 848,948                 | 825,421                   | 23,527  |
| Capital outlay                | <u>11,250</u>              | <u>17,221</u>           | <u>16,295</u>             | <u>926</u>                                      |
| TOTAL EXPENDITURES            | <u>5,348,580</u>           | <u>5,348,580</u>        | <u>5,191,384</u>          | <u>157,196</u>                                  |
| NET CHANGE IN FUND BALANCE    | (390,570)                  | (390,570)               | (215,333)                 | 175,237   |
| FUND BALANCE, OCTOBER 1       | <u>2,221,476</u>           | <u>2,221,476</u>        | <u>2,221,476</u>          | -   |
| FUND BALANCE, SEPTEMBER 30    | <u>\$ 1,830,906</u>        | <u>\$ 1,830,906</u>     | <u>\$ 2,006,143</u>       | <u>\$ 175,237</u>                               |

See Notes to Financial Statements.



**NOTES TO**  
**FINANCIAL STATEMENTS**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**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 District does not have any component units.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**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, 2016

**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.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**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, 2016

**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 (c) 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, 2016

**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 2016 assessment by the District was \$3,634,012.

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, 2016

**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, 2016

**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.

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>Forty-Eight Hour<br/>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, 2016

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

Accrued Leave (Continued):

B. Administrative Personnel

| <u>Service Completed</u>              | <u>Work Days</u>           |                               |
|---------------------------------------|----------------------------|-------------------------------|
|                                       | <u>Sworn<br/>Personnel</u> | <u>Civilian<br/>Personnel</u> |
| 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, 2016

**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, 2016

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, 2016

**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, 2016

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, 2016

**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.

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

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, 2016

**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 \$(3,618,803) difference is as follows:

|  |                              |
|--|------------------------------|
| Capital assets, net of accumulated depreciation  | \$ 1,298,856                 |
| Post-employment health obligation  | (304,546)                    |
| Settlement   | (138,075)                    |
| Compensated absences   | (477,880)                    |
| Deferred outflows of resources   | 2,696,530                    |
| Net pension liability  | (6,366,366)                  |
| Deferred inflows of resources  | <u>(327,322)</u>             |
| Net adjustment to decrease <i>fund balance - total Governmental funds</i> to arrive at <i>net position - Governmental activities</i> | \$ <u><u>(3,618,803)</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 \$1,276,411 difference are as follows:

|   |                            |
|---|----------------------------|
| Capital outlay  | \$ 30,605                  |
| Depreciation expense  | (154,756)                  |
| Deferred outflows of resources  | <u>1,400,562</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>1,276,411</u></u> |



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**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 \$(2,409,689) difference are as follows:

|  |                       |
|--|-----------------------|
| Post-employment health care obligation   | \$ (196,360)          |
| Compensated absences   | (24,049)              |
| Net pension liability  | (3,453,991)           |
| Settlement   | (138,075)             |
| Deferred inflows of resources  | <u>1,402,786</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>\$ (2,409,689)</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. The Finance Director has been authorized by the Board to make line item transfers within the budget if total appropriations of the fund are not changed.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**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, 2016, the District did not establish or eliminate any funds.

Excess of appropriation over expenditures - The general fund had an operating deficit of \$215,332 for the fiscal year ended September 30, 2016.

**4. Deposits**

At year-end the carrying amount of the District's deposits was \$821,776 and the bank balance maintains a balance of \$784,104. 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, 2016

**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, 2016

**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, 2016

**5. Investments (Continued)**

- \* The Fund 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, 2016 are presented as follows:

| <u>Investment Type</u>   | <u>Overall<br/>Credit<br/>Rating</u> | <u>Fair<br/>Value</u> | <u>Average<br/>Effective<br/>Duration<br/>(Years)</u> |
|--|--------------------------------------|-----------------------|---|
| Bank United NA, 0.57%<br>Certificate of Deposit<br>(matures October 25, 2016)  | Not Rated                            | \$ 248,950            | N/A   |
| Florida Safe   | Not Rated                            | 754                   | Open-ended  |
| FLS Term Series 219478   | Not Rated                            | 300,000               | N/A   |
| FLS Term Series 232126   | Not Rated                            | 75,000                | N/A   |
| Bank United NA, 0.80%<br>Certificate of Deposit<br>(matures July 3, 2017)      | Not Rated                            | 250,000               | N/A   |
| Bank United NA, 0.72%<br>Certificate of Deposit<br>(matures July 26, 2017)     | Not Rated                            | 500,000               | N/A   |
| Bank United NA, 0.62%<br>Certificate of Deposit<br>(matures February 22, 2017) | Not Rated                            | <u>700,000</u>        | N/A   |
| Total investments  |                                      | <u>\$ 2,074,704</u>   |   |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**5. Investments (Continued)**

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.

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, 2016, consist of the following:

|                                       | <u>General<br/>Fund</u> |
|---------------------------------------|-------------------------|
| Receivables:                          |                         |
| Accounts                              | \$ 37,525               |
| Intergovernmental                     | <u>4,168</u>            |
| Gross receivables                     | 41,693                  |
| Less: Allowance for<br>uncollectibles | <u>-</u>                |
| Net total receivables                 | <u><u>\$ 41,693</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, 2016

**7. Capital Assets**

Capital asset activity for the year ended September 30, 2016 was as follows:

|  | Balance<br>October 1,<br>2015 | Increases           | Decreases         | Balance<br>September 30,<br>2016 |
|--|-------------------------------|---------------------|-------------------|----------------------------------|
|  | <u>          </u>             | <u>          </u>   | <u>          </u> | <u>          </u>                |
| <u>Governmental activities:</u>                                |                               |                     |                   |                                  |
| Capital assets, not being depreciated:                         |                               |                     |                   |                                  |
| Land   | \$ 61,000                     | \$ -                | \$ -              | \$ 61,000                        |
| Total capital assets, not being depreciated                    | 61,000                        | -                   | -                 | 61,000                           |
| Capital assets, being depreciated:                             |                               |                     |                   |                                  |
| Buildings and improvements                                     | 349,350                       | -                   | -                 | 349,350                          |
| Equipment  | <u>2,583,559</u>              | <u>30,605</u>       | <u>(157,016)</u>  | <u>2,457,148</u>                 |
| Total capital assets, being depreciated                        | 2,932,909                     | 30,605              | (157,016)         | 2,806,498                        |
| Less accumulated depreciation for:                             |                               |                     |                   |                                  |
| Buildings and improvements                                     | 262,868                       | 5,821               | -                 | 268,689                          |
| Equipment  | <u>1,308,034</u>              | <u>148,935</u>      | <u>157,016</u>    | <u>1,299,953</u>                 |
| Total accumulated depreciation                                 | <u>1,570,902</u>              | <u>154,756</u>      | <u>157,016</u>    | <u>1,568,642</u>                 |
| <br>   |                               |                     |                   |                                  |
| Total capital assets, net of depreciation                      | <u>1,362,007</u>              | <u>(124,151)</u>    | <u>-</u>          | <u>1,237,856</u>                 |
| <br>   |                               |                     |                   |                                  |
| Governmental activities<br>capital assets, net of depreciation | <u>\$ 1,423,007</u>           | <u>\$ (124,151)</u> | <u>\$ -</u>       | <u>\$ 1,298,856</u>              |

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

|   |                          |
|---|--------------------------|
| Governmental activities:                              |                          |
| Public safety - Fire and EMS Protection               | \$ <u>154,756</u>        |
| <br>  |                          |
| Total depreciation expenses - governmental activities | \$ <u><u>154,756</u></u> |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**8. Long-Term Debt**

Long-term debt is summarized as follows:

| Description   | Balance<br>October 1,<br>2015 | Additions           | Deletions   | Balance<br>September 30,<br>2016 | Due<br>Within<br>One Year |
|---|-------------------------------|---------------------|-------------|----------------------------------|---------------------------|
| Post-employment health care<br>obligation (Note 16) | \$ 108,186                    | \$ 196,360          | \$ -        | \$ 304,546                       | \$ -                      |
| Settlement  | -                             | 138,075             | -           | 138,075                          | 27,615                    |
| Compensated absences                                | 453,831                       | 24,049              | -           | 477,880                          | 119,470                   |
| Net pension liability - pension                     | 2,100,218                     | 3,211,067           | -           | 5,311,285                        | -                         |
| Net pension liability - HIS                         | 812,157                       | 242,924             | -           | 1,055,081                        | -                         |
|   | <u>\$ 3,474,392</u>           | <u>\$ 3,812,475</u> | <u>\$ -</u> | <u>\$ 7,286,867</u>              | <u>\$ 147,085</u>         |

**9. Accrued Leave**

General long-term debt as of September 30, 2016 includes accrued leave costs which will not normally be liquidated with expendable available financial resources early in the 2016 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, 2016

**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<br>Fund         | Capital<br>Projects<br>Fund | Total                   |
|----------------------------|-------------------------|-----------------------------|-------------------------|
|                            | <u>          </u>       | <u>          </u>           | <u>          </u>       |
| Fund Balances:             |                         |                             |                         |
| Nonexpendable              | \$ 79,194               | \$ -                        | \$ 79,194               |
| Restricted for:            |                         |                             |                         |
| Equipment and improvements | -                       | 729,487                     | 729,487                 |
| Committed                  | 76,594                  | -                           | 76,594                  |
| Assigned for rolling stock | 957,995                 | -                           | 957,995                 |
| Unassigned                 | <u>892,360</u>          | <u>-</u>                    | <u>892,360</u>          |
| <br>Total fund balances    | <br><u>\$ 2,006,143</u> | <br><u>\$ 729,487</u>       | <br><u>\$ 2,735,630</u> |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**12. Employee Retirement Systems**

Florida Retirement System

Plan Description:

All Firefighters and general employees participate in the Florida Retirement System (FRS), 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, 2016

**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, 2016

**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 are 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 \$643,225 (pension and HIS) for the year ended September 30, 2016.

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, 2016

**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, 2016  | Employer Contribution Rates Beginning July 1, 2016 |
| 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. | 7.26% of covered payroll                           | 7.52% 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. | 22.04% of covered payroll                          | 22.57% of covered payroll                          |
| Special District Elected Officers | Same as Special Risk  | After 6 years of creditable service. | 42.27% of covered payroll                          | 42.47% of covered payroll                          |
| DROP From FRS                     | -   | -                                    | 12.88% of covered payroll                          | 12.92% 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 12.88% of salary for all DROP participants prior to June 30, 2016. The contribution rate for DROP participants after July 1, 2016 was also 12.92%. FRS also provides disability and survivors' benefits.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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

Funding Policy (Continued):

The District's contributions include 1.66% 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 three years are summarized as follows:

| <u>Year Ended</u>  | <u>Required<br/>Contribution</u> | <u>Percentage<br/>Contributed</u> |
|--------------------|----------------------------------|-----------------------------------|
| September 30, 2014 | \$ 418,565                       | 100.0%                            |
| September 30, 2015 | 465,750                          | 100.0                             |
| September 30, 2016 | 643,225                          | 100.0                             |

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

At September 30, 2016, the District reported a liability of \$5,311,285 and \$1,055,081 or its proportionate share of the net pension and HIS liability, respectively. The net pension liability was measured as of June 30, 2016, 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, 2016, the District's proportion was 0.021034728 percent for the pension plan and 0.009052922 percent for the HIS program.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**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, 2016, the District recognized pension expense of \$507,192 and \$143,451 for the HIS program. At September 30, 2016, 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<br>and experience  | \$ 406,673              | \$ (49,451)       | \$ -                   | \$ (2,403)         | \$ 406,673          | \$ (51,854)         |
| Changes in assumptions   | 321,317                 | -                 | 165,569                | -                  | 486,886             | -                   |
| Net difference between<br>projected and actual earnings<br>on pension plan investments                                 | 1,515,115               | -                 | 12,388                 | -                  | 1,527,503           | -                   |
| Changes in proportion and<br>difference between District's<br>contribution and proportionate<br>share of contributions | <u>245,579</u>          | <u>(245,579)</u>  | <u>29,889</u>          | <u>(29,889)</u>    | <u>275,468</u>      | <u>(275,468)</u>    |
| Total  | <u>\$ 2,488,684</u>     | <u>(295,030)</u>  | <u>\$ 207,846</u>      | <u>\$ (32,292)</u> | <u>\$ 2,696,530</u> | <u>\$ (327,322)</u> |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**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)**

Deferred outflows of resources related to District contributions paid subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. 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<br>Plan     | HIS<br>Plan       | Total            |
|---------------------|---------------------|-------------------|------------------|
| 2017                | \$ 353,682          | \$ 35,241         | \$ 388,923       |
| 2018                | 353,683             | 35,241            | 388,924          |
| 2019                | 817,818             | 29,211            | 847,029          |
| 2020                | 559,709             | 29,163            | 588,872          |
| 2021                | 82,326              | 25,230            | 107,556          |
| Thereafter          | <u>26,436</u>       | <u>21,469</u>     | <u>47,905</u>    |
| Total               | <u>\$ 2,193,654</u> | <u>\$ 175,555</u> | <u>2,369,209</u> |

*Actuarial Assumptions.* The total pension liability in the June 30, 2016 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,<br>including inflation                                   | 3.25 percent, average,<br>including inflation          |
| Investment rate of return | 7.60 percent, net of pension<br>plan investment expense,<br>including inflation | 2.85 percent, net of HIS Program<br>investment expense |
| Discount rate of return   | 7.60 percent  | 2.85 percent   |



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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)**

The following changes in actuarial assumptions occurred in 2016:

- FRS: The long-term expected rate of return was decreased from 7.65% to 7.60%, and the active member mortality assumptions was updated.
- HIS: The municipal rate used to determine total pension liability was decreased from 3.80% to 2.85%.

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, 2016 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. Because the HIS Program is funded on a pay as you go basis, no experience study has been completed for tht program.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2016 the FRS Actuarial Assumption Conference reviewed long-term assumptions developed by capital market assumptions teams from both Milliman and Aon Hewitt Investment Consulting, investment consultants to the Florida State Board of Administrator. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy 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 are based on a forward-looking capital market economic model. The 2016 FRS Actuarial Assumption Conference selected a return assumption of 7.60 percent, which is a *prescribed assumption* as defined by ASOP 27.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**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)**

Long-Term Expected Rate of Return (Continued):

| <u>Asset Class</u>       | <u>Target<br/>Allocation</u> | <u>Annual<br/>Arithmetic<br/>Return</u> | <u>Compound<br/>Annual<br/>(Geometric)<br/>Return</u> | <u>Standard<br/>Deviation</u> |
|--------------------------|------------------------------|---|---|-------------------------------|
| Cash                     | 1%                           | 3.0%                                    | 3.0%  | 1.7%                          |
| Fixed Income             | 18%                          | 4.7%                                    | 4.6%  | 4.6%                          |
| Global equity            | 53%                          | 8.1%                                    | 6.8%  | 17.2%                         |
| Real estate              | 10%                          | 6.4%                                    | 5.8%  | 12.0%                         |
| Private equity           | 6%                           | 11.5%                                   | 7.8%  | 30.0%                         |
| Strategic investments    | 12%                          | 6.1%                                    | 5.6%  | 11.1%                         |
| Assumed inflation - Mean |                              |   | 2.6%  | 1.9%                          |

**Calculation of Money-Weighted Rate of Return:**

For the year ended June 30, 2016, the annual money-weighted rate of return on FRS pension plan investments, net of pension plan investment expenses, was 0.57 percent. The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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)**

*Discount rate.* The discount rate used to measure the total pension liability for the pension plan was 7.60 percent and 2.85 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, 2016

**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 7.60 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%                  | Current             | 1%                  |
|                                | Decrease            | Discount Rate       | Increase            |
|                                | (6.60%)             | (7.60%)             | (8.60%)             |
| District's proportionate share |                     |                     |                     |
| of the net pension liability   | \$ <u>9,778,436</u> | \$ <u>5,311,285</u> | \$ <u>1,592,972</u> |

|                                | HIS Program         |                     |                   |
|--------------------------------|---------------------|---------------------|-------------------|
|                                | 1%                  | Current             | 1%                |
|                                | Decrease            | Discount Rate       | Increase          |
|                                | (1.85)              | (2.85%)             | (3.85%)           |
| District's proportionate share |                     |                     |                   |
| of the net pension liability   | \$ <u>1,210,417</u> | \$ <u>1,055,081</u> | \$ <u>926,160</u> |

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, 2016

**13. Contingent Liabilities**

The District did not receive federal grant funds during the fiscal year ended September 30, 2016 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.

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**15. Investment Measurement at Fair Value**

Fair Value Hierarchy

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

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

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

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

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

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

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

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**15. Investment Measurement at Fair Value (Continued)**

Fair Value Hierarchy (Continued)

Net asset value (NAV) is a common measurement of fair value for Level 1, Level 2, and Level 3 investments. A fund's NAV is simply its assets less its liabilities, and is often reported as a per share amount for fair value measurement purposes. The Plan would multiply the NAV per share owned to arrive at fair value. Level 1 investment in funds such as mutual funds report at a daily NAV per share and are actively traded. NAV also comes in to play for Level 2 and 3 investments. As a matter of convenience (or referred to in accounting literature as a "practical expedient"), a Plan can use the NAV per share for investments in a nongovernmental entity that does not have a readily determined fair value, such as an alternative investment. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund's reported NAV as a matter of convenience.

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following total recurring fair value measurements as of September 30, 2016 and 2015:

- *Debt securities* - Debt securities classified in Level 1 or Level 2 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by International Data Pricing and Reference Data, LLC to value securities based on the securities' relationship to benchmark quoted prices.

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**15. Investment Measurement at Fair Value (Continued)**

Fair Value Hierarchy (Continued)

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



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**15. Investment Measurement at Fair Value (Continued)**

Fair Value Hierarchy (Continued)

|  | September 30, | Fair Value Measurements Using  |   |  |
|--|---------------|--|---|--|
|  |               | Quoted<br>Prices in<br>Active<br>Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments by fair value level          | 2016          |  |   |  |
| Certificates of deposit                  | \$ 2,074,704  | \$ 2,074,704   | \$ -  | \$ -   |
| Total investments measured at fair value | \$ 2,074,704  | \$ 2,074,704   | \$ -  | \$ -   |

|  | September 30, | Fair Value Measurements Using  |   |  |
|--|---------------|--|---|--|
|  |               | Quoted<br>Prices in<br>Active<br>Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments by fair value level                | 2015          |  |   |  |
| Certificates of deposit                        | \$ 2,257,790  | \$ 2,257,790   | \$ -  | \$ -   |
| Total investments measured at fair value level | \$ 2,257,790  | \$ 2,257,790   | \$ -  | \$ -   |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**16. 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, 2016, a total of two eligible retirees and dependents were participating in the District's health program.

The District provides no funding for any portion of the premiums after retirement. However, the District recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund 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, 2016

**16. 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>9/30/16</u>    | <u>9/30/15</u>  |
|---|-------------------|-----------------|
| Annual required contributions (ARC)       | \$ 80,614         | \$ 128,975      |
| Interest on net OPEB obligation           | 10,176            | 7,343           |
| Adjustment to ARC                         | <u>(10,111)</u>   | <u>(7,296)</u>  |
| Annual OPEB cost                          | 80,679            | 129,022         |
| Contributions made (pay-as-you-go basis)  | <u>(30,542)</u>   | <u>(58,180)</u> |
| Increase in net OPEB obligation           | 50,137            | 70,842          |
| Net Pension obligation, beginning of year | <u>254,409</u>    | <u>183,567</u>  |
| Net pension obligation, end of year       | <u>\$ 304,546</u> | <u>254,409</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, 2016

**16. 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, 2015   |
| Actuarial Cost Method   | Projected Unit Credit with linear proration to decrement  |
| Amortization method     | Level percentage pay over thirty years based on an open group   |
| Discount rate           | 4.00%   |
| Inflation rate          | 3.00%   |
| Covered payroll         | 3.0% annually (for amortization purposes only)  |
| Employer funding policy | Pay-as-you-go cash basis  |
| Census data             | Census data was provided by the District and it was collected as of August 2016. We have reviewed it for reasonableness and no material modifications were made to the census data  |
| Mortality               | RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015 (RPH-2015 table is based on RPH-2014 table with 8 years of mortality improvements using scale MP-2014 backed out and projected to 2015 using scale MP-2015). The prior valuation used RP-2000 Combined Mortality Table Fully Generational using Scale AA. |



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**16. Post-Employment Health Care Benefits (Continued)**

**Actuarial Methods and Assumptions (Continued)**

|                                    |   |
|------------------------------------|---|
| Retiree contributions              | Retiree contributions are assumed to increase according to health care trend rates.   |
| Health care coverage election rate | Active employees with current coverage: 30%<br>Active employees with no coverage: 0%<br><br>Inactive employees with current coverage: 100%<br>Inactive employees with no coverage: 0% |
| Spousal coverage                   | Based on actual data for current actives and retirees.<br><br>Husbands are assumed to be three years older than wives.  |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**17. 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. 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).

**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 Two Fiscal Years**

|  | <u>September 30,<br/>2016</u> | <u>September 30,<br/>2015</u> |
|--|-------------------------------|-------------------------------|
| District's proportion of the net pension liability (asset)   | 0.021034728%                  | 0.016260165%                  |
| District's proportionate share of the net pension liability (asset)  | \$ 5,311,285                  | \$ 2,100,218                  |
| District's covered employee payroll  | \$ 2,506,079                  | \$ 2,167,619                  |
| District's proportionate share of the net pension liability (asset)<br>as a percentage of its covered-employee payroll | 47.18%                        | 103.21%                       |
| Plan fiduciary net position as a percentage of the total<br>pension liability  | 84.88%                        | 92.00%                        |

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

**Last Two Fiscal Years**

|   | September 30,<br>2016           | September 30,<br>2015        |
|---|---------------------------------|------------------------------|
|   | <u>                    </u>     | <u>                    </u>  |
| Actuarially required contribution                                       | \$ 512,965                      | \$ 381,341                   |
| Contributions in relation to the contractually<br>required contribution | \$ <u>512,965</u>               | <u>381,341</u>               |
| Contribution deficiency (excess)  | \$ <u>                    -</u> | <u>                    -</u> |
| District's covered employee payroll                                     | \$ 2,506,079                    | \$ 2,167,619                 |
| Contributions as a percentage of covered-employee payroll               | 20.47%                          | 17.59%                       |

**PINELLAS SUNCOAST FIRE & RESCUE DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**Last Two Fiscal Years**

|  | September 30,<br>2016 | September 30,<br>2015 |
|--|-----------------------|-----------------------|
| District's proportion of the net pension liability (asset)   | 0.009052922%          | 0.796355100%          |
| District's proportionate share of the net pension liability (asset)  | \$ 1,055,081          | \$ 812,157            |
| District's covered employee payroll  | \$ 2,506,079          | \$ 2,167,619          |
| District's proportionate share of the net pension liability (asset)<br>as a percentage of its covered-employee payroll | 237.52%               | 266.89%               |
| Plan fiduciary net position as a percentage of the total<br>pension liability  | 0.97%                 | 0.60%                 |

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

**Last Two Fiscal Years**

|   | September 30,<br>2016       | September 30,<br>2015       |
|---|-----------------------------|-----------------------------|
|   | <u>                    </u> | <u>                    </u> |
| Actuarially required contribution                                       | \$ 47,976                   | \$ 83,708                   |
| Contributions in relation to the contractually<br>required contribution | <u>47,976</u>               | <u>83,708</u>               |
| Contribution deficiency (excess)  | <u>\$ -</u>                 | <u>\$ -</u>                 |
| District's covered employee payroll                                     | \$ 2,506,079                | \$ 2,167,619                |
| Contributions as a percentage of covered-employee payroll               | 1.91%                       | 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, 2016 AND 2015

ASSETS

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| Cash   | \$ 92,289                  | \$ 156,845                 |
| Investments  | 2,074,704                  | 2,257,790                  |
| Prepaid items  | 79,194                     | 36,929                     |
| Accrued interest                                     | 6,056                      | 11,045                     |
| Accounts receivable (net of uncollectible accounts): | 37,525                     |                            |
| Intergovernmental:                                   |                            |                            |
| State  | 1,285                      | 1,710                      |
| County   | 2,883                      |                            |
| Accounts   |                            | 241,640                    |
| <b>TOTAL ASSETS</b>                                  | <b>\$ <u>2,293,936</u></b> | <b>\$ <u>2,705,959</u></b> |

LIABILITIES AND FUND BALANCE

|   |                            |                            |
|---|----------------------------|----------------------------|
| <b>LIABILITIES:</b>                       |                            |                            |
| Accounts payable                          | \$ 154,351                 | \$ 311,018                 |
| Accrued salaries and benefits payable     | 133,442                    | 173,465                    |
| <b>TOTAL LIABILITIES</b>                  | <b>287,793</b>             | <b>484,483</b>             |
| <b>FUND BALANCE:</b>                      |                            |                            |
| Nonspendable                              | 79,194                     | 36,929                     |
| Assigned                                  | 957,995                    | 957,995                    |
| Unassigned                                | 968,954                    | 1,226,552                  |
| <b>TOTAL FUND BALANCE</b>                 | <b>2,006,143</b>           | <b>2,221,476</b>           |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ <u>2,293,936</u></b> | <b>\$ <u>2,705,959</u></b> |

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, 2016 AND 2015

|                                 | 2016               |                  |                  |  | 2015               |                  |                  |  |
|---------------------------------|--------------------|------------------|------------------|--|--------------------|------------------|------------------|--|
|                                 | ORIGINAL<br>BUDGET | FINAL<br>BUDGET  | ACTUAL           | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) | ORIGINAL<br>BUDGET | FINAL<br>BUDGET  | ACTUAL           | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
| <b>REVENUES:</b>                |                    |                  |                  |  |                    |                  |                  |  |
| Assessments:                    |                    |                  |                  |  |                    |                  |                  |  |
| Fire                            | \$ 3,630,696       | \$ 3,630,696     | \$ 3,634,012     | \$ 3,316                               | \$ 3,609,577       | \$ 3,609,577     | \$ 3,641,391     | \$ 31,814                              |
| EMS contract                    | 1,228,762          | 1,247,108        | 1,247,107        | 18,345                                 | 692,339            | 692,339          | 700,037          | 7,698                                  |
| Plan and Inspection fees        | 67,725             | 40,312           | 40,338           | (27,387)                               | 79,513             | 79,513           | 42,088           | (37,425)                               |
| Investment income               | 7,738              | 16,780           | 21,085           | 13,347                                 | 9,790              | 9,790            | 15,672           | 5,882                                  |
| Miscellaneous                   | 12,289             | 15,569           | 25,965           | 13,676                                 | 29,070             | 29,070           | 53,086           | 24,016                                 |
| Intergovernmental:              |                    |                  |                  |  |                    |                  |                  |  |
| State                           | 10,800             | 7,545            | 7,545            | (3,255)                                | 4,200              | 4,200            | 4,910            | 710                                    |
| <b>TOTAL REVENUES</b>           | <b>4,958,010</b>   | <b>4,958,010</b> | <b>4,976,052</b> | <b>18,042</b>                          | <b>4,424,489</b>   | <b>4,424,489</b> | <b>4,457,184</b> | <b>32,695</b>                          |
| <b>EXPENDITURES:</b>            |                    |                  |                  |  |                    |                  |                  |  |
| Current:                        |                    |                  |                  |  |                    |                  |                  |  |
| Public Safety-Fire and EMS:     |                    |                  |                  |  |                    |                  |                  |  |
| Salaries                        | 2,808,569          | 2,761,864        | 2,739,864        | 68,705                                 | 2,368,069          | 2,515,810        | 2,485,440        | (117,371)                              |
| Overtime                        | 96,000             | 213,000          | 189,808          | (93,808)                               | 75,000             | 75,000           | 106,951          | (31,951)                               |
| Social security                 | 220,043            | 218,943          | 208,371          | 11,672                                 | 181,658            | 181,658          | 179,686          | 1,972                                  |
| Retirement                      | 551,040            | 589,366          | 589,366          | (38,326)                               | 447,203            | 449,344          | 473,492          | (26,289)                               |
| Group health insurance          | 898,373            | 579,013          | 503,674          | 394,699                                | 633,510            | 576,450          | 575,575          | 57,935                                 |
| Workers' compensation           | 112,000            | 120,225          | 118,585          | (6,585)                                | 120,450            | 128,568          | 112,096          | 8,354                                  |
| Legal fees                      | 20,000             | 229,507          | 229,507          | (209,507)                              | 14,400             | 14,400           | 25,575           | (11,175)                               |
| Physicals                       | 19,100             | 20,591           | 20,591           | (1,491)                                | 16,465             | 16,465           | 13,545           | 2,920                                  |
| Tax collection                  | 203,500            | 201,799          | 201,799          | 1,701                                  | 196,439            | 196,439          | 199,222          | (2,783)                                |
| Professional fees               | 17,980             | 11,817           | 11,817           | 6,163                                  | 15,800             | 15,800           | 15,517           | 283                                    |
| Travel                          | 8,850              | 6,410            | 4,680            | 4,170                                  | 3,080              | 3,080            | 5,030            | (1,950)                                |
| Telephone                       | 9,063              | 9,457            | 8,849            | 8,849                                  | 214                | 8,467            | 8,619            | (152)                                  |
| Postage                         | 990                | 960              | 105              | 885                                    | 900                | 900              | 1,093            | (193)                                  |
| Electricity                     | 18,800             | 15,488           | 15,488           | 3,312                                  | 15,120             | 15,120           | 16,511           | (1,391)                                |
| Water                           | 4,800              | 3,927            | 3,927            | 873                                    | 3,659              | 3,659            | 3,987            | (328)                                  |
| Small equipment                 | 6,888              | 6,556            | 4,597            | 2,291                                  | 5,985              | 5,985            | 4,386            | 1,599                                  |
| Information technology          | 16,501             | 42,744           | 39,789           | (23,288)                               | 10,535             | 10,535           | 10,849           | (314)                                  |
| Insurance                       | 61,902             | 61,393           | 61,076           | 826                                    | 59,390             | 59,390           | 58,980           | 410                                    |
| Apparatus and equipment repairs | 68,550             | 81,851           | 80,679           | (12,129)                               | 66,959             | 152,019          | 91,054           | (24,095)                               |
| Repair and maintenance          | 22,242             | 6,659            | 6,660            | 15,582                                 | 19,800             | 26,800           | 28,509           | (8,709)                                |
| Public relations                | 6,600              | 9,020            | 8,941            | (2,341)                                | 6,091              | 6,091            | 5,783            | 308                                    |
| Office supplies                 | 6,528              | 3,972            | 3,136            | 3,392                                  | 4,550              | 4,550            | 4,541            | 9                                      |
| Operations                      | 17,658             | 16,423           | 11,462           | 6,196                                  | 17,404             | 17,404           | 17,685           | (281)                                  |
| Small tools and supplies        | 600                | 300              | 96               | 504                                    | 250                | 250              | 508              | (258)                                  |
| Petroleum products              | 38,307             | 25,664           | 23,949           | 14,358                                 | 40,260             | 40,260           | 29,495           | 10,765                                 |
| Custodial                       | 3,592              | 2,755            | 2,755            | 837                                    | 3,325              | 3,325            | 2,903            | 422                                    |
| Uniforms and protective gear    | 35,600             | 30,101           | 27,571           | 8,029                                  | 10,781             | 10,781           | 45,654           | (34,873)                               |
| Education                       | 26,335             | 16,789           | 15,732           | 10,603                                 | 10,525             | 10,525           | 18,179           | (7,654)                                |
| Emergency Operation Center      | 7,000              | 2,218            | 636              | 6,364                                  | 500                | 500              | 223              | 277                                    |
| Certifications                  | 195                | 195              | 15               | 180                                    | 180                | 180              | -                | 180                                    |
| Dues and publications           | 5,200              | 5,466            | 4,694            | 506                                    | 4,323              | 4,323            | 5,773            | (1,450)                                |
| Capital outlay                  | 11,250             | 17,221           | 16,295           | (5,045)                                | 6,000              | 13,000           | 31,538           | (25,538)                               |
| Principal - equipment loan      |                    | 8,749            | 8,749            | (8,749)                                | 8,749              | 8,749            | 8,749            | -                                      |
| Interest - equipment loan       | 1,436              | 1,436            | 1,436            | -                                      | 1,763              | 1,763            | 1,763            | -                                      |
| Expense reimbursements          | 23,088             | 26,701           | 26,685           | (3,597)                                | 33,270             | 33,270           | 31,918           | 1,352                                  |
| <b>SUB-TOTAL PUBLIC SAFETY-</b> |                    |                  |                  |  |                    |                  |                  |  |
| Fire and EMS expenditures       | 5,348,580          | 5,348,580        | 5,191,384        | 157,196                                | 4,410,860          | 4,610,860        | 4,620,829        | (9,969)                                |

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, 2016 AND 2015  
(CONTINUED)

|  | 2016                       |                         |                     |   | 2015                       |                         |                  |   |
|--|----------------------------|-------------------------|---------------------|---|----------------------------|-------------------------|------------------|---|
|  | <u>ORIGINAL<br/>BUDGET</u> | <u>FINAL<br/>BUDGET</u> | <u>ACTUAL</u>       | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> | <u>ORIGINAL<br/>BUDGET</u> | <u>FINAL<br/>BUDGET</u> | <u>ACTUAL</u>    | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
| TOTAL EXPENDITURES   | <u>5,348,580</u>           | <u>5,348,580</u>        | <u>5,191,384</u>    | <u>157,196</u>                                  | <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                                      | <u>(390,570)</u>           | <u>(390,570)</u>        | <u>(215,332)</u>    | <u>175,238</u>                                  | <u>13,629</u>              | <u>(186,371)</u>        | <u>(163,645)</u> | <u>22,726</u>                                   |
| OTHER FINANCING SOURCES:                                       |                            |                         |                     |   |                            |                         |                  |   |
| Proceeds from sale of assets                                   | <u>-</u>                   | <u>-</u>                | <u>-</u>            | <u>-</u>  | <u>-</u>                   | <u>-</u>                | <u>3,546</u>     | <u>3,546</u>                                    |
| Proceeds from insurance  | <u>-</u>                   | <u>-</u>                | <u>-</u>            | <u>-</u>  | <u>-</u>                   | <u>-</u>                | <u>19,049</u>    | <u>19,049</u>                                   |
| Total other financing sources                                  | <u>-</u>                   | <u>-</u>                | <u>-</u>            | <u>-</u>  | <u>-</u>                   | <u>-</u>                | <u>22,595</u>    | <u>22,595</u>                                   |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER FINANCING SOURCES |                            |                         |                     |   |                            |                         |                  |   |
| OVER (UNDER) EXPENDITURES                                      | <u>(390,570)</u>           | <u>(390,570)</u>        | <u>(215,332)</u>    | <u>175,238</u>                                  | <u>13,629</u>              | <u>(186,371)</u>        | <u>(141,050)</u> | <u>45,321</u>                                   |
| FUND BALANCE, OCTOBER 1  | <u>2,221,476</u>           | <u>2,221,476</u>        | <u>2,221,476</u>    | <u>-</u>  | <u>2,362,526</u>           | <u>2,362,526</u>        | <u>2,362,526</u> | <u>-</u>  |
| FUND BALANCE, SEPTEMBER 30                                     | <u>\$ 1,830,906</u>        | <u>\$ 1,830,906</u>     | <u>\$ 2,006,144</u> | <u>\$ 175,238</u>                               | <u>\$ 2,376,155</u>        | <u>\$ 2,176,155</u>     | <u>2,221,476</u> | <u>\$ 45,321</u>                                |

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, 2016 AND 2015

|   | <u>2016</u>         | <u>2015</u>         |
|---|---------------------|---------------------|
| GENERAL FIXED ASSETS:                     |                     |                     |
| Land                                      | \$ 61,000           | \$ 61,000           |
| Buildings                                 | 349,350             | 349,350             |
| Equipment                                 | <u>2,457,148</u>    | <u>2,583,559</u>    |
| Total general fixed assets                | <u>\$ 2,867,498</u> | <u>\$ 2,993,909</u> |
| Investment in general fixed assets from:  |                     |                     |
| General Fund                              | <u>\$ 2,867,498</u> | <u>\$ 2,993,909</u> |
| Total investments in general fixed assets | <u>\$ 2,867,498</u> | <u>\$ 2,993,909</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, 2016 AND 2015

|                            | 2016                       |                         |                          |                            |
|----------------------------|----------------------------|-------------------------|--------------------------|----------------------------|
|                            | <u>Total</u>               | <u>Land</u>             | <u>Building</u>          | <u>Equipment</u>           |
| Public safety:             |                            |                         |                          |                            |
| EMS and Fire Protection    | \$ <u>2,867,498</u>        | \$ <u>61,000</u>        | \$ <u>349,350</u>        | \$ <u>2,457,148</u>        |
| Total general fixed assets | \$ <u><u>2,867,498</u></u> | \$ <u><u>61,000</u></u> | \$ <u><u>349,350</u></u> | \$ <u><u>2,457,148</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

|   | 2015                       |                         |                          |                            |
|---|----------------------------|-------------------------|--------------------------|----------------------------|
|   | <u>Total</u>               | <u>Land</u>             | <u>Building</u>          | <u>Equipment</u>           |
| Public safety:<br>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 GOVERNMENTAL FUNDS

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

|                         | General<br>Fixed Assets<br>October 1,<br>2015 | Additions        | Deductions        | General<br>Fixed Assets<br>September 30,<br>2016 |
|-------------------------|---|------------------|-------------------|--|
| Public safety:          |   |                  |                   |  |
| EMS and Fire Protection | \$ 2,993,909                                  | \$ 30,605        | \$ 157,016        | \$ 2,867,498                                     |
| Total public safety     | <u>\$ 2,993,909</u>                           | <u>\$ 30,605</u> | <u>\$ 157,016</u> | <u>\$ 2,867,498</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.

| <b>Content</b>   | <b>Page</b> |
|--|-------------|
| Financial Trends   | 79          |
| <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   | 86          |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property assessment.</i>  |             |
| Debt Capacity  | 91          |
| <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  | 93          |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial reports 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>2016</u>         | <u>2015</u>        | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         | <u>2011</u>         | <u>2010</u>         | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         |
|---------------------------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities:              |                     |                    |                     |                     |                     |                     |                     |                     |                     |                     |
| Invested in capital assets            | \$ 1,298,856        | \$ 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        |
| Restricted for capital projects       | 729,487             | 487,249            | 366,277             | 278,817             | 302,547             | 277,663             | 260,092             | 707,293             | 734,722             | 787,737             |
| Unrestricted                          | <u>(2,911,516)</u>  | <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>      |
| Total primary government net position | <u>\$ (883,173)</u> | <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> |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

|  | <u>2016</u>           | <u>2015</u>           | <u>2014</u>           | <u>2013</u>           | <u>2012</u>           | <u>2011</u>           | <u>2010</u>           | <u>2009</u>           | <u>2008</u>           | <u>2007</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| EXPENSES                                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities:                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Public safety Fire                             |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| and EMS Protections:                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Fire and EMS protection                        | \$ <u>6,324,662</u>   | \$ <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>   |
| Total governmental activities expenses         | \$ <u>6,324,662</u>   | \$ <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>   |
| PROGRAM REVENUES                               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for services                           | \$ 40,338             | \$ 42,088             | \$ 68,553             | \$ 67,311             | \$ 75,954             | \$ 92,353             | \$ 47,191             | \$ 52,422             | \$ 44,570             | \$ 253,479            |
| Operating grants and contributions             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 536                   | 595                   |
| Capital contributions                          | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Total governmental activities program revenues | \$ <u>40,338</u>      | \$ <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>     |
| NET (EXPENSE) REVENUE                          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                        | \$ <u>(6,284,324)</u> | \$ <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> |
| 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>2016</u>           | <u>2015</u>           | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         | <u>2011</u>         | <u>2010</u>         | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         |
|-------------------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities:      |                       |                       |                     |                     |                     |                     |                     |                     |                     |                     |
| Taxes:                        |                       |                       |                     |                     |                     |                     |                     |                     |                     |                     |
| Assessments                   | \$ 3,634,012          | \$ 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        |
| Impact fees                   | 242,238               | 202,776               | 110,969             | 80,029              | 18,240              | 8,608               | 12,276              | -                   | -                   | 72,414              |
| Intergovernmental revenues    | 1,254,652             | 704,947               | 664,235             | 636,510             | 592,656             | 549,606             | 940,828             | 1,714,363           | 1,661,217           | 1,005,451           |
| Investment earnings           | 21,085                | 15,672                | 15,661              | 21,389              | 26,296              | 26,043              | 25,095              | 10,263              | 41,303              | 53,653              |
| Miscellaneous                 | 25,964                | 75,683                | 51,096              | 102,856             | 109,835             | 94,647              | 74,452              | 38,133              | 33,492              | 9,124               |
| Total governmental activities | <u>5,177,951</u>      | <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>    |
| Total primary government      | <u>\$ 5,177,951</u>   | <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> |
| CHANGE IN NET POSITION        |                       |                       |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental activities       | <u>\$ (1,106,373)</u> | <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>    |
| Total primary government      | <u>\$ (1,106,373)</u> | <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>    |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

|                          | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         | <u>2011</u>         | <u>2010</u>         | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Funds:      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nonspendable             | \$ 79,194           | \$ 36,929           | \$ 13,050           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Restricted               | 729,487             | 487,249             | 366,277             | 278,817             | 302,547             | 277,663             | 260,092             | 315,190             | 334,196             | 382,199             |
| Assigned                 | 957,995             | 957,995             | 1,019,495           | 916,866             | 1,454,882           | 1,293,175           | 713,841             | 1,072,145           | 1,141,738           | 935,267             |
| Unassigned               | <u>968,954</u>      | <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>      |
| Total governmental funds | <u>\$ 2,735,630</u> | <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> |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

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

|  | <u>2016</u>      | <u>2015</u>        | <u>2014</u>       | <u>2013</u>      | <u>2012</u>       | <u>2011</u>       | <u>2010</u>       | <u>2009</u>        | <u>2008</u>       | <u>2007</u>       |
|--|------------------|--------------------|-------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| <b>REVENUES</b>  |                  |                    |                   |                  |                   |                   |                   |                    |                   |                   |
| Assessments  | \$ 3,634,012     | \$ 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      |
| Intergovernmental  | 1,254,652        | 704,947            | 664,235           | 636,510          | 592,656           | 549,606           | 938,628           | 1,708,603          | 1,661,217         | 1,005,451         |
| Impact fees  | 242,238          | 202,776            | 110,969           | 80,029           | 18,240            | 8,608             | 12,276            | -                  | -                 | 72,414            |
| Charges for services                                       | 40,338           | 42,088             | 68,553            | 67,311           | 75,954            | 92,353            | 47,191            | 52,422             | 44,570            | 253,479           |
| Interest earnings  | 21,085           | 15,672             | 15,661            | 21,389           | 26,296            | 26,043            | 25,095            | 10,263             | 41,303            | 53,653            |
| Miscellaneous  | 25,964           | 53,086             | 42,737            | 74,556           | 109,835           | 94,647            | 76,652            | 43,893             | 34,028            | 9,719             |
| Total revenues   | <u>5,218,289</u> | <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>  |
| <b>EXPENDITURES</b>  |                  |                    |                   |                  |                   |                   |                   |                    |                   |                   |
| Public safety:   |                  |                    |                   |                  |                   |                   |                   |                    |                   |                   |
| Fire and EMS protection                                    | <u>5,191,384</u> | <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>  |
| Total expenditures   | <u>5,191,384</u> | <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>  |
| Excess of revenues<br>over (under) expenditures            | 26,905           | (42,673)           | 212,768           | 3,355            | 207,171           | 187,185           | (242,420)         | (88,599)           | 157,918           | 239,442           |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                  |                  |                    |                   |                  |                   |                   |                   |                    |                   |                   |
| Sale of equipment  | -                | 3,546              | 50                | 28,300           | -                 | 21,500            | -                 | -                  | 550               | 1,500             |
| Proceeds from insurance                                    | -                | 19,049             | 8,309             | -                | -                 | -                 | -                 | -                  | -                 | -                 |
| Proceeds from<br>capital lease obligation                  | -                | -                  | -                 | -                | -                 | 24,461            | 440,789           | -                  | -                 | -                 |
| Total other financing sources<br>(uses)                    | <u>-</u>         | <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>      |
| Net change in fund balances                                | <u>\$ 26,905</u> | <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> |
| Debt service as a percentage<br>of noncapital expenditures | <u>-%</u>        | <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>         |

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTIONS

LAST TEN FISCAL YEARS

| <u>Fiscal<br/>Year</u> | <u>Public<br/>Safety<br/>Fire and<br/>EMS</u> | <u>Capital<br/>Outlay<br/>Fire and<br/>EMS</u> | <u>Total</u> |
|------------------------|---|--|--------------|
| 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    |
| 2016                   | 5,175,089                                     | 16,295   | 5,191,384    |

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> |
|--------------------|--------------------|--------------------------|--------------------|----------------------------|--------------------------|----------------------|--------------|
| 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    |
| 2016               | 3,634,012          | 1,254,652                | 242,238            | 40,338                     | 21,085                   | 25,964               | 5,218,289    |

# **REVENUE CAPACITY**



PINELLAS SUNCOAST FIRE & RESCUE DISTRICT  
ASSESSMENT FEE SCHEDULE  
September 30, 2016

|  | <u>2004 to 2009</u> | <u>2010 to 2016</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:                                      |                     |                     |
| (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> |
|--------------------|-----------------------------------|-------------------------|--------------|---|----------------------------------|
| 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                          |
| 2016               | 2,747,846,713                     | 0.9158                  | 2,516,478    | 1,266,889   | 1,249,589                        |

\*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<br/>Year<br/>Ended<br/>September 30</u> | <u>Residential<br/>Property</u> | <u>Commercial<br/>Property</u> | <u>Other<br/>Property</u> | <u>Less:<br/>Tax-Exempt<br/>Property</u> | <u>Total<br/>Taxable<br/>Assessed<br/>Value</u> |
|---|---------------------------------|--------------------------------|---------------------------|--|---|
| 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                                   |
| 2016  | 2,523,627,906                   | 104,069,614                    | 120,149,193               | -  | 2,747,846,713                                   |

\* 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         |
|-------------|------------------|--------------|-------------------------------|----------------|------------------|----------------|--------------|--------------------------------|---------------|---------------|
| 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 |
| 2016        | 1,228,932,688    | 1,827,125    | 1,144,138,008                 | 111,330,384    | 667,345          | 103,402,269    | 0            | 0                              | 157,548,894   | 2,747,846,713 |

\* 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>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>             | <u>2016</u>             |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Taxable valuation                  | \$ <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> | \$ <u>2,845,983,138</u> |
| Total assessments levied           | \$ 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            | \$ 3,610,864            |
| Less: Adjustments<br>and discounts | <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>          | <u>190,478</u>          |
| Net assessments levied             | \$ <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>     | \$ <u>3,420,386</u>     |
| Net assessments collected          | \$ <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>     | \$ <u>3,416,974</u>     |

## **DEBT CAPACITY**

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

COMPUTATION OF OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS AND OTHER DEBT<sup>(2)</sup>  
SEPTEMBER 30, 2016

|                                    |    | <u>Net General<br/>Obligation<br/>Bonded Debt<br/>Outstanding</u> | <u>Net General<br/>Nonsell-<br/>Supporting<br/>Revenue Debt</u> | <u>Total</u> | <u>Percentage<br/>Applicable to<br/>District</u> | <u>Amount<br/>Applicable to<br/>District</u> |
|------------------------------------|----|---|---|--------------|--|--|
| Overlapping debt:                  |    |   |   |              |  |  |
| Pinellas County School Board (1)   | \$ | \$  | -   | \$           | *  | \$ *   |
| RATIO:                             |    |   |   |              |  |  |
| Overall debt to 2016 taxable value |    |   |   |              | <u>          *</u>                               | %  |
| Overall debt per capita            |    |   |   |              | \$ <u>          *</u>                            |  |

<sup>(1)</sup> The District's share is calculated based on the ratio of the 2016 County Taxable Value of \$ \_\_\_\_\_ to the District's Taxable Value of \$ \_\_\_\_\_\*.

<sup>(2)</sup> 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 TEN FISCAL YEARS

|   | <u>2016</u>         | <u>2015</u>         | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         | <u>2011</u>         | <u>2010</u>         | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Legal Debt Margin Calculation: <sup>(1)</sup>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Total budgeted revenues of the District<br>for the fiscal year ended<br>September 30                              | \$ 4,934,921        | \$ 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>          | <u>50%</u>          |
| Maximum annual debt service allowable   | \$ <u>2,467,461</u> | \$ <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<br>payments on the District's outstanding debt:<br>Capital lease note | \$ -                | \$ -                | \$ -                | \$ 284,489          | \$ 73,992           | \$ 73,992           | \$ 75,931           | \$ -                | \$ -                | \$ -                |
| Total principal and interest payments,<br>fiscal year ended September 30  | \$ -                | \$ -                | \$ -                | \$ 284,489          | \$ 73,992           | \$ 73,992           | \$ 75,931           | \$ -                | \$ -                | \$ -                |

<sup>(1)</sup> 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<br>as of September 30, |             |             |             |             |             |             |             |             |             |
|-------------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                               | <u>2016</u>   | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Public Safety:                |   |             |             |             |             |             |             |             |             |             |
| Fire:                         |   |             |             |             |             |             |             |             |             |             |
| - Firefighters                | 18  | 13          | 13          | 13          | 13          | 12          | 14          | 12          | 16          | 14          |
| - EMS Professionals           | 17  | 23          | 17          | 17          | 17          | 15          | 15          | 15          | 18          | 19          |
| - Administrative Staff        | 6   | 7           | 6           | 6           | 6           | 8           | 8           | 8           | 8           | 7           |
| - Mechanic and<br>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>Fiscal Year Ended September 30,</u> |             |             |             |             |             |             |             |             |             |
|----------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>FUNCTION</u>      | <u>2016</u>                            | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Public Safety:       |  |             |             |             |             |             |             |             |             |             |
| Fire:                |  |             |             |             |             |             |             |             |             |             |
| Number of Fire calls | 674                                    | 604         | 526         | 523         | 584         | 377         | 937         | 806         | 627         | 650         |
| Number of EMS calls  | 2,988                                  | 2,412       | 2,183       | 2,217       | 2,323       | 2,214       | 3,209       | 2,346       | 2,526       | 2,531       |
| District population  | * 17,153                               | 17,153      | 17,153      | 17,153      | 17,153      | 17,153      | 17,153      | 12,438      | 12,339      | 12,315      |

\* Last census - 2010

PINELLAS SUNCOAST FIRE & RESCUE DISTRICT

CAPITAL ASSETS STATISTICS  
LAST TEN FISCAL YEARS

|                 | Fiscal Year Ended September 30, |             |             |             |             |             |             |             |             |             |
|-----------------|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>FUNCTION</u> | <u>2016</u>                     | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Public Safety:  |                                 |             |             |             |             |             |             |             |             |             |
| Fire/EMS:       |                                 |             |             |             |             |             |             |             |             |             |
| Fire Stations   | 3                               | 3           | 2           | 2           | 2           | 2           | 2           | 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, 2016

| Policy Number                 | Type of Coverage           | Effective Date       | Company   | Limit of Liability | Premium                  |           |  |
|-------------------------------|----------------------------|----------------------|---|--------------------|--------------------------|-----------|--|
| VFIS-TR-2065196-05/000        | Property - Station 26      | 10/01/15             | American Alternative Insurance Corporation (AAIC)   | \$ -               | \$ 10,817                |           |  |
|                               | Property - Station 27      |                      |   | \$ 2,924,646       |                          |           |  |
|                               | Property - Station 28      |                      |   | \$ 1,754,788       |                          |           |  |
|                               | <b><u>Crime:</u></b>       |                      |   |                    |                          |           |  |
|                               | Public Employee Dishonesty |                      |   | \$ 100,000         | \$ 192                   |           |  |
|                               | Computer Fraud             |                      |   | \$ 10,000          |                          |           |  |
|                               | Identity Fraud             |                      |   | \$ 10,000          |                          |           |  |
|                               | Management Liability       |                      |   | \$ 2,000,000       |                          | \$ 7,357  |  |
|                               | General Liability          |                      |   | \$ 2,000,000       |                          | \$ 10,977 |  |
|                               | Excess Liability           |                      |   | 2,000,000          |                          | \$ 4,300  |  |
| Portable Equipment            | Replacement Cost           | \$ 870               |   |                    |                          |           |  |
| VFIS-CM-1059191-05/000        | Auto                       | 10/01/15             | AAIC  | 1,000,000          | \$ 18,197                |           |  |
| WC2FL1 0524001 15-11          | Worker's Compensation      | 10/01/15             | PGIT  | 1,000,000          | \$ 116,153               |           |  |
| <b>Public Official Bonds:</b> |                            |                      |   |                    |                          |           |  |
| 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                   |           |  |
| 21BSBHJ7377                   | Louis R. Snelling          | 01/19/16 to 11/08/16 | The Hartford  | 5,000              | \$ 100                   |           |  |
| CFP-5410-0288D-2              | Accidental Death - Paid    | 10/01/15             | National Union Fire Insurance Company of Pittsburgh | 50,000             | \$ 6,470                 |           |  |
| ADD N11086767                 | Blanket Accident Insurance | 10/01/15             | Ace American  | 65,910             | \$ 918                   |           |  |
| <b>TOTAL PREMIUMS</b>         |                            |                      |   |                    | \$ <u><u>177,006</u></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

ATTESTATION REPORT

AND

MANAGEMENT LETTER

AND

MANAGEMENT MEMORANDUM  
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2016

**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 Fire 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, 2016, 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 May 4, 2017.

**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 Fire 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.*

May 4, 2017

**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, 2016. 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, 2016.

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.*

May 4, 2017

**MANAGEMENT LETTER**

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

1956 Bayshore Boulevard  
Indian Rocks Beach, 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 Fire 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, 2016 and have issued our report thereon dated May 4, 2017.

**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 May 4, 2017, 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.

Board of Fire 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, 2016.

### **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, 2016, 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, 2016. In connection with our audit, we determined that these two reports were in agreement.

Board of Fire 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 & Cristine, P.L.*

May 4, 2017



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

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

May 4, 2017

Board of Fire 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 as of and for the year ended September 30, 2016, and have issued our report thereon dated May 4, 2017.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated May 4, 2017. 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.

**2015-2016**

Implementation of New GASB Statements

**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

\* \* \* \* \*

This memorandum is intended solely for the use of the District's Board of Fire 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](http://www.psfrd.org)**

June 5, 2017

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


Dear Jeanine:

In reference to your May 4, 2017 letter to the Board of Commissioners regarding implementation of new GASB Statement 72 Fair Value Measurement and Application, Statement 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68 and Amendments to Certain Provisions of GASB Statements 67 and 68, Statement 74 Financial Reporting for Postemployment Benefits Other Than Pension Plans, Statement 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, and Statement 82 Pension Issues – an amendment of GASB Statements No. 67, 68 and 73.

Although we believe the inclusion of all the GASB “future obligation” disclosures has changed all meaningful analysis through the introduction of actuarial data references and serves a negative purpose to ongoing governmental operations, the Finance Director, as recommended, will implement the new standards in the District’s CAFR for the next fiscal year.

Whether we agree to new regulations or not, 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