

**EAST MANATEE  
FIRE RESCUE DISTRICT  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**EAST MANATEE FIRE RESCUE DISTRICT  
FINANCIAL STATEMENTS**

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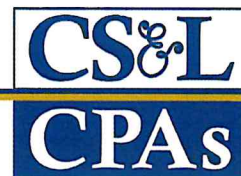
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**EAST MANATEE FIRE RESCUE DISTRICT  
FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
East Manatee Fire Rescue District  
Manatee County, Florida

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the East Manatee Fire District, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the supplementary schedules of the District's proportionate share of the net pension liability, District contributions, notes to required supplementary information, and schedule of changes in total OPEB liability and related ratios included on pages 3 – 8 and 32

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- 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

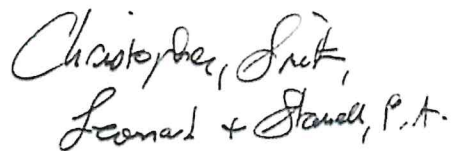
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Manatee Fire Rescue District's basic financial statements. The schedule of fire assessment rates is included for compliance with Florida Statute 218.39(3)(c) and is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures - Budget to Actual - General Fund and Schedule of Expenditures - General Fund - 2021 and 2020 on pages 40-41 are also presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The Schedule of Expenditures - Budget to Actual - General Fund and Schedule of Expenditures - General Fund - 2021 and 2020 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 Schedule of Expenditures - Budget to Actual - General Fund and Schedule of Expenditures - General Fund - 2021 and 2020 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of fire assessment rates has 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 provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

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



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

June 3, 2022  
Bradenton, Florida

**EAST MANATEE FIRE RESCUE DISTRICT**  
3200 LAKEWOOD RANCH BLVD. • BRADENTON, FL 34211  
Office 941-751-5611 • Fax 941-751-5910

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**Management's Discussion and Analysis**

As management of East Manatee Fire Rescue District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$32,027,939 (net position).
- The District's total net position increased \$2,612,659. Revenues increased \$1,017,601 while expenses decreased \$2,242,603.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$20,521,411, a decrease of \$1,008,580 in comparison with the prior year. Of this total amount, \$9,801,821 is available for spending at the District's discretion (unassigned fund balance).

Overview of the Financial Statements

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

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

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

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Both of the government-wide financial statements distinguish functions of the District that are principally supported by fire assessments and ad valorem taxes, impact fees and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District is engaged in only governmental activities.

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

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

**Governmental funds:** Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual method of accounting and the current financial resources focus. As a result, long-term assets and liabilities are not included. The District uses a General Fund and a Capital Projects Fund. The General Fund is the general operating fund. All general tax revenues are accounted for in this fund. From this fund all general operating expenditures and budgeted capital expenditures are paid. The Capital Projects Fund is used to account for impact fees collected on new construction. These revenues can only be used for the acquisition, construction or purchase of assets required to provide fire protection and emergency services to the new users of the District.

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

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

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

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 15.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the East Manatee Fire Rescue District, assets plus deferred outflows, exceeded liabilities plus deferred inflows by \$32,027,939 at the close of the most recent fiscal year.

A large portion of the District's net position, \$28,219,030, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The District uses these capital assets to provide fire protection and emergency services to citizens within the boundaries of the District; consequently, these assets are not available for future spending. The District also had significant assets in cash and investments at year-end. Investments are held in the Manatee County Investment Pool as allowed by Florida statutes.

A comparative condensed statement of net position follows:

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Net position		
Current and other assets	\$ 20,861,860	\$ 22,452,258
Capital assets	<u>28,219,030</u>	<u>25,588,816</u>
Total assets	49,080,890	48,041,074
Deferred outflows of resources	5,615,964	8,005,679
Long-term liabilities outstanding	9,638,270	25,525,098
Other liabilities	<u>340,449</u>	<u>922,267</u>
Total liabilities	<u>9,978,719</u>	<u>26,447,365</u>
Deferred inflows of resources	12,690,196	184,108
Net positions:		
Net Investments in Capital Assets	28,219,030	25,588,816
Restricted	2,431,171	3,555,716
Unrestricted	<u>1,377,738</u>	<u>270,748</u>
Total net position	<b><u>\$ 32,027,939</u></b>	<b><u>\$ 29,415,280</u></b>

A portion of the District's net position, \$2,431,171 represents resources from impact fees that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$1,377,738 may be used to meet the District's ongoing obligations to citizens and creditors.

The District's net position increased by \$2,612,659 during the current fiscal year.

A comparative condensed statement of activities follows:

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Changes in Net position		
Revenues:		
Program revenues:		
Charges for services	\$ 71,535	\$ 72,705
General revenues:		
Fire assessments	17,409,474	16,351,854
Impact fees	1,897,148	1,550,879
Other	<u>140,987</u>	<u>526,105</u>
Total revenues	19,519,144	18,501,543
Expenses:		
Fire Protection Services	15,550,164	18,071,212
Depreciation	<u>1,356,321</u>	<u>1,077,876</u>
Total expenses	<u>16,906,485</u>	<u>19,149,088</u>
Change in net position	2,612,659	(647,545)
Net position – Beginning	<u>29,415,280</u>	<u>30,062,825</u>
Net position – Ending	<b><u>\$ 32,027,939</u></b>	<b><u>\$ 29,415,280</u></b>

- Fire assessment taxes (non-ad-valorem and ad-valorem) increased \$1,057,620 from the previous year.
- Impact fees increased by \$346,269, from the previous year.
- Expenses decreased \$2,242,603 due mainly to a decrease in fire protection services of \$2,521,048 net of an increase in depreciation. The decrease in expenses was mainly due to changes in the net pension liability.

#### Financial Analysis of the District's Funds

The District utilizes only Governmental Funds, which include a General Fund and a Capital Projects Fund.

**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.

As of the end of the current fiscal year, the District's Governmental Funds reported combined ending fund balances of \$20,521,411, a decrease of \$1,008,580 in comparison with the prior year. The unassigned fund balance of the General Fund was \$9,801,821, which is available for spending at the District's discretion. \$4,000,000 of the fund balance is committed by the District for potential general contingencies and \$2,000,000 is committed to fund health insurance subsidy liabilities for a total of \$6,000,000 of committed fund balance. An additional \$1,000,000 is assigned by the District as an emergency reserve. \$2,431,171 of the fund balance is reserved from impact fees revenue to be spent only on the acquisition, construction or purchase of assets required to provide fire protection and emergency services to the new users of the District.

The General Fund is the operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,801,821, while total fund balance reached \$18,090,240. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 56% of total general fund expenditures.

The fund balance of the District's General Fund increased \$115,965 during the current fiscal year. The significant activity in the general fund was:

- Revenues in the General Fund increased by \$736,673, mainly due to fire assessments and ad valorem taxes, net of a decrease in investment earnings.
- Expenditures in the General Fund increased \$511,622. Personal service costs increased \$2,111,066, operating costs increased \$126,853, and capital outlay decreased \$1,726,297.

The Capital Projects Fund has a total fund balance of \$2,431,171, all of which is restricted for the acquisition, construction or purchase of assets required to provide fire protection and emergency services to the new users of the District. The net decrease in fund balance during the current year in the Capital Projects Fund was \$1,124,545. Revenues increased in this fund by \$346,269, due to an increase in impact fees. Current year capital outlay decreased by \$1,702,875.

#### General Fund Budgetary Highlights

During the year, the General Fund budget was amended. The final budgeted revenues were \$17,767,388 compared to the original budget of \$17,714,368. The final budgeted expenditures were \$21,978,479 compared to the original budget of \$22,333,811. For the current fiscal year, actual revenues were less than budgeted revenues by \$145,755. Actual expenditures were \$4,472,811 less than budget.

Actual costs were less than budgeted expenditures due to less expenditures than expected for personal service, operating and capital outlay costs.

The General Fund budget is presented as required supplementary information on page 32.

Capital Assets

The District’s investment in capital assets amounts to \$28,219,030 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, machinery and equipment and construction in progress. The District’s investment in capital assets for the current fiscal year increased by \$2,630,214; due mainly to capital additions exceeding depreciation expense.

Capital Assets

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 2,518,826	\$ 2,518,826
Building and Improvements	19,811,275	15,563,478
Land improvements	514,375	533,194
Machinery and equipment	5,374,554	5,737,219
Construction in progress	-0-	1,236,099
Total (net of depreciation)	<b><u>\$ 28,219,030</u></b>	<b><u>\$ 25,588,816</u></b>

During the current year significant capital asset activity included construction and renovations on fire stations and purchases of new fire engines.

See note B of this report for additional information on the District’s capital assets.

Economic Factors and Next Year’s Budgets and Rates

There are these significant issues which will affect the fiscal year 2021 – 2022.

1. The tax collections are budgeted at approximately \$20,000,000. This will fund the existing personnel, three additional personnel, the merger of personnel and operations of the Myakka City Fire Control District, and overall operating expenses.
2. The General Fund budget has a projected \$17,500,000 cash carry over from the year ended September 30, 2021, which will fund three new fire trucks, the start of construction for the replacement of Station 12, and reserve general funds.
3. The impact fee collections are budgeted at approximately \$800,000. This will fund equipment for the three additional personnel.
4. The Capital Budget has a projected \$2,500,000 cash carry over from the year ended September 30, 2021 which will fund one new engine for the future Station 9 and the reserve capital funds.

All of these factors were considered in preparing the district’s budget for the 2021 – 2022 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at, East Manatee Fire Rescue District, 3200 Lakewood Ranch Boulevard, Bradenton, Florida 34211.

**EAST MANATEE FIRE RESCUE DISTRICT  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 273,889
Investments	16,719,458
Due from other governments	148,923
Prepaid expenses	55,710
Deposit on fixed asset	1,232,709
Restricted assets:	
Cash and cash equivalents	106,969
Investments	2,324,202
Capital assets (net of accumulated depreciation):	
Land	2,518,826
Other capital assets, net of depreciation	25,700,204
Total assets	49,080,890
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of pension resources	5,442,800
Deferred outflows–OPEB	173,164
	5,615,964
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	340,449
Noncurrent liabilities:	
Due within one year	-
Due in more than one year	9,638,270
Total liabilities	9,978,719
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of pension earnings	12,341,426
Deferred inflows–OPEB	348,770
	12,690,196
<b>NET POSITION</b>	
Net investment in capital assets	28,219,030
Restricted for:	
Impact fees	2,431,171
Unrestricted	1,377,738
Net Position	\$ 32,027,939

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

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

	<b>Governmental Activities</b>
<b>Public Safety–Fire Protection</b>	
Personal services	\$ 13,222,323
Operating expenses	2,327,841
Depreciation	1,356,321
Total program expenses	16,906,485
<b>Program revenues:</b>	
Charges for services	71,535
Net program expense	16,834,950
<b>General Revenues:</b>	
Fire assessments	17,409,474
Impact fees	1,897,148
Investment earnings	25,667
Miscellaneous	115,320
Total general revenues	19,447,609
Increase in net position	2,612,659
<b>Net Position – beginning</b>	<b>29,415,280</b>
<b>Net Position – ending</b>	<b>\$ 32,027,939</b>

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

**EAST MANATEE FIRE RESCUE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 273,889	\$ 106,969	\$ 380,858
Investments	16,719,458	2,324,202	19,043,660
Due from other governments	148,923	-	148,923
Deposit on fixed asset	1,232,709	-	1,232,709
Prepaid items	55,710	-	55,710
<b>TOTAL ASSETS</b>	<b><u>\$ 18,430,689</u></b>	<b><u>\$ 2,431,171</u></b>	<b><u>\$ 20,861,860</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 132,265	\$ -	\$ 132,265
Accrued expenses	208,184	-	208,184
Total liabilities	<u>340,449</u>	<u>-</u>	<u>340,449</u>
Fund balances:			
Nonspendable			
Nonspendable	1,288,419	-	1,288,419
Spendable:			
Restricted	-	2,431,171	2,431,171
Committed	6,000,000	-	6,000,000
Assigned	1,000,000	-	1,000,000
Unassigned	9,801,821	-	9,801,821
Total fund balances	<u>18,090,240</u>	<u>2,431,171</u>	<u>20,521,411</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 18,430,689</u></b>	<b><u>\$ 2,431,171</u></b>	<b><u>\$ 20,861,860</u></b>

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

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

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

Fund Balance–Total Governmental Funds	\$	20,521,411
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		28,219,030
Deferred outflows of resources related to the pension plan do not utilize current financial resources and, therefore are not reported in the funds.		5,442,800
Deferred outflows of resources related to OPEB do not utilize current financial resources and, therefore are not reported in the funds.		173,164
Deferred inflows of resources related to the pension plan are not available current financial resources and, therefore are not reported in the funds.		(12,341,426)
Deferred inflows of resources related to OPEB are not available current financial resources and, therefore are not reported in the funds.		(348,770)
Long-term liabilities, including compensated absences, pension and OPEB liability are not due and payable in the current period and therefore, are not reported in the governmental funds.		<u>(9,638,270)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>32,027,939</u></b>

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

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Special assessments	\$ 9,029,470	\$ -	\$ 9,029,470
Ad valorem tax	8,380,004	-	8,380,004
Impact fees	-	1,897,148	1,897,148
Charges for services	71,535	-	71,535
Investment earnings	25,667	-	25,667
Miscellaneous	114,957	363	115,320
Total revenues	<u>17,621,633</u>	<u>1,897,511</u>	<u>19,519,144</u>
<b>EXPENDITURES</b>			
Current:			
Personal services	14,213,348	-	14,213,348
Operating	2,079,296	-	2,079,296
Capital outlay	<u>1,213,024</u>	<u>3,022,056</u>	<u>4,235,080</u>
Total expenditures	<u>17,505,668</u>	<u>3,022,056</u>	<u>20,527,724</u>
Net change in fund balance	115,965	(1,124,545)	(1,008,580)
<b>FUND BALANCES – Beginning</b>	<u>17,974,275</u>	<u>3,555,716</u>	<u>21,529,991</u>
<b>FUND BALANCES – Ending</b>	<u><b>\$ 18,090,240</b></u>	<u><b>\$ 2,431,171</b></u>	<u><b>\$ 20,521,411</b></u>

The accompanying notes are an integral part of these financial statements

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

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

Net changes in fund balances – total governmental funds	\$ (1,008,580)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceeded depreciation expense in the current period.	2,630,214
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. This amount represents the change in:	
Compensated absences	(263,546)
OPEB liability	127,263
Deferred inflows OPEB	(348,770)
Deferred outflows OPEB	173,164
Net pension liability	16,023,111
Deferred inflows of pension resources	(12,157,318)
Deferred outflows of pension earnings	(2,562,879)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,612,659</b>

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

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

- (a) Reporting Entity – East Manatee Fire Rescue District (the District) is a public municipal corporation in the State of Florida created by Laws of Florida 80-538 of the Legislature of the State of Florida in 1980. It is an independent special district.

The financial statements were prepared in accordance with the Governmental Accounting Standards Board, (GASB). Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Commissioners is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

The District assesses special assessments against taxable real estate lying within the territorial bounds of the District as defined by the State of Florida. Disbursements are made for maintenance and upkeep of the fire stations, purchase of firefighting and rescue equipment, payment of wages, employee benefits, and administrative expenses. In 2003, a referendum was passed permitting the assessment of ad valorem taxes up to .8 mills.

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

- (b) Basis of Presentation – The District's financial statements include Government-wide (which reports the District as a whole) and Fund financial statements (which report only on the General and Capital Projects Funds). The financial statements present only governmental activities, as the District conducts no business type activities. The District does not have fiduciary funds.

Basis of Accounting: Financial Statements – Government Wide Statements– The Government-Wide Financial Statements (Statement of Net position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. For the most part, interfund activity has been removed from these statements. Government-wide financial statements include a Statement of Net Position and a Statement of Activities. The Statement of Net Position reports all financial and capital resources of the District's governmental activities. It is presented in a net position format (assets plus deferred outflows less liabilities plus deferred inflows equal net position) and shown with three components: net investment in capital assets, restricted net position and unrestricted net position. The statement of activities reports direct program expenses offset by program

EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

revenues. The amounts reported as program revenues include charges for services, as well as capital and operating grants and contributions, when applicable. General revenues include taxes and other items not properly included as program revenue.

Financial Statements – Fund Financial Statements – The District’s accounts are organized on the basis of funds, which are self-balancing set of accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The District utilizes Governmental funds, which follow the modified accrual basis of accounting.

Under this method, revenues are recorded when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a fund liability is incurred. The District reports the following governmental funds, which are both considered major funds:

Governmental Funds

- (1) General Fund – The General Fund is the general operating fund of the District. All general tax revenues are accounted for in this fund. From the Fund are paid the general personal service and operating expenditures, as well as budgeted capital expenditures.
  - (2) Capital Projects Fund – The Capital Projects Fund is used to account for Impact Fees collected on new construction. These revenues can only be used for the acquisition, construction or purchase of assets required to provide fire protection and emergency services.
- (c) Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
- (d) Budgets and Budgetary Accounting – The District prepares an annual operating budget for the fiscal year commencing October 1. Prior to September 1 of each year, the Secretary/Treasurer of the District's Board of Commissioners prepares a proposed budget for the upcoming fiscal year. The budget is based on an analysis of prior year actual revenues and expenditures along with anticipated spending and revenue sources.

Once the proposed budget is compiled, it is brought before the Board of Commissioners for approval.

Expenditures should not exceed the total appropriations. Appropriations lapse at the end of the year.

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

- (e) Interfund Receivables/Payables – Interfund receivables/payables arise from temporary interfund transfers. When a fund has an interfund receivable and an interfund payable to the same fund, the amounts are recorded in separate accounts. Internal activity and balances between governmental funds has been eliminated in the government-wide statement of net position, as applicable.
- (f) Property Taxes – Property taxes become due and payable on November 1 of each year. The county tax collector remits the District's portion as such revenues are received. The District collects nearly all of its tax revenues during the period November 1 through April 1, at which time the taxes become delinquent. The maximum rates of tax are set by the Legislature of the State of Florida. Actual assessment amounts vary based on a sliding scale of property values and type of property involved and is determined by the Board of Commissioners of the District.

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

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

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

- (g) Net Position – Net position is reported in three parts as applicable: Net investment in capital assets, restricted and unrestricted. When both restricted and unrestricted resources are available, restricted resources are used first, and then unrestricted resources, as they are needed.
- (h) Fund Balance – The District follows Governmental Accounting Standards Board Statement (GASB) 54. GASB 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Non-spendable and Spendable. Spendable is then further classified as Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

In accordance with GASB Statement 54, the District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

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

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

<u>Non-Spendable:</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>
Prepaid Expenses and deposits	\$ 1,288,419	\$ -0-
 <b><u>Spendable:</u></b>		
Restricted – Impact Fees	-0-	2,431,171
Committed to:		
General Reserves	4,000,000	-0-
Health Insurance subsidy	2,000,000	-0-
	6,000,000	-0-
Assigned to:		
Emergency Reserve	1,000,000	-0-
 <b><u>Unassigned:</u></b>		
Unassigned	9,801,821	-0-
<b>Total Fund Balances</b>	<b>\$ 18,090,240</b>	<b>\$ 2,431,171</b>

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

(i) Deposits and Investments

Demand and Time Deposits

At September 30, 2021, the District had demand deposits held in a qualified public depository. Deposits whose values exceeded federal depository insurance limits were entirely insured or collateralized pursuant to Chapter 280 of the Florida Statutes. At September 30, 2021, the carrying amounts of the District's deposits were \$380,858 and the bank balance was \$521,832.

Investments

Florida Statute 218.415 authorizes the District to invest in the following:

- (1) Local Government Surplus Funds Trust Fund or an intergovernmental investment pool authorized through the Florida Interlocal Cooperation Act, (including the Manatee County investment pool).
- (2) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating company.
- (3) Interest bearing time deposits or savings accounts in state-certified Qualified Public Depositories as defined in Section 280.02 Florida Statutes.
- (4) Direct obligations of the U.S. Treasury.

Credit and Concentration of Credit Risk

The District has investments in the Manatee County Investment pool (the Pool), which is considered an external investment pool. The District's investment in the Pool is its shares held, not the underlying investments held in the Pool. The investments in the Pool are subject to overnight withdrawal, and are recorded at fair value. The Pool is not registered with the Securities and Exchange Commission and has not been rated at September 30, 2021.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Pool is limited to having investments with a maturity of three years or less from the date of purchase with a weighted average to maturity of less than two years. At September 30, 2021, the Pool had no investments with a maturity exceeding three years. The Pool's investments have a weighted average of less than two years. For further information regarding the Manatee County Investment Pool, readers should refer to the financial statements and disclosures of Manatee County, Florida.

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Interest Rate Risk – Continued

Fair Value Measurements – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs for similar assets; and Level 3 inputs are significant unobservable inputs.

At September 30, 2021, the District had the following investments:

<u>General Fund:</u>	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>
Manatee County Investment Pool:	<u>\$ 16,719,458</u>	Level 2
<u>Capital Projects Fund:</u>		
Manatee County Investment Pool: Restricted – Impact Fees	<u>\$ 2,324,202</u>	Level 2

Investments classified as level 2 of the fair value hierarchy use valuation techniques that reflect market participant’s assumptions and maximize the use of relevant observable inputs including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.

- (j) Compensated Absences – It is the District’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued pursuant to the District’s policy when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured or are payable from current financial resources. Compensated absences typically are liquidated out of the General Fund.

The District has adopted a Health Insurance Subsidy Plan. Upon death or retirement of an employee from the District, the employee shall have 75% of their accrued sick time converted to a Health Insurance Subsidy Plan (HIS). Retirement is defined as: an employee, who has voluntarily terminated employment with the District and, prior to the time of termination, has been approved in writing by the State of Florida to receive retirement benefits. In the event of death, the surviving spouse or underage children of the deceased employee shall receive benefits of the HIS. The District shall provide monthly premiums up to the dollar value of the accrued sick leave at the time the employee retires. When the dollar value of sick leave is exhausted, the retiree may continue in the subsidy plan at their own expense.

An estimate of the potential payout for sick leave under the health insurance subsidy plan has been recorded as a liability in the government-wide financial statements.

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

- (k) Capital Assets – Capital assets, which include property, plant, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred. The District does not have infrastructure assets.

Property, plant and equipment of the District are depreciated on a straight-line basis over the following estimated useful lives:

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

- (l) Long-Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, no long-term obligations are reported as they are not due to be paid from current financial resources.
- (m) Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item qualifies for reporting in this category. A deferred outflow of pension resources is reflected in the government-wide statement of net position.

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

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2021 was:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,518,826	\$ -0-	\$ -0-	\$ -0-	\$ 2,518,826
Construction in progress	<u>1,236,099</u>	<u>3,438,614</u>	<u>-0-</u>	<u>(4,674,713)</u>	<u>-0-</u>
Total capital assets, not being depreciated	<u>3,754,925</u>	<u>3,436,614</u>	<u>-0-</u>	<u>(4,674,713)</u>	<u>2,518,826</u>
Capital assets being depreciated:					
Buildings and improvements	19,574,765	30,389	-0-	4,674,713	24,279,867
Land improvements	752,748	-0-	-0-	-0-	752,748
Machinery and equipment	<u>11,193,132</u>	<u>517,532</u>	<u>66,703</u>	<u>-0-</u>	<u>11,643,961</u>
Total capital assets being depreciated	<u>31,520,645</u>	<u>547,921</u>	<u>66,703</u>	<u>4,674,713</u>	<u>36,676,576</u>
Less accumulated depreciation for:					
Buildings and improvements	4,011,287	457,305	-0-	-0-	4,468,592
Land improvements	219,554	18,819	-0-	-0-	238,373
Machinery and equipment	<u>5,455,913</u>	<u>880,197</u>	<u>66,703</u>	<u>-0-</u>	<u>6,269,407</u>
Total accumulated depreciation	<u>9,686,754</u>	<u>1,356,321</u>	<u>66,703</u>	<u>-0-</u>	<u>10,976,372</u>
Total capital assets, being depreciated, net	<u>21,833,891</u>	<u>(808,400)</u>	<u>-0-</u>	<u>4,674,713</u>	<u>25,700,204</u>
Governmental activities capital assets, net	<b><u>\$ 25,588,816</u></b>	<b><u>\$ 2,360,214</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 28,219,030</u></b>

Depreciation expense was reported as a separate line item in the statement of activities in the amount of \$1,356,321.

**NOTE C – LONG-TERM LIABILITIES**

Accrued Compensated Absences – As disclosed in Note A, the District provides for the accumulated benefit of earned vacation for its employees. In addition, it has adopted a Retirees Insurance Subsidy Plan through accumulated sick time. The estimated liability for the accumulated amount of vacation time was \$752,714 at September 30, 2021. The estimated liability at September 30, 2021 to be paid through the Retirees Insurance Subsidy Plan for accumulated sick time was \$887,368. These amounts have been recorded as liabilities in the government-wide financial statements. As they are not expected to be paid for using current financial resources, these liabilities have not been recorded in the fund financial statements.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Governmental Activities:					
OPEB Liability	\$ 1,676,953	\$ 324,401	\$ (451,664)	\$ 1,549,690	\$ -0-
Net pension liability	22,471,609	8,426,888	(24,449,999)	6,448,498	-0-
Compensated absences	<u>1,376,536</u>	<u>1,078,652</u>	<u>(815,106)</u>	<u>1,640,082</u>	<u>-0-</u>
	<u>25,525,098</u>	<u>9,829,941</u>	<u>(25,716,769)</u>	<u>9,638,270</u>	<u>-0-</u>
Governmental activity					
Long-term liabilities	<b><u>\$ 25,525,098</u></b>	<b><u>\$ 9,829,941</u></b>	<b><u>\$ (25,716,769)</u></b>	<b><u>\$ 9,638,270</u></b>	<b><u>\$ -0-</u></b>

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE D – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

The detail of the differences is shown below:

OPEB liability	\$ 1,549,690
Net pension liability	6,448,498
Compensated absences	<u>1,640,082</u>
	<b><u>\$ 9,638,270</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 reconciliation between the net changes in fund balances – total governmental funds as reported in the statement of revenues, expenditures and changes in fund balances, and the changes in net position as reported in the statement of activities is included on page 14 of the basic financial statements. One line in that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The detail of the differences is shown below:

Capital additions included as expenditures in the funds	\$ 3,986,535
Depreciation expense	<u>(1,356,321)</u>
	<b><u>\$ 2,630,214</u></b>

**NOTE E – RETIREMENT PLAN**

Plan Description

All part-time and full-time permanent employees of the District are provided with pensions through the Florida Retirement System which is administered by the Florida Department of Management Services, Division of Retirement. The State of Florida issues a publicly available annual comprehensive financial report. The report can be obtained at the following website;

<http://www.myfloridacfo.com/Transparency/State-Financial-Reports/FL-ACFR>

EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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**NOTE E – RETIREMENT PLAN – CONTINUED**

Plan Description – Continued

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

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

Benefits Provided

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

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

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

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

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

Contributions

Per Chapter 121, Florida Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the Florida Department of Management Services, Division of Retirement. Effective July 1, 2011,

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE E – RETIREMENT PLAN – CONTINUED**

Contributions – continued

both employee and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. The Florida Legislature established a uniform contribution rate system for the FRS. The uniform rates are based on the class an employee is placed into which requires employees to contribute 3% and employers to contribute a specified percentage based on class. The District's contractually required contribution rate for the year ended September 30, 2021, ranged from 24.45% – 25.89% for special risk employees, 10.00% – 10.82% for regular employees, and 16.89% – 18.34% for DROP, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$2,108,194 for the year ended September 30, 2021.

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

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

At September 30, 2021, the District reported a liability of \$6,448,498 for its proportionate share of the net pension liability which includes both FRS and HIS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was .046283121% for FRS and .024068264% for HIS.

For the year ended September 30, 2021, the District recognized pension expense of \$740,829. At September 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 599,248	\$ -0-	\$ 98,793	\$ (1,237)
Changes in assumptions	2,392,249	-0-	231,987	(121,644)
Net difference between projected and actual earnings on pension plan investments	-0-	(12,197,236)	3,078	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	1,076,778	(14,577)	534,123	(6,732)
District contributions subsequent to the June 30, 2021 measurement date	506,544	-0-	-0-	-0-
	<u>\$ 4,574,819</u>	<u>\$(12,211,813)</u>	<u>\$ 867,981</u>	<u>\$(129,613)</u>

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE E – RETIREMENT PLAN – CONTINUED**

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

Total deferred outflows were \$5,442,800 and total deferred inflows were \$12,341,426. \$506,544 (FRS) and \$0 (HIS) reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>FRS</u>	<u>HIS</u>
2022	\$ 1,728,272	\$ 115,505
2023	1,728,272	115,505
2024	1,728,272	115,505
2025	1,728,272	115,505
2026	1,728,272	115,505
Thereafter	<u>(497,822)</u>	<u>160,843</u>
	<u>\$ 8,143,538</u>	<u>\$ 738,368</u>

*Actuarial Assumptions*

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

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

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

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

The long-term expected rate of return on pension plan investments was determined in October 2021 by outside investment consultants to the Florida State Board of Administration. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption, (2.40%). These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE E – RETIREMENT PLAN – CONTINUED**

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

*Discount Rate*

The discount rate used to measure the total FRS pension liability remained at 6.80%, and the discount rate used to measure the total HIS pension liability was 2.16%. The HIS rate decreased from 2.21% in the prior year, based on the most recent actuarial study. The HIS rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following changes in actuarial assumptions occurred in 2021:

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

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

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

	<u>1% Decrease (5.80%)</u>	<u>Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
District's proportionate share of the FRS net pension liability	\$ 15,635,079	\$ 3,496,164	\$ (6,650,608)

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

	<u>1% Decrease (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
District's proportionate share of the HIS net pension liability	\$ 3,413,185	\$ 2,952,334	\$ 2,574,771

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE E – RETIREMENT PLAN – CONTINUED**

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of Florida comprehensive annual financial report.

**NOTE F – OTHER POST EMPLOYMENT HEALTHCARE SUBSIDIARY BENEFIT PLAN**

Plan Description

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

Plan membership at October 1, 2020 (date of actuarial valuation):

Inactive plan members or beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>94</u>
Total	<u>104</u>

Benefits Provided

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

*Actuarial Assumptions*

The measurement date is September 30, 2021.

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

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2021, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	varies by service
Discount Rate	2.43%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	54

*Mortality:*

All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2020. Rates are based on those outlined in the July 1, 2021 Florida Retirement System (FRS) actuarial valuation report.

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE F – OTHER POST EMPLOYMENT HEALTHCARE SUBSIDIARY BENEFIT PLAN – CONTINUED**

Mortality – Active Lives:

For female (non-special risk) lives, the headcount-weighted PubG-2010 female employee table was used. For male (non-special risk) lives, the headcount weighted PubG-2010 male below-median income employee table, set back one year, was used. For female special risk lives, the headcount-weighted female PubS-2010 employee table, set forward one year was used. For male special risk lives, the headcount-weighted PubS-2010 male below-median income employee table, set forward one year was used.

Mortality – Inactive Healthy Lives:

For female (non-special risk) lives, the headcount-weighted PubG-2010 female below-median income healthy retiree table was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male below-median income healthy retiree table, set back one year, was used. For female special risk lives, the headcount-weighted PubS-2010 for Healthy Retirees table, set forward one year was used. For male special risk lives, the headcount-weighted PubS-2010 for Healthy Retirees table, set forward one year was used. For male special risk lives, the headcount-weighted PubS-2010 for Healthy Retirees table, set forward one year was used.

*Discount Rate:*

Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.43%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Rating Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

*OPEB Expense:*

For the year ended September 30, 2021, the Sponsor will recognize OPEB Expense of \$128,909.

Change in Total OPEB Liability

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2020	\$ 1,676,953
Changes for a Year:	
Service Cost	96,778
Interest	41,139
Differences Between Expected and Actual Experience	186,484
Changes in Assumptions	(375,598)
Changes in Benefit Terms	-0-
Contributions – Employer	-0-
Benefit Payments	(76,066)
Other Changes	-0-
Net Changes	(127,263)
Reporting Period Ending September 30, 2021	\$ 1,549,690

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE F – OTHER POST EMPLOYMENT HEALTHCARE SUBSIDIARY BENEFIT PLAN – CONTINUED**

*OPEB Expense– Continued:*

Changes in assumptions reflect a change in the discount rate from 2.14% for the reporting period ended September 30, 2020 to 2.43% for the reporting period ended September 30, 2021. Also reflected are updated health care costs and premiums, and updated health care cost trend rates.

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>1.43%</u>	<u>2.43%</u>	<u>3.43%</u>
Total OPEB Liability (Asset)	\$ 1,769,963	\$ 1,549,690	\$ 1,367,181

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
	<u>3.00% – 6.50%</u>	<u>4.00% – 7.50%</u>	<u>5.00% – 8.50%</u>
Total OPEB Liability (Asset)	\$ 1,428,000	\$ 1,549,690	\$ 1,697,345

On September 30, 2021, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual Experience	\$ 173,164	\$ -0-
Changes of assumptions	<u>-0-</u>	<u>348,770</u>
Total	<u>\$ 173,164</u>	<u>\$ 348,770</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Year ended September 30:	
2022	\$ (13,508)
2023	\$ (13,508)
2024	\$ (13,508)
2025	\$ (13,508)
2026	\$ (13,508)
Thereafter	\$ (108,066)

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE G – CONCENTRATIONS OF LABOR SUBJECT TO COLLECTIVE BARGAINING AGREEMENT**

The District’s professional Firefighters, lieutenants and captains, which represent a significant portion of the District’s employees, are represented by a Union.

**NOTE H – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

**NOTE I – COMMITMENTS AND CONTINGENCIES**

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

**NOTE J – MERGER**

Effective October 1, 2021, the District merged with the Myakka City Fire Control District. The merger received approval from Manatee County, as well as a referendum from the voters of the Myakka City Fire Control District (the District) in support of the merger. As a result, local state representatives presented legislation in House Bill 1587, which passed with unanimous consent in both the Florida House of Representatives and the Florida State Senate, and was signed by the Governor. The Manatee County Board of Commissioners then passed a resolution for the dissolution of the Myakka City Fire Control District. The successor organization will be East Manatee Fire Rescue District.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>				
Fire protection services –				
Fire assessments	\$ 8,950,432	\$ 8,950,432	\$ 9,029,470	\$ 79,038
Ad valorem assessments	8,344,226	8,344,226	8,380,004	35,778
Interest income	275,000	275,000	25,667	(249,333)
Service fee revenue	50,000	52,630	71,535	18,905
Other revenue	94,710	145,100	114,957	(30,143)
	<u>17,714,368</u>	<u>17,767,388</u>	<u>17,621,633</u>	<u>(145,755)</u>
<b>EXPENDITURES</b>				
Personal services	15,391,198	15,740,205	14,213,348	1,526,857
Operating expenses	2,872,404	2,944,365	2,079,296	865,069
Capital outlay	4,070,209	3,293,909	1,213,024	2,080,885
Total expenditures	<u>22,333,811</u>	<u>21,978,479</u>	<u>17,505,668</u>	<u>4,472,811</u>
Change in fund balance	(4,619,443)	(4,211,091)	115,965	4,327,056
<b>FUND BALANCE – October 1, 2020</b>	<u>17,974,275</u>	<u>17,974,275</u>	<u>17,974,275</u>	<u>–</u>
<b>FUND BALANCE – September 30, 2021</b>	<u><b>\$ 13,354,832</b></u>	<u><b>\$ 13,763,184</b></u>	<u><b>\$ 18,090,240</b></u>	<u><b>\$ 4,327,056</b></u>

**Note 1 – Basis of Budgeting**

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Fire protection services –				
Impact fees	\$ 625,000	\$ 1,500,000	\$ 1,897,148	\$ 397,148
Miscellaneous	–	–	363	363
Interest earnings	35,000	50,000	–	(50,000)
Total revenues	660,000	1,550,000	1,897,511	347,511
<b>EXPENDITURES</b>				
Capital outlay	2,978,378	3,521,733	3,022,056	499,677
Total expenditures	2,978,378	3,521,733	3,022,056	499,677
Change in fund balance	(2,318,378)	(1,971,733)	(1,124,545)	847,188
<b>FUND BALANCE – October 1, 2020</b>	<u>3,555,716</u>	<u>3,555,716</u>	<u>3,555,716</u>	<u>–</u>
<b>FUND BALANCE – September 30, 2021</b>	<u><b>\$ 1,237,338</b></u>	<u><b>\$ 1,583,983</b></u>	<u><b>\$ 2,431,171</b></u>	<u><b>\$ 847,188</b></u>

**Note 1 – Basis of Budgeting**

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

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

FLORIDA RETIREMENT SYSTEM (FRS)

	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.033043383%	0.038901315%	0.038471325%	0.041519737%	0.041618818%	0.046000077%	0.046283121%
District's proportionate share of the net pension liability	\$ 4,267,996	\$ 9,822,613	\$ 11,379,560	\$ 12,505,960	\$ 14,332,942	\$ 19,937,111	\$ 3,496,164
District's covered-employee payroll	\$ 5,187,320	\$ 5,311,651	\$ 5,829,139	\$ 6,111,071	\$ 6,571,082	\$ 7,582,202	\$ 8,959,588
District's proportionate share of the net pension liability as a % of its covered-employee payroll	82%	185%	195%	205%	218%	263%	39%
Plan fiduciary net position as a % of total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%

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

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

**RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)**

	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.016702651%	0.017615541%	0.017391775%	0.018857994%	0.019101739%	0.020757834%	0.024068264%
District's proportionate share of the net pension liability	\$ 1,703,408	\$ 2,053,018	\$ 1,859,609	\$ 1,995,951	\$ 2,137,293	\$ 2,534,498	\$ 2,952,334
District's covered-employee payroll	\$ 5,187,320	\$ 5,311,651	\$ 5,829,139	\$ 6,111,071	\$ 6,571,082	\$ 7,582,202	\$ 8,959,588
District's proportionate share of the net pension liability as a % of its covered-employee payroll	33%	39%	32%	33%	33%	33%	33%
Plan fiduciary net position as a % of total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%

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

**EAST MANATEE FIRE RESCUE DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
AVAILABLE FISCAL YEARS \***

FLORIDA RETIREMENT SYSTEM (FRS)

	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution **	\$ 805,626	\$ 948,671	\$ 1,001,503	\$ 1,183,279	\$ 1,290,484	\$ 1,528,379	\$ 1,763,187
Contributions in relation to the contractually required contribution	805,626	948,671	1,001,503	1,183,279	1,290,484	1,528,379	1,763,187
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,187,320	\$ 5,311,651	\$ 5,829,139	\$ 6,111,071	\$ 6,571,082	\$ 7,582,202	\$ 8,959,588
Contributions as a percentage of covered-employee payroll	15.53%	17.86%	17.18%	19.36%	19.64%	20.16%	19.68%

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

**EAST MANATEE FIRE RESCUE DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
AVAILABLE FISCAL YEARS \***

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution **	\$ 63,848	\$ 90,291	\$ 92,042	\$ 102,267	\$ 106,070	\$ 119,618	\$ 141,473
Contributions in relation to the contractually required contribution	63,848	90,291	92,042	102,267	106,070	119,618	141,473
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered--employee payroll	\$ 5,187,320	\$ 5,311,651	\$ 5,829,139	\$ 6,111,071	\$ 6,571,082	\$ 7,582,202	\$ 8,959,588
Contributions as a percentage of covered -employee payroll	1.23%	1.70%	1.58%	1.67%	1.61%	1.58%	1.58%

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

**EAST MANATEE FIRE RESCUE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**ACTUARIAL METHODS AND ASSUMPTIONS**

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

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

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

The following changes in actuarial assumptions occurred in 2021:

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

**EAST MANATEE FIRE RESCUE DISTRICT  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
AVAILABLE FISCAL YEARS \***

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability			
Service cost	\$ 24,785	\$ 28,641	\$ 96,778
Interest	37,636	37,392	41,139
Changes in benefit terms	-	363,106	-
Differences between expected and actual experience	165,744	-	186,484
Changes in assumptions	138,958	263,428	(375,598)
Benefit payments	(59,897)	(62,345)	(76,066)
Net change in Total OPEB Liability	307,226	630,222	(127,263)
Total OPEB liability – Beginning	739,505	1,046,731	1,676,953
Total OPEB liability – Ending	<u>\$ 1,046,731</u>	<u>\$ 1,676,953</u>	<u>\$ 1,549,690</u>
Covered–employee payroll	\$ 6,009,718	\$ 6,159,961	\$ 8,920,653
Total OPEB liability as a percentage of covered– employee payroll	17.42%	27.22%	17.37%

\* The District adopted GASB 75 in 2019. Ultimately this schedule will contain information for the last ten years.

**Notes to Schedule:**

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

Fiscal Year Ending September 30, 2021	2.43%
Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.58%
Fiscal Year Ending September 30, 2018	4.18%

The difference between the expected and actual experience reflects the impact of changes to the census data from the prior valuation to the valuation as of October 1, 2020.

**Benefit Payments:**

The Plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending September 30, 2021. Expected net benefit payments produced by the valuation model for the same period are shown in the above table.

**OTHER SUPPLEMENTAL INFORMATION**

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

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>Personal Services:</b>			
Salaries and wages	\$ 9,555,535	\$ 8,959,588	\$ 595,947
FICA and other payroll taxes	728,450	661,789	66,661
Retirement contributions	2,250,964	2,152,925	98,039
Workers compensation	343,542	343,542	-
Health insurance	2,861,714	2,095,504	766,210
<b>Total personal services</b>	<b><u>\$ 15,740,205</u></b>	<b><u>\$ 14,213,348</u></b>	<b><u>\$ 1,526,857</u></b>
<b>Operating Expenses:</b>			
Advertising	\$ 10,000	\$ 2,129	\$ 7,871
Commissions and fees	618,613	540,053	78,560
Dues and subscriptions	5,000	2,465	2,535
Fuel and oil	100,000	85,464	14,536
Insurance	143,606	143,808	(202)
Legal and professional	87,250	84,900	2,350
Supplies	253,711	140,863	112,848
Repair and maintenance	1,004,742	672,509	332,233
Training and travel	235,400	103,923	131,477
Uniforms	198,363	94,331	104,032
Utilities	201,080	197,769	3,311
Miscellaneous	86,600	11,082	75,518
<b>Total Operating Expenses</b>	<b><u>\$ 2,944,365</u></b>	<b><u>\$ 2,079,296</u></b>	<b><u>\$ 865,069</u></b>

**EAST MANATEE FIRE RESCUE DISTRICT  
SCHEDULE OF EXPENDITURES – GENERAL FUND  
FOR THE YEARS ENDED SEPTEMBER 30,**

	<u>2021</u>	<u>2020</u>
<b>Personal Services:</b>		
Salaries and wages	\$ 8,959,588	\$ 7,582,202
FICA and other payroll taxes	661,789	561,750
Retirement contributions	2,152,925	1,823,434
Workers compensation	343,542	310,070
Health insurance	<u>2,095,504</u>	<u>1,824,826</u>
<b>Total Personal Services</b>	<b><u>\$ 14,213,348</u></b>	<b><u>\$ 12,102,282</u></b>
 <b>Operating Expenses:</b>		
Advertising	\$ 2,129	\$ 1,774
Commissions and fees	540,053	522,716
Dues and subscriptions	2,465	3,622
Fuel and oil	85,464	59,733
Insurance	143,808	117,028
Legal and professional	84,900	46,922
Supplies	140,863	213,612
Repair and maintenance	672,509	634,459
Training and travel	103,923	96,348
Uniforms	94,331	71,133
Utilities	197,769	166,867
Miscellaneous	<u>11,082</u>	<u>18,229</u>
<b>Total Operating Expenses</b>	<b><u>\$ 2,079,296</u></b>	<b><u>\$ 1,952,443</u></b>

**EAST MANATEE FIRE RESCUE DISTRICT  
SCHEDULE OF FIRE ASSESSMENT RATES**

The special fire assessment within the East Manatee Fire Rescue District for the 2020 - 2021 tax year is as follows:

<b>Category</b>	<b>Use Code(s)</b>	<b>Rate</b>
-----------------	--------------------	-------------

Residential/Condominia Fire Sprinkler Discount

The base and square footage assessment for all residential and condominia buildings and structures that are protected by a non-required, but approved fire sprinkler system shall be discounted 20%. The base assessment shall be \$72.2994 for the first 1000 square feet on a parcel. The schedule for all square footage above 1000 square feet is \$0.0490 per square foot. This shall only apply to those buildings or structures that are not required by Ordinance 15A to be sprinkled.

Multi-Family Residential – 0110, 0300, 0301, 0600, 0700, 0710, 0800, 0801, 0803, 0805, 0864 & 3910.....\$103.4137 / unit

Mobile Homes – 0003, 0201, 0202, 0203, 0264, 0411, 0412, 0413, 0501, 0502 & 0503.....\$86.1094 / unit

Mobile Homes on Acreage – 0210.....\$0.35 / acre +  
.....\$86.1094 / unit

Mobile Home Parks – 2802.....\$69.4841 / unit

Residential Common Areas – 0900, 0901 & 0910

Common elements of a residential subdivision, as determined by the Property Appraiser, that are utilized exclusively for the benefit of the lot owners within the subdivision, regardless of ownership, shall have the non-ad valorem prorated by the Property Appraiser and included in the assessment of all the lots within the residential subdivision pursuant to §193.0235, Florida Statutes. The assessment of the common elements of a residential subdivision shall be determined by the size of the lot and/or the size and type of buildings and structures pursuant to this assessment schedule. Furthermore, the size of structures on residential common areas considered as outside buildings (OBY) shall be determined by the square footage deemed by the Property Appraiser. Residential common area parcels less than 10 acres and parcels with buildings and structures less than 1,000 square feet shall be assessed \$0.00.

**Commercial/Industrial:**

Vacant Platted Lot – 1000, 1001, 1004, 1033, 1040, 1041, 4000 & 7000.....\$8.0456 / lot

Golf Courses and Driving Ranges – 3800.....\$0.35 / acre

Golf Course Support Facilities – 0938 & 3810.....\$0.35 / acre +  
.....\$456.9211 (\$0.0979)

The assessment for golf course support facility parcels 10 acres or more is \$0.35 per acre. The base assessment for all golf course support facility buildings and structures on 10 acres or more shall be \$456.9211 for the first 1000 square feet on a parcel. The schedule for all square footage above 1000 square feet is \$0.0979 per square foot.

**EAST MANATEE FIRE RESCUE DISTRICT  
SCHEDULE OF FIRE ASSESSMENT RATES**

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Recreational Vehicle Parks/Camps – 0720, 2805 & 3600.....\$456.9211 (\$0.0979)

The base assessment for Recreational Vehicle Parks regulated under Chapter 513, Florida Statutes, and for camps shall be \$456.9211 for the first 1000 square feet for all buildings, structures and net rental spaces. The schedule for all square footages over 1000 square feet shall be \$0.0979 per square foot.

Commercial/Industrial Common Areas – 1230, 1233 & 1240

Common elements of a commercial/industrial subdivision, as determined by the Property Appraiser, shall be determined by the size of the lot and/or the size and type of buildings and structures pursuant to this assessment schedule. Commercial common area parcels less than 10 acres and parcels with buildings and structures less than 1,000 square feet of common area under roof shall be assessed \$0.00.

Commercial/Industrial

The base assessment for all commercial or industrial buildings and structures shall be \$456.9211 for the first 1000 square feet on a parcel. The schedule for all square footage above 1000 square feet is as follows:

<u>Category</u>	<u>Use Code(s)</u>	<u>Rate</u>
Mercantile –	1100, 1101, 1102, 1103, 1104, 1105, 1110, 1114, 1200, 1205, 1264, 1300, 1400, 1500, 1600, 1604 & 2900.....	\$0.1101
Business –	1700, 1704, 1710 1800, 1900, 1904, 1910. 2200, 2300, 2500, 2600 & 3000.....	\$0.0979
Assembly –	2100, 3100, 3200, 3300, 3400, 3410, 3500, 3510, 3700, 3901, 3902, 3903, 7600, 7601, 7602, 7700 & 7900.....	\$0.0979
Factory/Industrial –	4100, 4104, 4400, 4500, 4600, 4700 & 9100.....	\$0.1235
Storage –	2000, 2003, 2700, 2710, 2720, 2730, 2740, 2750, 2800, 4801, 4803, 4810 & 4900.....	\$0.1245
Hazardous –	4200, 4300 & 4800.....	\$0.1591
Institutional –	7200, 7210, 7300, 7400, 7500 & 7800.....	\$0.0979
Condominia Warehousing –	4804 & 4805.....	\$300 / unit

Commercial/Industrial Fire Sprinkler Discount

The base and square footage assessment for commercial, industrial, and non-residential buildings and structures that are protected by a non-required, but approved fire sprinkler system shall be discounted 20%. The base assessment shall be \$365.5368 for the first 1000 square feet on a parcel. The schedule for all square footage above 1000 square feet is \$0.0778 per square foot. For Condominia Warehouses, the discounted rate shall be \$240 per unit. This shall only apply to those buildings or structures that are not required by Ordinance 18A to be sprinkled.

Leasehold Interest, Government Owned (9000 & 9002) with or without buildings and structures are not exempt and shall be assessed according to the proper category of residential, commercial/industrial, or acreage/ agriculture.

**EAST MANATEE FIRE RESCUE DISTRICT  
SCHEDULE OF FIRE ASSESSMENT RATES**

**Acreage/Agricultural:**

Unsubdivided Acreage – 5100, 5350, 5600, 6000, 6600, 6610, 6900, 9200,  
9600, 9700 & 9900.....\$0.35 / acre

Agricultural Land with Residential Improvements – 5000.....0.35 / acre +  
.....\$90.3827 (\$0.0612)

Agricultural Land with Non-Residential Improvements – 5010.....0.35 / acre +  
.....\$90.3827 (\$0.0612)

Agricultural Land with Residential and Non-Residential Improvements – 5020, 5030 & 9901

The assessment of agriculture parcels used both for residential and non-residential buildings shall be determined by the acreage and/or the size and type of buildings and structures pursuant to this assessment schedule.

Agriculture Land with Solar Fields - 5040.....\$100.00/ acre +

The base assessment for all buildings and structures on un-subdivided acreage shall be \$90.3827 for the first 1000 square feet on a parcel. The schedule for all square footage above 1000 square feet is \$0.0612 per square foot.

**No Assessments:**

The following parcels are hereby not levied a non-ad valorem fire assessment:

<u>Category</u>	<u>Use Code(s)/Exemption Code(s)</u>	<u>Assessment</u>
Vacant Unusable Tract –	0009, 1009 & 9909.....	\$0.00
Condominium Common Area –	940 & 941.....	\$0.00
Mobile Home Attachments –	2832.....	\$0.00
Churches & Parsonages –	7100 & 7101.....	\$0.00
Forest, Parks, Recreation Area –	8082 & 8200.....	\$0.00
Public Schools, Colleges, Hospitals –	8083, 8084, 8085, 8300, 8400 & 8500.....	\$0.00
County, State, Federal, Municipal –	8086, 8087, 8088, 8089, 8600, 8700, 8800 & 8900.....	\$0.00
Military –	8081 & 8100.....	\$0.00
Railroads –	9800.....	\$0.00
Subsurface Rights & Rights-of-Way –	9300, 9400, & 9401.....	\$0.00
Rivers, Lakes, & Submerged Lands –	9500.....	\$0.00

Properties, if given total exemptions to ad valorem taxes by the Manatee County Property Appraiser’s Office, shall also be given a total exemption from non-ad valorem assessments by the East Manatee Fire Rescue District.

**OTHER AUDITOR'S REPORTS**



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

Board of Commissioners  
East Manatee Fire Rescue District  
Manatee County, Florida

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

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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.


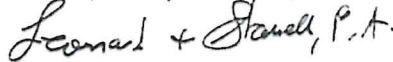
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

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

June 3, 2022  
Bradenton, Florida

## MANAGEMENT LETTER

**Board of Commissioners  
East Manatee Fire Rescue District  
Manatee County, Florida**

### **Report on the Financial Statements**

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

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent 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*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 3, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Financial Condition and Management**

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

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

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

#### **Specific Information for an Independent Special District**

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

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was 110.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the District's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$8,959,588.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project. There were none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance is presented on page 32.

#### **Specific Information for an Independent Special District that imposes Ad Valorem Taxes**

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

- a. The millage rate imposed by the District was .80.
- b. The total amount of ad valorem taxes collected by or on behalf of the District was \$8,380,004.
- c. There were no bonds issued by the District, and as such the outstanding amount is \$0, and there were no terms.

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

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District are presented on pages 42 through 44.

b. The total amount of special assessments collected by or on behalf of the District was \$9,029,470.

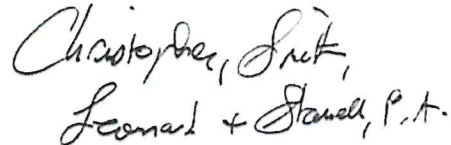
c. There were no bonds issued by the District, and as such the outstanding amount is \$0, and there were no terms.

**Additional Matters**

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

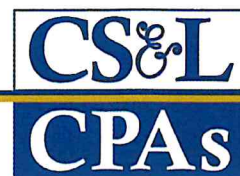
**Purpose of this Letter**

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.

Handwritten signature of Christopher Smith in cursive script.

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

June 3, 2022  
Bradenton, Florida



INDEPENDENT ACCOUNTANT'S REPORT ON  
INVESTMENT COMPLIANCE

Board of Commissioners  
East Manatee Fire Rescue District  
Manatee County, Florida

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

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

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2021.

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

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

June 3, 2022  
Bradenton, Florida

**IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared C.L Whitehurst, III, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the East Manatee Fire Rescue District which is a local governmental entity in the State of Florida;
2. The governing body of the East Manatee Fire Rescue District adopted Resolution No. 03-02 implementing an impact fee or authorized East Manatee Fire Rescue District to receive and expend proceeds of an impact fee implemented; and
3. The East Manatee Fire Rescue District has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

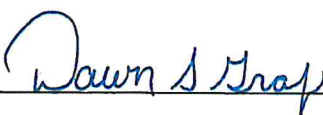
FURTHER AFFIANT SAYETH NAUGHT.



C.L. Whitehurst, III

STATE OF FLORIDA  
COUNTY OF MANATEE

SWORN TO AND SUBSCRIBED before me this 28<sup>th</sup> day of February, 2022



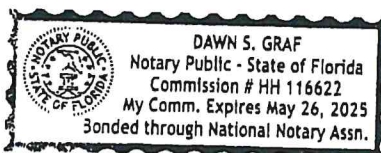
NOTARY PUBLIC  
Print Name DAWN S. GRAF

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

5-26-2025





June 3, 2022

Board of Commissioners  
East Manatee Fire Rescue District

We have audited the financial statements of East Manatee Fire Rescue District for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 13, 2021. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Accounting Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

#### Depreciation

Fixed assets are depreciated over their estimated useful lives. There is both an accumulated amount of depreciation and current year expense as part of these financial statements. Fixed assets and related depreciation are recorded only in the government wide financial statements.

### Total OPEB Liability

The District has implemented GASB Statement No. 75. As a result, the District obtained an actuarial valuation of its post-employment health benefits plan. A long-term liability in the amount of \$1,549,690, deferred outflows of \$173,164 and deferred inflows of \$348,770 have been recorded in the government wide financial statements. The amounts are based on the actuarial calculated amounts as provided by the actuary.

### Net Pension Liability/Asset and Deferred Inflows and Outflows Related to the District's Pension Plan

A long-term liability in the amount of \$6,448,498, deferred outflows of \$5,442,800 and deferred inflows of \$12,341,426 have been recorded in the government wide financial statements. The amounts are based on the actuarial calculated amounts as provided by the actuary.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Note A describes the District's significant account policies, including implementation of new accounting standards.

Note E describes the Retirement Plan.

Note F describes the District's other post-employment benefit plan.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit. The completion of the audit was delayed due to the delay in receiving the actuary's report on the District's Other Post Employment Benefit Plan.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Adjustments posted related mainly to year end accruals and fixed assets. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were

material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 3, 2022.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### *Other Matters*

We applied certain limited procedures to the required supplementary information, (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information on pages 40-41 accompanying the financial statements, we made certain inquiries of a management and evaluated the form, content, and methods or preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our

audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

#### *Other Services*

At the request of management of the District, we also assisted in preparing the financial statements and related notes of the East Manatee Fire Rescue District in conformity with U.S. generally accepted accounting principles based on information provided by the District. We also assisted with various other consultations and accounting assistance at the request of the District. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services were not conducted in accordance with *Government Auditing Standards*.

East Manatee Fire Rescue District management agreed to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provided. The District has acknowledged in the management representation letter our assistance with preparation of the financial statements and related notes, as well as other nonaudit services that Management of the District has reviewed and approved the financial statements and related notes prior to their issuance, and any other assistance we provided, and have accepted responsibility for them. Further, Management of the District oversaw the nonaudit services by designating an individual, from senior management, with suitable skill, knowledge, or experience; evaluated the adequacy and results of those services; and accepted responsibility for them.

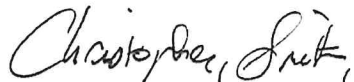
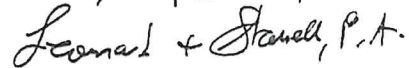
#### *Upcoming Standards*

##### *GASB No. 87 and No. 96*

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 87 is effective for periods ending after June 15, 2021, and GASB Statement No. 96 is effective for periods ending after June 15, 2022, with earlier adoption permitted. The District should consider these new standards as it enters into new lease obligations in future years, as it will require additional accounting efforts in the District's financial reporting system.

#### *Restrictions on Use*

This information is intended solely for the use of Management and the Board of Fire Commissioners of East Manatee Fire Rescue District and is not intended to be, and should not be, used by anyone other than these specified parties.

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