

**SOUTHERN MANATEE
FIRE AND RESCUE DISTRICT
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
FINANCIAL STATEMENTS**

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FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
Southern Manatee Fire and Rescue District
Manatee County, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Southern Manatee Fire and Rescue District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included with the basic financial statements. The other information comprises the schedule of fire assessment rates and impact fee affidavit, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2025 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.

A handwritten signature in dark ink that reads "CS&L CPAs". The letters are cursive and slightly slanted to the right.

CS&L CPAs, P. A.

April 4, 2025
Bradenton, Florida

SOUTHERN MANATEE

P.O. Box 20216
Phone: (941) 751-7675



FIRE & RESCUE DISTRICT

Bradenton, Florida 34204
Fax: (941) 751-7694

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Southern Manatee Fire and 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, 2024.

Financial Highlights

- At the close of the current fiscal year, the District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$16,058,099 (*net position*).
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$14,056,058, an increase of \$2,066,537 in comparison with the prior year. Tax assessments increased by \$2,203,548, impact fees decreased by \$102,372, and interest income increased by \$343,476. Personal service expenses increased \$3,003,172, operating costs increased \$113,535, debt service costs decreased \$403,342, and capital outlay decreased \$182,001. Of this total amount, \$2,992,155 is *available for spending* at the District's discretion (*unassigned fund balance*).
- The District's total debt was \$0 which decreased by \$707,956 during the current fiscal year.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the District's assets plus deferred outflows of resources less liabilities plus deferred inflows of resources, with the difference reported as *net position*.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by fire assessments (ad valorem and non-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 does not currently have any business-type activities.

The government-wide financial statements can be found on pages 11 and 12 of this report.

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

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 and budgeted debt proceeds 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 as well as related debt service. These revenues can only be used for the acquisition, construction or purchase of assets required to provide fire protection and emergency services.

The basic governmental fund financial statements can be found on pages 13 and 15 of this report.

Reconciliation to facilitate the comparison between the governmental fund financial statements and the government-wide financial statements are presented on pages 14 and 16.

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

Fiduciary funds. Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is on the accrual basis.

The basic fiduciary fund financial statements can be found on pages 17 and 18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 19 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Southern Manatee Fire and Rescue District, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$16,058,099 at the close of the most recent fiscal year.

A large portion of the District's net position, \$11,206,773 reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide fire protection and emergency services to citizens within the boundaries of the District; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed statement of net position as of September 30, 2024, with comparative totals for September 30, 2023 follows:

Net Position

| | <u>Governmental Activities</u> | <u>Governmental Activities</u> |
|-----------------------------------|---|---|
| | <u>2024</u> | <u>2023</u> |
| Current and other assets | \$ 15,127,412 | \$ 12,277,371 |
| Net Pension Asset | 531,690 | -0- |
| Capital assets | 11,206,773 | 10,644,416 |
| Total assets | <u>26,865,875</u> | <u>22,921,787</u> |
| Deferred outflows of resources | 8,110,201 | 11,398,866 |
| Long-term liabilities outstanding | 7,356,518 | 15,858,726 |
| Other liabilities | 1,071,354 | 290,882 |
| Total liabilities | <u>8,427,872</u> | <u>16,149,608</u> |
| Deferred inflows of resources | 10,490,105 | 6,005,181 |
| Net position: | | |
| Net investment in capital assets | 11,206,773 | 9,936,460 |
| Restricted | 2,438,449 | 1,917,128 |
| Unrestricted | 2,412,877 | 312,276 |
| Total net position | <u>\$ 16,058,099</u> | <u>\$ 12,165,864</u> |

An additional portion of the District's net position, \$2,438,449, represents resources from impact fees and other amounts that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$2,412,877 may be used to meet the District's ongoing obligations to citizens and creditors.

The changes between years for deferred outflows/inflows of resources and other liabilities are mainly the result of the changes in the related pension and OPEB amounts, as required by GASB 68 and GASB 75.

The District's net position increased by \$3,892,235 during the current fiscal year.

The following is a condensed statement of activities for the year ended September 30, 2024 with comparative totals for the year ended September 30, 2023.

Changes in Net Position

| | <u>Governmental Activities</u> <u>2024</u> | <u>Governmental Activities</u> <u>2023</u> |
|----------------------------|---|---|
| Revenues: | | |
| Program revenues | | |
| Charges for services | 34,542 | 41,994 |
| General revenues: | | |
| Fire assessments | 23,035,030 | 20,831,482 |
| Impact fees | 402,543 | 504,915 |
| Other | <u>1,448,301</u> | <u>1,023,502</u> |
| Total revenues | <u>24,920,416</u> | <u>22,401,893</u> |
| Expenses: | | |
| Fire protection services | 19,868,716 | 20,418,968 |
| Depreciation | 1,097,215 | 1,063,003 |
| Interest on long-term debt | <u>62,250</u> | <u>42,261</u> |
| Total Expenses | <u>21,028,181</u> | <u>21,524,232</u> |
| Increase in net position | 3,892,235 | 877,661 |
| Net position – Beginning | <u>12,165,864</u> | <u>11,288,203</u> |
| Net position – Ending | <u>\$ 16,058,099</u> | <u>\$ 12,165,864</u> |

- Fire assessments increased by \$2,203,548 during the year, which includes ad valorem and non-ad valorem assessments.
- Impact fees and related payments from developers decreased by \$102,372 due to a decrease in construction within the District.
- Expenses decreased \$496,051. Significant changes compared to the prior year were: Fire protection service expenses decreased \$550,252, depreciation expense increased \$34,212, and interest expense on long-term debt increased \$19,989.

Financial Analysis of the District's Funds

The District's Governmental Funds 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 \$14,056,058, an increase of \$2,066,537 in comparison with the prior year. Of this total \$2,992,155 is *unassigned fund balance*, which is available for spending at the District's discretion. Fund balance in the amount of \$2,380,473 is restricted from impact fee revenues to be spent only on the acquisition, construction or purchase of assets required to provide fire protection and emergency services.

\$57,976 is restricted for the fallen firefighters' fund. Committed fund balance totaled \$2,047,816, and assigned fund balance totaled \$5,750,000.

The general fund is the operating fund of the District. At the end of the current fiscal year, the general fund had an unassigned fund balance of \$2,992,155, assigned fund balance of \$5,750,000, committed fund balance of \$2,047,816, and total fund balance was \$11,675,585. As a measure of the general fund's liquidity, it may be useful to compare unrestricted fund balance to total fund expenditures. Unassigned and assigned fund balance represent 13% and 25%, respectively of total general fund expenditures.

During the current year, the fund balance of the District's general fund increased by \$1,548,944.

The capital projects fund has a total fund balance of \$2,380,473, all of which is restricted for the acquisition, construction, or purchase of assets related debt service required to provide fire protection and emergency services. The net increase in fund balance during the current year in the capital projects fund was \$517,593, due to impact fee revenues and interest earnings exceeding expenditures and transfers out to the general fund.

Fiduciary funds. The fiduciary funds include Firefighters and General Employee pension trusts. At year end the fiduciary funds had ending net position of \$80,454,273, an increase of \$15,476,928. The increase was due mainly to increase in investments due to current year market conditions.

General Fund Budgetary Highlights

During the year, the General Fund budget was not amended. Original and final budgeted revenues were \$23,038,681. Original and final budgeted expenditures were \$23,721,673.

For the current fiscal year, actual revenues exceeded budgeted revenues by \$1,364,142 mainly due to interest being higher than budgeted.

Actual expenditures were less than the budget by \$867,794.

Capital Assets

The District's investment in capital assets is \$11,206,773 (net of accumulated depreciation). Investment in capital assets includes land, buildings and improvements, and machinery and equipment. The District's investment in capital assets for the current fiscal year increased by \$562,357; this was comprised of additions of \$1,660,380, net of depreciation expense of \$1,097,215 and loss on disposal of \$808.

| | Governmental Activities | Governmental Activities |
|-----------------------------|------------------------------------|------------------------------------|
| | 2024 | 2023 |
| Land | \$ 790,309 | \$ 790,309 |
| Buildings and improvements | 6,249,321 | 6,513,558 |
| Machinery and equipment | 3,422,419 | 3,340,549 |
| Construction in progress | 744,724 | - 0 - |
| Total (net of depreciation) | <u>\$ 11,206,773</u> | <u>\$ 10,644,416</u> |

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

Long-Term Debt

At the end of the current fiscal year, the District had total debt outstanding of \$0, noting outstanding debt paid off in full during the year.

During the current fiscal year, the District's total debt decreased by \$707,956 due to principal payments.

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

Economic Factors and Next Year's Budgets and Rates

The department continues to face its challenges in this post-pandemic "new normal" world. In opposition to many parts of the county, Manatee County and more specifically, Southern Manatee Fire Rescue (SMFR) District has seen a boom of new building. While this is a good problem to have, it does still pose a test of the current operational limits of the department. Along with operational readiness and response is the personnel aspect. In order to recruit and maintain the top personnel in the industry we must measure ourselves against surrounding departments who are competing for that same pool of personnel. In that vain it is incumbent on SMFR to offer a competitive compensation package and a highly desirable work environment. For all organizations that exist in perpetuity the retirement of long tenured personnel is a reality and must be addressed by management several years into the future with a focus on the next generation who are more technologically based. SMFR strives to be on the cutting edge of technology and innovation with advanced life support (ALS), Hazardous Materials mitigation, drone technology, and the best equipment produced for our industry.

As the oldest of our current facilities exceeds twenty (20) years it is time to begin a methodical rehabilitation of these structures. In fiscal 2024 we began the expansion and rehab of station 4. The pertinent reason for this remodel was the fact that this is our oldest structure (2001) and has seen a dramatic increase in call volume as the area continues to expand. Several new safety factors were integrated into the design to reduce exposure to carcinogens and exterior decontamination cleaning stations were other potentially infectious materials transported from scenes by personnel can be neutralized. In fiscal 2025/26 we will begin the rehabilitation process for station 1. This station is also 20+ years old now and is in need of several additional safety features to protect personnel from carcinogen exposure and reduced mental strain. This will include a positive pressure vestibule into the apparatus bays where exhaust fumes are generated, relocation of ice machines to enclosed/protected areas, energy efficient appliances, better building insulation and an environment that is more conducive to mental well-being.

Apparatus repair and replacement continue to pose a concern for management. We have increased our reserve fleet to three (3) in order to account for the additional time a "first-out" apparatus is down for preventative maintenance. What used to take a day or two can now take a week or better for required routine maintenance. Additionally, not only have we seen a twenty-five (25) percent increase in the costs of new apparatus, it is now estimated that a new build from order to delivery could exceed thirty-six (36) months. Our next apparatus order will begin in April/May of 2026, with an anticipated delivery date of 2028/29. In an effort to properly anticipate a replacement schedule the cost must be budgeted and expensed potentially three (3) fiscal years in advance, prior to delivery. The manufacturer of our apparatus, Pierce Manufacturing, is constructing a refurbishment facility in Georgia. With longer build times, many departments are considering full overhauls of existing apparatus to gain extra years of service and account for lengthened deliveries. The projected completion times are less than a year, giving departments more time to budgetarily plan and implement replacement strategies, while extending the life of their existing fleet. This is a potential avenue that SMFR may consider in the near future in order to maintain our optimal readiness to respond abilities.

Our Advanced Life Support (ALS) division has continued to make a difference to the citizens of our community with the life-saving abilities of our highly trained paramedics. At this time, Station 2 is the only station in our department that does not have ALS capabilities. We see the need to ensure that all of our citizens have access to this valuable service and with that, have plans in place to add ALS services to Station 2. We will need to increase the number of paramedics on duty from twenty-one (21) to twenty-four (24) in order to accomplish this addition. With the addition of Station 2 becoming ALS in 2025, our entire district will have the highest level of medical care responding to their emergencies. With 67% of all of our emergency calls being medical in nature, the ALS program will need to continue to grow as our population continues to grow.

The department currently has twenty (20) employees enrolled in the Deferred Retirement Option Program (DROP). With this, the department will face the challenge of replacing the knowledge and experience of these senior members. With competitive wages and benefits as well as having a proven hiring process, we have been very successful with obtaining quality new members for our department. Although we can't replace the experience that we are losing, these new employees have a fresh look on our department and will succeed in moving us forward for years to come. With this turnover, we are prepared to see an increase in training needs for the next three to five years as we continue to educate and increase the capabilities of these new employees.

With cancer prevention a high priority, we have established a turnout gear program to ensure that our employees are outfitted with the highest quality protection. Each employee is issued two (2) sets of turnout gear with one (1) set being replaced every five (5) years. This replacement program is to ensure that the turnout gear is always in safe condition and that we are always moving toward the goal of having turnout gear that is free of cancer-causing agents. With this increased technology and safety, the cost of the turnout gear has increased significantly, with each five (5) year replacement costing upwards of \$500,000 and annually increasing. We have also established a program in accordance with NFPA to inspect this turnout gear twice a year to ensure continued ability to protect our employees. These inspections are conducted by a contracted outside company that is certified to perform these inspections.

Requests for Information

This financial report is designed to provide a general overview of the Southern Manatee Fire and Rescue District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at Southern Manatee Fire and Rescue District, 2451 Trailmate Drive, Sarasota, Florida 34243.

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

| | GOVERNMENTAL ACTIVITIES |
|--|------------------------------------|
| Assets | |
| Cash and cash equivalents | \$ 696,802 |
| Investments | 10,990,179 |
| Due from other governments | 174,344 |
| Deposits on capital assets | 788,779 |
| Prepaid expenses | 38,859 |
| Restricted assets: | |
| Investments | 2,438,449 |
| Net pension asset | 531,690 |
| Capital assets | |
| Land | 790,309 |
| Construction in progress | 744,724 |
| Other capital assets, net of depreciation | 9,671,740 |
| Total Assets | <u>26,865,875</u> |
| Deferred outflows of resources | |
| Deferred outflows of pension resources | 7,231,034 |
| Deferred outflows of OPEB resources | 879,167 |
| | <u>8,110,201</u> |
| Liabilities | |
| Accounts payable and other current liabilities | 1,071,354 |
| Noncurrent liabilities: | |
| Due in more than one year | 7,356,518 |
| Total Liabilities | <u>8,427,872</u> |
| Deferred inflows of resources | |
| Deferred inflows of pension earnings | 9,235,666 |
| Deferred inflows of OPEB | 1,254,439 |
| | <u>10,490,105</u> |
| Net Position | |
| Net investment in capital assets | 11,206,773 |
| Restricted for: | |
| Impact fees and fallen firefighters fund | 2,438,449 |
| Unrestricted | 2,412,877 |
| | <u>2,412,877</u> |
| Total Net Position | <u><u>\$ 16,058,099</u></u> |

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

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Public Safety–Fire Protection

| | |
|----------------------------|-------------------|
| Personal services | \$ 17,311,734 |
| Operating expenses | 2,556,982 |
| Depreciation | 1,097,215 |
| Interest on long-term debt | 62,250 |
| Total Program Expenses | <u>21,028,181</u> |

Program Revenues:

| | |
|----------------------|-------------------|
| Charges for services | <u>34,542</u> |
| Net Program Expense | <u>20,993,639</u> |

General Revenues:

| | |
|------------------------|-------------------|
| Fire assessments | 23,035,030 |
| Impact fees | 402,543 |
| Investment earnings | 936,916 |
| Miscellaneous | 511,385 |
| Total General Revenues | <u>24,885,874</u> |

| | |
|-------------------------------------|-----------|
| Increase (decrease) in Net Position | 3,892,235 |
|-------------------------------------|-----------|

| | |
|---------------------------------|-------------------|
| Net Position – beginning | <u>12,165,864</u> |
|---------------------------------|-------------------|

| | |
|------------------------------|-----------------------------|
| Net Position – ending | <u><u>\$ 16,058,099</u></u> |
|------------------------------|-----------------------------|

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

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| | GENERAL | CAPITAL PROJECTS FUND | TOTAL GOVERNMENTAL FUNDS |
|--|----------------------|-----------------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 696,802 | \$ - | \$ 696,802 |
| Investments | 10,990,179 | - | 10,990,179 |
| Due from other governments | 174,344 | - | 174,344 |
| Deposits on capital assets | 788,779 | - | 788,779 |
| Prepaid items | 38,859 | - | 38,859 |
| Restricted assets: | | | |
| Investments | 57,976 | 2,380,473 | 2,438,449 |
| TOTAL ASSETS | \$ 12,746,939 | \$ 2,380,473 | \$ 15,127,412 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 469,436 | \$ - | \$ 469,436 |
| Accrued wages payable | 601,918 | - | 601,918 |
| Total Liabilities | 1,071,354 | - | 1,071,354 |
| Fund Balances: | | | |
| Nonspendable | 827,638 | - | 827,638 |
| Restricted for | | | |
| Impact fees | - | 2,380,473 | 2,380,473 |
| Fallen firefighters fund | 57,976 | - | 57,976 |
| Committed | | | |
| Apparatus replacement | 2,047,816 | - | 2,047,816 |
| Assigned | | | |
| 90 day reserve | 5,000,000 | - | 5,000,000 |
| Fire gear and equipment | 750,000 | - | 750,000 |
| Unassigned | 2,992,155 | - | 2,992,155 |
| Total fund balances | 11,675,585 | 2,380,473 | 14,056,058 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 12,746,939 | \$ 2,380,473 | \$ 15,127,412 |

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

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

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

| | |
|---|-----------------------------|
| Fund Balance – Governmental Fund | \$ 14,056,058 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | 11,206,773 |
| Deferred outflows of pension resources are not recognized in the governmental funds, however, they are recorded in the statement of net position under full accrual accounting: | |
| Deferred outflows of pension resources | 7,231,034 |
| Deferred outflows of OPEB resources | 879,167 |
| Deferred inflows are not recognized in the governmental funds, however, they are recorded in the statement of net position under full accrual accounting: | |
| Deferred inflows of pension earnings | (9,235,666) |
| Deferred inflows of OPEB | (1,254,439) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | <u>(6,824,828)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 16,058,099</u> |

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

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

| | <u>GENERAL</u> | <u>CAPITAL PROJECTS</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|---|-----------------------------|-----------------------------|---|
| REVENUES | | | |
| Tax assessments | \$ 14,296,465 | \$ – | \$ 14,296,465 |
| Ad valorem tax | 8,738,565 | – | 8,738,565 |
| Impact fees | – | 402,543 | 402,543 |
| Operating grants | – | – | – |
| Interest | 821,866 | 115,050 | 936,916 |
| Miscellaneous | 511,385 | – | 511,385 |
| Charges for services | 34,542 | – | 34,542 |
| Total Revenues | <u>24,402,823</u> | <u>517,593</u> | <u>24,920,416</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Personal service | 17,864,087 | – | 17,864,087 |
| Operating | 2,382,780 | – | 2,382,780 |
| Debt service: | | | |
| Principal retirement | 707,956 | – | 707,956 |
| Interest | 65,282 | – | 65,282 |
| Capital outlay | 1,833,774 | – | 1,833,774 |
| Total Expenditures | <u>22,853,879</u> | <u>–</u> | <u>22,853,879</u> |
| Excess of Revenues Over (Under) Expenditures | 1,548,944 | 517,593 | 2,066,537 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | – | – | – |
| Transfers out | – | – | – |
| Loan proceeds | – | – | – |
| Total Other Financing Sources (Uses) | <u>–</u> | <u>–</u> | <u>–</u> |
| Net Change in Fund Balances | 1,548,944 | 517,593 | 2,066,537 |
| FUND BALANCES – Beginning | <u>10,126,641</u> | <u>1,862,880</u> | <u>11,989,521</u> |
| FUND BALANCES – Ending | <u><u>\$ 11,675,585</u></u> | <u><u>\$ 2,380,473</u></u> | <u><u>\$ 14,056,058</u></u> |

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

**SOUTHERN MANATEE FIRE AND 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, 2024**

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

| | |
|---|----------------------------|
| Net change in fund balance – total governmental funds | \$ 2,066,537 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceed depreciation expense and loss on disposal of assets. | 562,357 |
| The repayment of the principal on long-term debt consumes the current financial resources of governmental funds. However, the transaction has no effect on net position. | 707,956 |
| 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: | |
| Change in OPEB liability | 165,197 |
| Change in net pension liability | 8,913,745 |
| Change in deferred outflows of resources | (3,050,410) |
| Change in deferred inflows of resources | (4,723,179) |
| Change in accrued interest | 3,032 |
| Change in long term accrued absences | (753,000) |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 3,892,235</u> |

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

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

ASSETS

| | |
|-------------|---------------|
| Investments | \$ 80,454,273 |
|-------------|---------------|

| | |
|---------------------|-------------------|
| Total Assets | <u>80,454,273</u> |
|---------------------|-------------------|

LIABILITIES

| |
|---|
| - |
|---|

NET POSITION

| | |
|------------------------------------|-----------------------------|
| Held in Trust for Pension Benefits | <u><u>\$ 80,454,273</u></u> |
|------------------------------------|-----------------------------|

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

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

ADDITIONS TO NET POSITION

Contributions:

| | |
|----------------------------|-------------------------|
| Employer | \$ 3,248,661 |
| Plan members | 246,780 |
| State contributions | 590,043 |
| Total contributions | <u>4,085,484</u> |

Investment Income:

| | |
|--|------------|
| Net appreciation/(depreciation) in fair value of investments | 13,005,423 |
|--|------------|

Less investment expense:

| | |
|-----------------------|-------------------|
| | 56,042 |
| Net investment income | <u>12,949,381</u> |

Total additions

17,034,865

DEDUCTIONS FROM NET POSITION

| | |
|--|-------------------------|
| Benefits and distributions to participants | 1,515,926 |
| Administrative expenses | 42,011 |
| Total deductions | <u>1,557,937</u> |

CHANGE IN NET POSITION

15,476,928

Net Position – Beginning of year

64,977,345

Net Position – End of year

\$ 80,454,273

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

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- (a) Reporting Entity – The District is a public municipal corporation in the State of Florida created by Special Law 84-477, 84-481 and 92-249, as amended, of the Legislature of the State of Florida. During the year 2000, these bills were codified in Chapter 2000-402. It is an independent special district. No other component units exist.

Revenue is provided for in the Bill by special assessments against taxable real estate lying within the territorial bounds of the District as defined by the State of Florida. The District also collects ad-valorem taxes on real estate within its territorial boards. 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.

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.

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

Basis of Accounting: Basic Financial Statements – Government Wide Statements– The Government-Wide Financial Statements (Statement of Net Position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. 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 revenues. The amounts reported as program revenues include charges for services. General revenues include taxes and other items not properly included as program revenue.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements – Fund Financial Statements – The District's accounts are organized on the basis of funds, which are self-balancing set of accounts that comprise its assets, liabilities, reserves, fund 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 also utilizes Fiduciary Funds, which are accounted for on the economic resources focus and accrual basis of accounting. The District reports the following fund types, which are all 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, as well as loan proceeds and any transfers in. From the fund are paid the general operating expenditures and budgeted capital expenditures, and debt service costs.
- (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 and related debt service required to provide fire protection and emergency services. Fund balance in the Capital Projects Fund is restricted. A budgeted transfer is made to the General Fund each year for debt service costs.

Fiduciary Funds

- (3) Pension Trust Funds – These funds are used to account for assets held by the District in a trustee capacity. Consequently, net position in the fiduciary fund types, is reserved. Pension trust funds are accounted for on the accrual basis since capital maintenance is critical. Contributions are recognized in the period in which contributions are due. Retirement benefits and refunds are recognized when due and payable in accordance with the Plan.
- (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, deferred outflows, liabilities, deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (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 Fire Chief prepares a proposed budget for the upcoming fiscal year. The budget is based on an analysis of prior year actual revenues and expenditures along with anticipated spending and revenue sources. Once the proposed budget is compiled, it is brought before the Board of Commissioners for approval.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

- (e) Interfund Activity – 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.
- (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. The District received tax revenues based on millage and also assessments which 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 |
| Millage resolution approved | September 30 |
| 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) Fund Balance – Restricted – At September 30, 2024, the Capital Project Fund Balance is restricted from impact fees. The General Fund Balance is restricted for the Fallen Firefighter's Fund.
- (h) Cash and Investments – Florida Statute 218.415 authorizes the District to invest in the following:
 - (a) Local Government Surplus Funds Trust Fund or an intergovernmental investment pool authorized through the Florida Interlocal Cooperation Act. (including the Manatee County investment pool).
 - (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating company.
 - (c) Interest bearing time deposits or savings accounts in state-certified Qualified Public Depositories as defined in Section 280.02 Florida Statutes.
 - (d) Direct obligations of the U.S. Treasury.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Demand Deposits

At September 30, 2024, 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, 2024, the carrying amount of the District's deposits was \$696,802 and the bank balance was \$736,545.

Investments

Credit and Concentration of Credit Risk

The District has investments held 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, 2024.

The District has investments held in the Florida Fixed Income Trust (FL-FIT). Investments in FL-FIT are recorded at fair value. The District's investment is in its shares held in the FL-FIT cash pool and not the underlying investments. FL-FIT Cash Pool has a Fitch rating of AAf/S1.

The District has investments held in the Florida Municipal Investment Trust (FMIVT), an external investment pool. The District's investment is in the FMIVT portfolio, not individual securities held in the portfolio. The 1-3 Year High Quality Bond Fund has a Fitch Rating of AAf/S2.

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. The Manatee County 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, 2024, the Pool had no investments with a maturity exceeding 2 years, and its weighted average to maturity was less than 2 years. For further information regarding the Manatee County Investment pool, readers should refer to the financial statements and disclosures of Manatee County, Florida.

FL-FIT cash pool had a weighted average to maturity of 442 days, and effective duration of 174 days. FMIVT had a weighted average to maturity of 1.80 years and modified duration of 1.63 years.

Fair Value Measurements

The District categorized 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, (Note G).

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The District had the following measured at fair value:

| <u>General Fund:</u> | <u>Fair Value</u> | <u>Fair Value Hierarchy</u> |
|--------------------------------------|--------------------------|------------------------------------|
| FL-FIT Cash Pool | \$ 5,150,340 | Level 2 |
| Manatee County Investment Pool | 5,839,839 | Level 2 |
| | <u>\$10,990,179</u> | |
| FMI VT | <u>\$ 57,976</u> | Level 2 |
| <u>Capital Projects Fund:</u> | | |
| Manatee County Investment Pool | <u>\$ 2,380,473</u> | Level 2 |
| Total | | |

Investments and derivatives 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.

Also see Note G on investments related to retirement plans.

- (i) Compensated Absences – It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured or are payable from current financial resources. These liabilities are typically liquidated out of the General Fund.
- (j) Capital Assets – Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or 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 and improvements | 20 – 40 |
| Vehicles and fire engines | 3 – 20 |
| Furniture, fixtures and equipment | 5 – 10 |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- (k) 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, which will not be recognized as an outflow of resources (expense/expenditure) until then. Two items qualify for reporting in this category. A deferred outflow of pension resources and deferred outflow of OPEB resources are reported 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. Two items qualify for reporting in this category. A deferred inflow of pension earnings and deferred inflow of OPEB earnings are reported in the government-wide statement of net position.

- (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) 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.
- (n) Fund Balance – Government Accounting Standards Board Statement (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 Nonspendable 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.

In accordance with GASB Statement 54, the District classified governmental fund balance as follows:

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

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Spendable Fund Balance:

- Restricted – includes amounts that can be spent only for specific purposes because of State or Federal laws or enabling legislation, or which are externally restricted by providers such as creditors or grantors.
- Committed – includes amounts that can be spent only for specific purposes that are 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, 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>General Fund</u> | <u>Capital Project Fund</u> |
|------------------------------|-----------------------------|---------------------------------|
| <u>Non-Spendable:</u> | | |
| Prepaid expenses | \$ 38,859 | \$ -0- |
| Deposits on capital assets | 788,779 | -0- |
| <u>Spendable:</u> | | |
| Restricted | 57,976 | 2,380,473 |
| Committed | 2,047,816 | -0- |
| Assigned | 5,750,000 | -0- |
| Unassigned | 2,992,155 | -0- |
| Total Fund Balances | <u>\$ 11,675,585</u> | <u>\$ 2,380,473</u> |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE B – CAPITAL ASSETS

Capital asset activity for the year was:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------------|------------------------|----------------------|-----------------------------|
| Governmental Activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 790,309 | \$ -0- | \$ -0- | \$ -0- | \$ 790,309 |
| Construction in progress | <u>-0-</u> | <u>744,724</u> | <u>-0-</u> | <u>-0-</u> | <u>744,724</u> |
| Total capital assets, not being depreciated | <u>790,309</u> | <u>744,724</u> | <u>-0-</u> | <u>-0-</u> | <u>1,535,033</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 10,809,993 | -0- | (537) | -0- | 10,809,456 |
| Machinery and equipment | <u>9,055,335</u> | <u>915,656</u> | <u>(503,765)</u> | <u>-0-</u> | <u>9,467,226</u> |
| Total capital assets being depreciated | <u>19,865,328</u> | <u>915,656</u> | <u>(504,302)</u> | <u>-0-</u> | <u>20,276,682</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (4,296,435) | (263,881) | 181 | -0- | (4,560,135) |
| Machinery and equipment | <u>(5,714,786)</u> | <u>(833,334)</u> | <u>503,313</u> | <u>-0-</u> | <u>(6,044,807)</u> |
| Total accumulated depreciation | <u>(10,011,221)</u> | <u>(1,097,215)</u> | <u>503,494</u> | <u>-0-</u> | <u>(10,604,942)</u> |
| Total capital assets, being depreciated, net | <u>9,854,107</u> | <u>(181,559)</u> | <u>(808)</u> | <u>-0-</u> | <u>9,671,740</u> |
| Governmental activities capital assets, net | <u>\$ 10,644,416</u> | <u>\$ 563,165</u> | <u>\$ (808)</u> | <u>\$ -0-</u> | <u>\$ 11,206,773</u> |

Depreciation in the amount of \$1,097,215 was reported as a separate line item in the statement of activities.

NOTE C – LONG-TERM DEBT

The District entered into a financing arrangement in a prior year with a financial institution consisting of a note payable with Bank of American (Series 2010) due in monthly installments of principal and interest of \$10,770. The note had a fixed rate of interest at 5.21% and an original maturity date of March 2030. The District paid off the remaining \$707,956 principal balance of the note in full during 2024.

Long-term liability activity for the year was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---------------------------------------|------------------------------|----------------------------|-------------------------------|----------------------------|------------------------------------|
| Governmental Activities: | | | | | |
| Notes Payable–Direct Borrowings | | | | | |
| Bank of America–Series 2010 | \$ 707,956 | \$ -0- | \$ (707,956) | \$ -0- | \$ -0- |
| Total Notes Payable–Direct Borrowings | <u>707,956</u> | <u>-0-</u> | <u>(707,956)</u> | <u>-0-</u> | <u>-0-</u> |
| OPEB Liability | 3,510,715 | 291,433 | (456,630) | 3,345,518 | -0- |
| Net Pension Liability | 8,382,055 | 3,491,238 | (11,873,293) | -0- | -0- |
| Compensated Absences | <u>3,258,000</u> | <u>1,375,000</u> | <u>(622,000)</u> | <u>4,011,000</u> | <u>-0-</u> |
| Governmental activity: | | | | | |
| Long-term liabilities | <u>\$ 15,858,726</u> | <u>\$ 5,157,671</u> | <u>\$ (13,659,879)</u> | <u>\$ 7,356,518</u> | <u>\$ -0-</u> |

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS

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 14 of the basic financial statements. One line of that reconciliation explains “long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.” The detail of the difference is shown below:

| | |
|----------------------|-----------------------|
| OPEB | \$ (3,345,518) |
| Compensated Absences | (4,011,000) |
| | <u>\$ (7,356,518)</u> |

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

The reconciliation between the net changes in fund net position – 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 16 of the basic financial statements. One line in that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the difference are shown below:

| | |
|---|-------------------|
| Capital additions included as expenditures in the governmental funds | \$ 1,660,380 |
| Depreciation expense | (1,097,215) |
| Loss on disposal of assets | <u>(808)</u> |
| | <u>\$ 562,357</u> |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLANS

The District has two defined benefit retirement plans.

- Pension plan for firefighters (FFPP)
- Pension plan for general employees (GEPP)

a) Plan Description

FFPP – Effective March 11, 1997, the District established a single employer, defined benefit, public employee retirement system plan for the Firefighters. Benefit provisions and contributions to the FFPP are established under the authority of the District. The FFPP is a Section 175 pension plan, and is accounted for in the accompanying financial statements as a pension trust fund. A separate financial statement is issued with respect to the FFPP. Administrative costs are paid by the plan. The FFPP is administered by a five member Board of Trustees. The Board of Trustees through approval of the District's Board of Commissioners have the authority to amend or extend provisions of the FFPP. The Florida League of Cities through the Florida Municipal Pension Trust Fund (FMPTF) is the custodian of the plan assets.

Plan Membership:

| | |
|---|------------|
| Inactive employees and beneficiaries receiving benefits | 25 |
| Inactive employees entitled to, but not yet receiving benefits | 12 |
| Active plan members | 76 |
| Drop participants | <u>15</u> |
| Total | <u>128</u> |

GEPP – Effective October 1, 1999, the District established a single employer, defined benefit, public employee retirement system plan for the general employees. Benefit provisions and contributions to the GEPP are established under the authority of the District. The GEPP is accounted for in the accompanying financial statements as a pension trust fund. A separate financial statement is not available for the GEPP. Administrative costs are paid for by the plan. The GEPP is administered by the District's Board of Commissioners, which has the authority to amend or extend provisions of the GEPP. The Florida League of Cities through the Florida Municipal Pension Trust Fund (FMPTF) is the custodian of the plan assets.

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE E – RETIREMENT PLANS – CONTINUED

a) Plan Description – Continued

Plan Membership:

| | |
|---|-----------|
| Inactive employees and beneficiaries receiving benefits | 8 |
| Inactive employees entitled to, but not yet receiving benefits | 1 |
| Active plan members | 5 |
| Drop participants | <u>0</u> |
| Total | <u>14</u> |

Basis of Accounting – The Plans follow the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investment income is recognized when earned. Gains and losses on sale and exchanges of securities are recognized on the transaction date.

Asset Valuation – Investments are reported at fair value. FMIvT determines the fair value of its shares based on quoted market prices of the underlying securities. Changes in the fair value of investments includes gains and losses on investments bought and sold, as well as held during the year. Purchases and sales of investments are recorded on the trade-date basis. Interest and dividend income is recorded on the accrual basis.

b) Benefit Provisions

FFPP – The plan covers all full-time firefighters effective on their date of hire. Normal retirement occurs at age 55 and 10 years of service or attainment of 25 years of service. Normal retirement benefit is 3.5% of the number of years of credited service multiplied by the average final compensation. A participant may retire early upon the completion of 10 years of credited service, and the accrued benefit will be reduced by 3% for each year before age 50 and 3% for each year between age 50 and normal retirement age.

Beginning October 1, 2002, each eligible participant who has met all plan requirements, or, if the participant is deceased, his or her spouse who is the participant's designated beneficiary, shall receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service, completed at the time of retirement, multiplied by \$30; however, no eligible retiree or beneficiary may receive a subsidy payment of more than \$750 or less than \$50.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLANS – CONTINUED

b) Benefit Provisions – Continued

The balance transferred in from a previous defined contribution plan is the minimum benefit payable to respective firefighters.

Vesting of employer contributions occurs after 10 years of service, and immediately for all employee contributions.

Death and Disability – A service incurred disability benefit provides a monthly 10 year certain and life annuity equal to the larger of the monthly accrued benefit or 42% of Average Final Compensation, but offset as necessary to preclude the total participant's workers compensation disability benefit, and other District provided disability compensation from exceeding Average Final Compensation. A non-service incurred disability benefit is also available under the same criteria as noted above, but limited to 25% of Average Final Compensation.

Pre-retirement death benefits

In the case of the death of a participant in the line of duty prior to retirement, a beneficiary will receive the greater of the participant's Monthly Accrued Benefit or 50% of the participant's salary payable for life. In the case of the death of a vested participant other than in the line of duty prior to retirement, a beneficiary will receive the participant's Monthly Accrued Benefit payable for 10 years beginning on the participant's early or normal retirement date. In the case of the death of a non-vested participant prior to retirement, a beneficiary will receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan.

Deferred Retirement Option Program (DROP)

Available to participants who have attained normal retirement age. Individuals may participate in DROP for up to 96 months. Interest is credited on a participant's DROP account at the rate of 6.5% per annum. The DROP balance at September 30, 2024 is approximately \$4,001,000.

GEPP – The plan covers all full-time non-firefighters of the District effective on their date of hire. Normal retirement occurs at age 62 and 10 years of service or attainment of 30 years of service. Normal retirement benefit is 2.50% of the number of years of credited service multiplied by the average final compensation. A participant may retire early upon the completion of 10 years of credited service, and the accrued benefit will be reduced by 5% for each year prior to the normal retirement date. Benefits include COLA increases of 3%.

Beginning October 1, 2002, each eligible participant who has met the requirements, or, if the participant is deceased, his or her spouse who is the participant's designated beneficiary, shall receive a monthly retirement subsidy payment equal to the number of years of creditable service, as provided in this subparagraph, completed at the time of retirement, multiplied by \$15; however, no eligible retiree or beneficiary may receive a subsidy payment of more than \$450 or less than \$50.

Vesting of employer contributions occurs after 10 years of service, and immediately for all employee contributions.

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE E – RETIREMENT PLANS – CONTINUED

b) Benefit Provisions – Continued

Death and Disability – A member determined to be totally and permanently disabled who has at least 10 years of credited service (6 years if the participant was employed prior to March 11, 1997) prior to becoming totally and permanently disabled, will receive the greater of a monthly pension equal to 25% of average monthly salary at the time of disability or an amount equal to the accrued retirement benefit. Before 10 years (6 years if employed prior to March 11, 1997) of Credited Service, a member deemed to be totally and permanently disabled will receive a return of employee contributions. If a member dies prior to retirement in-the-line-of-duty, and is not vested, the beneficiary shall receive a refund of one hundred percent (100%) of the member's accumulated contributions. If a member dies prior to retirement in-the-line-of-duty, but is vested, the beneficiary shall receive benefits otherwise payable to the member at the early or normal retirement date.

Deferred Retirement Option Program (DROP) – Available to participants who have attained normal retirement age. Individuals may participate in DROP for up to 60 months. Interest is credited on a participant's account at the rate of 6.5% per annum. The DROP balance at September 30, 2024 is \$0.

Contributions

FFPP – Employer contributions are made on an actuarially determined basis. Per resolution 97-01, the District imposed a 1.85% excise tax on insurers' receipts of premiums collected within the District, which are used to partially fund the plan. Employees are required to contribute 3.5% of compensation on a pre-tax basis. Total actuarially required contributions were 56.83% of covered payroll, which includes State contributions received. Total employer contributions were \$3,048,881 on a covered payroll of \$5,653,567 for the year ended September 30, 2024. Additional contributions to the plan included the Casualty Insurance Premium Tax in the amount of \$590,043.

GEPP – Employee contributions are made on an actuarially determined basis. Employees are required to contribute 3.5% of compensation on a pre-tax basis. Total actuarially required contributions were 42.70% of covered payroll. Total employer contributions were \$199,780 on a covered payroll of \$300,106 for the year ended September 30, 2024.

c) Plan Investments

Both of the District's pension plans assets are held with the Florida Municipal Pension Trust Fund (FMPTF) an agent multiple employer pension plan administered by the FMPTF Board of Trustees. The FMPTF issues a publicly available report that includes the combined financial statements of all plan members. Separate accounts are maintained for each employer group.

Both plans follow the investment policies of the FMPTF. The Master Trustees of the FMPTF have the exclusive authority and discretion to manage and control the assets of the FMPTF. The District has elected to participate in the FMPTF Pension Fund A 60% Equity. The maximum target asset allocation for equities is 60%. The following was the adopted asset allocation policy as of September 30, 2024:

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLANS – CONTINUED

c) Plan Investments – Continued

| <u>Asset Class</u> | <u>Total Allocation</u> |
|--------------------|-------------------------|
| Equities | |
| Large Cap | 25% |
| Small to Mid Cap | 14% |
| International | 21% |
| Core Real Estate | 10% |
| Fixed Income | |
| Core Bonds | 15% |
| Core Plus | 15% |

All employee pension plans assets with the FMPTF are included in the trust's master Trust Fund. Employee pension plan assets of the defined benefit type are invested by the FMPTF through the Florida Municipal Investment Trust (FMIvT) for the benefit of the Participating Employers, Participating Employees and Beneficiaries. The FMIvT is a Local Government Investment Pool (LGIP) and, therefore, considered an external investment pool. The plans have a beneficial interest in shares in the FMIvT portfolios listed below. The plan's investment is the beneficial interest in the FMIvT portfolio, not the individual securities held within each portfolio.

As of September 30, 2024, the asset allocations for the various investment models were as follows:

| | <u>Asset Allocation Model/Percentage</u> |
|---|--|
| | FFPP/GEPP |
| | <u>60/40</u> |
| Cash and Money Market | 1.4% |
| FMIvT Broad Market High Quality Bond | 14.4% |
| FMIvT Core Plus Fixed Income | 14.9% |
| FMIvT Diversified Large Cap Equity | 24.9% |
| FMIvT Diversified Small to Mid Cap Equity | 14.5% |
| FMIvT International Equity | 20.5% |
| FMIvT Core Real Estate Portfolio | 9.4% |
| | <u>100.0%</u> |

Credit Risk

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations.

The FMIvT Broad Market High Quality Bond fund has a Fitch Rating of AAf/S4. The FMIvT Core Plus Fixed Income Fund and the equity portfolios are not rated.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value.

The FMIvT Broad Market High Quality Bond Fund has a modified duration of 5.10 years and a weighted average maturity of 7.10 years.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLANS – CONTINUED

c) Plan Investments – Continued

Interest Rate Risk – Continued

The FMIvT Core Plus Fixed Income Fund has a modified duration of 6.24 years and a weighted average maturity of 6.66 years.

Foreign Currency Risk

Participating employer's investments in the FMIvT are not subject to foreign currency risk.

Rate of Return

For the year ended September 30, 2024 the annual money-weighted rate of return on Pension Plan Investments, net of pension plan investment expense, was 21.17% for the FFPP and 19.57% for the GEPP. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

d) Net Pension Liability (Asset)

The components of the net pension liability of the District were as follows:

| | <u>FFPP</u> | <u>GEPP</u> |
|---|---------------------|--------------------|
| Total Pension Liability | \$ 75,582,606 | \$ 4,345,227 |
| Plan Fiduciary Net Position | <u>(76,015,132)</u> | <u>(4,444,391)</u> |
| Sponsors Net Pension Liability (Asset) | <u>\$ (432,526)</u> | <u>\$ (99,164)</u> |
| Plan Fiduciary Net Position as a | | |
| Percentage of Total Pension Liability (Asset) | 100.57% | 102.28% |

| <u>FFPP</u> | <u>Total Pension Liability</u> | <u>Fiduciary Net Position</u> | <u>Net Pension Liability (Asset)</u> |
|----------------------------------|--------------------------------|-------------------------------|--------------------------------------|
| Balance as of September 30, 2023 | \$ 69,236,192 | \$ (61,242,697) | \$ 7,993,495 |
| Change due to: | | | |
| Service cost | 1,702,035 | -0- | 1,702,035 |
| Expected interest growth | 4,874,688 | (4,373,036) | 501,652 |
| Unexpected investment income | -0- | (7,898,600) | (7,898,600) |
| Demographic experience | 1,058,208 | -0- | 1,058,208 |
| Employer contributions | -0- | (3,638,924) | (3,638,924) |
| Employee contributions | -0- | (234,528) | (234,528) |
| Benefit payments & refunds | (1,288,517) | 1,288,517 | -0- |
| Administrative expenses | -0- | 84,136 | 84,136 |
| Assumption changes | -0- | -0- | -0- |
| Balance as of September 30, 2024 | <u>\$ 75,582,606</u> | <u>\$ (76,015,132)</u> | <u>\$ (432,526)</u> |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLANS – CONTINUED

d) Net Pension Liability (Asset) – Continued

| GEPP | Total Pension Liability | Fiduciary Net Position | Net Pension Liability (Asset) |
|----------------------------------|------------------------------------|-----------------------------------|--|
| Balance as of September 30, 2023 | \$ 4,178,770 | \$ (3,790,210) | \$ 388,560 |
| Change due to: | | | |
| Service cost | 75,489 | -0- | 75,489 |
| Expected interest growth | 289,853 | (262,576) | 27,277 |
| Unexpected investment income | -0- | (471,211) | (471,211) |
| Demographic experience | 28,524 | -0- | 28,524 |
| Employer contributions | -0- | (149,468) | (149,468) |
| Employee contributions | -0- | (12,252) | (12,252) |
| Benefit payments & refunds | (227,409) | 227,409 | -0- |
| Administrative expenses | -0- | 13,917 | 13,917 |
| Assumption changes | -0- | -0- | -0- |
| Balance as of September 30, 2024 | <u>\$ 4,345,227</u> | <u>\$ (4,444,391)</u> | <u>\$ (99,164)</u> |

e) Actuarial Assumptions

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of October 1, 2023. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2024, which is the measurement date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement.

| | FFPP | GEPP |
|---|--------------|-------------|
| Investment rate of return (2.62% for inflation) | 7.00% | 7.00% |
| Projected salary increases | 4.50% | 4.00% |
| COLA | None Assumed | 3.00% |

10% of eligible employees are assumed to retire at each of the three years prior to normal retirement age; 40% are assumed to retire at normal retirement age; 20% are assumed to retire at each of the two years after normal retirement age; and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 50.

For non-retired participants, the FFPP used the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (pre-retirement mortality); for non-disabled retirees, sex distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disable retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLANS – CONTINUED

e) Actuarial Assumptions – Continued

The GEPP used the sex-distinct rates set forth in the PUB-2010 Headcount Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.

The long-term expected rate of return on pension plan investments was determined using a building-block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------------|---|
| Equities | |
| Large Cap | 4.60% |
| Small Cap | 5.50% |
| International | 6.70% |
| Core Real Estate | 5.00% |
| Fixed Income | |
| Core Bonds | 1.60% |
| Core Plus | <u>2.10%</u> |
| Total or weighted arithmetic average | 4.38% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for both plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of the District, calculated using the discount rate of 7.00%, as well 1% higher and 1% lower than the current rate:

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLANS – CONTINUED

e) Actuarial Assumptions – Continued

Sensitivity of the net pension liability (asset) to changes in the discount rate – Continued

| | | Current Discount Rate | |
|------------------------------------|--------------|--------------------------|----------------|
| | 1% Decrease | 7.00% | 1% Increase |
| FFPP Net Pension Liability (asset) | \$ 8,940,217 | \$ (432,526) | \$ (8,162,319) |
| GEPP Net Pension Liability (asset) | \$ 508,640 | \$ (99,164) | \$ (578,412) |

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

FFPP

For the year ended September 30, 2024 the District will recognize pension expense of \$2,468,182. At September 30, 2024 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------|-----------------------------------|----------------------------------|
| Balance as of September 30, 2023 | \$ 9,766,059 | \$ 4,297,952 |
| Change due to: | | |
| Amortization payments | (3,948,210) | (3,533,323) |
| Investment gain/loss | -0- | 7,898,600 |
| Demographic gain/loss | 1,058,208 | -0- |
| Assumption changes | -0- | -0- |
| Total change | (2,890,002) | 4,365,277 |
| Balance as of September 30, 2024 | <u>\$ 6,876,057</u> | <u>\$ 8,663,229</u> |

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 ended September 30:</u> | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---------------------------------|-----------------------------------|----------------------------------|
| 2025 | \$ 3,235,099 | \$ 3,352,187 |
| 2026 | 3,175,488 | 1,913,876 |
| 2027 | 268,765 | 1,817,446 |
| 2028 | 196,705 | 1,579,720 |
| | <u>\$ 6,876,057</u> | <u>\$ 8,663,229</u> |

GEPP

For the year ended September 30, 2024 the District will recognize pension expense of (\$32,851). At September 30, 2024 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------|-----------------------------------|----------------------------------|
| Balance as of September 30, 2023 | \$ 528,060 | \$ 440,115 |
| Change due to: | | |
| Amortization payments | (201,607) | (338,889) |
| Investment gain/loss | -0- | 471,211 |
| Demographic gain/loss | 28,524 | -0- |
| Assumption changes | -0- | -0- |
| Total change | (173,083) | 132,322 |
| Balance as of September 30, 2024 | <u>\$ 354,977</u> | <u>\$ 572,437</u> |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLANS – CONTINUED

GEPP – Continued

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

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 ended September 30:</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---------------------------------|---|--|
| 2025 | \$ 177,117 | \$ 260,130 |
| 2026 | 177,119 | 109,033 |
| 2027 | 741 | 109,031 |
| 2028 | -0- | 94,243 |
| | <u>\$ 354,977</u> | <u>\$ 572,437</u> |

The following financial statements present the combining statement of fiduciary net position and statement of changes in fiduciary net position by trust fund as of and for the year ended September 30, 2024:

Combining Statement of Fiduciary Net Position

| | <u>General Employees Pension Fund</u> | <u>Firefighter Pension Fund</u> | <u>Total Employee Pension Funds</u> |
|------------------------------------|---|---|---|
| ASSETS | | | |
| Investments | \$ 4,439,141 | \$ 76,015,132 | \$ 80,454,273 |
| Due from other government | -0- | -0- | -0- |
| Total Assets | <u>4,439,141</u> | <u>76,015,132</u> | <u>80,454,273</u> |
| LIABILITIES | | | |
| Prepaid contributions | -0- | -0- | -0- |
| Accounts payable | -0- | -0- | -0- |
| Total Liabilities | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| NET POSITION | | | |
| Held in Trust for Pension Benefits | <u>\$ 4,439,141</u> | <u>\$ 76,015,132</u> | <u>\$ 80,454,273</u> |

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE E – RETIREMENT PLAN – CONTINUED

Combining Statement of Changes in Fiduciary Net Position

| | General Employees Pension Fund | Firefighter Pension Fund | Total Employee Pension Funds |
|---|---|--------------------------------|---------------------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Employer | \$ 199,780 | \$ 3,048,881 | \$ 3,248,661 |
| Plan members | 12,252 | 234,528 | 246,780 |
| State contributions | – | 590,043 | 590,043 |
| Total Contributions | 212,032 | 3,873,452 | 4,085,484 |
| Investment Income: | | | |
| Net appreciation/(depreciation) in fair value of investments | 733,787 | 12,271,636 | 13,005,423 |
| Less Investment Expense: | 8,042 | 48,000 | 56,042 |
| Net Investment Income | 725,745 | 12,223,636 | 12,949,381 |
| Total Additions | 937,777 | 16,097,088 | 17,034,865 |
| DEDUCTIONS | | | |
| Benefits and distributions to participants | 227,409 | 1,288,517 | 1,515,926 |
| Administrative expenses | 5,875 | 36,136 | 42,011 |
| Total Deductions | 233,284 | 1,324,653 | 1,557,937 |
| Change in Net Position | 704,493 | 14,772,435 | 15,476,928 |
| Net Position – Beginning of year | 3,734,648 | 61,242,697 | 64,977,345 |
| Net Position – End of year | \$ 4,439,141 | \$ 76,015,132 | \$ 80,454,273 |

AGGREGATE INFORMATION FOR THE DISTRICT'S PENSION PLANS

| | Deferred Outflow of Resources | Net Pension Liability (Asset) | Deferred Inflows of Resources |
|------|-------------------------------------|-------------------------------------|-------------------------------------|
| GEPP | \$ 354,977 | \$ (99,164) | \$ 572,437 |
| FFPP | 6,876,057 | (432,526) | 8,663,229 |
| | \$ 7,231,034 | \$ (531,690) | \$ 9,235,666 |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE F – POST-EMPLOYMENT HEALTHCARE BENEFITS OTHER THAN PENSIONS

The District's board of commissioners adopted a single-employer retiree health insurance policy, which became effective January 1, 2008, (the Plan). The policy provides eligible District personnel who retire from the District other post-employment health benefits, (OPEB). All employees are eligible to participate in the Plan after reaching normal retirement age and receiving retirement benefits.

The District, under the authority established within the policy, may amend the Plan in whole or in part. The District's board of commissioners provides oversight of the OPEB Plan. The Plan is construed and governed by the laws of Florida, except as preempted by Federal law. During 2018, the District terminated the trust established by the Plan pursuant to Resolution 2008-1. All Plan assets were transferred to the fire fighters and general employee pension plans. Although the trust was terminated, the District allows retired employees to purchase health insurance through the District.

Membership in the Plan consisted of the following:

| | |
|---|------------|
| Inactive employees or beneficiaries receiving benefits | 16 |
| Inactive employees entitled to, but not receiving benefits | 0 |
| Active plan members | <u>96</u> |
| Total | <u>112</u> |

Retirees pay the full amount of premiums on a "pay-as-you-go" basis.

Total OPEB Liability

The District's total OPEB liability of \$3,345,518 was measured as of September 30, 2024 and was determined by an actuarial valuation as of October 1, 2023 and rolled forward to the measurement date of September 30, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------|---|
| Salary increases | 3.00% per annum |
| Healthcare cost trend | 7.00% for 2023/2024 decreasing .50% per year to 5.00% for 2027/2028 and later years |

| | |
|--|------|
| Retirees share of benefit related costs | 100% |
|--|------|

The discount rate was 4.06% per annum, based on S&P Municipal Bond 20-year High Grade Index.

Mortality basis was based on the sex-distinct rates set forth in PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE F – POST-EMPLOYMENT HEALTHCARE BENEFITS OTHER THAN PENSION – CONTINUED

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|-----------------------------|
| Balance as of September 30, 2023 | \$ 3,510,715 |
| Changes for the year: | |
| Service cost | 54,160 |
| Expected interest growth | 142,161 |
| Demographic experience | (328,618) |
| Employer Contributions | -0- |
| Benefit payments | (128,012) |
| Changes in assumptions or other inputs | 95,112 |
| Balance as of September 30, 2024 | <u>\$ 3,345,518</u> |

Changes in assumptions and other inputs reflect a change in the following:

- Discount rate changed to 4.06% from 4.91%
- Monthly implied subsidy at age 55 was decreased from \$268.75 for the retiree and \$322.50 for the retiree's spouse to \$250 for the retiree and \$300 for the retiree's spouse.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current discount rate:

| | <u>1% Decrease</u> | <u>Discount Rate</u> <u>(4.06%)</u> | <u>1% Increase</u> |
|----------------------|--------------------|--|--------------------|
| Total OPEB Liability | \$ 3,715,151 | \$ 3,345,518 | \$ 3,062,154 |

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

| | <u>1% Decrease</u> <u>(6% to 4%)</u> | <u>Healthcare Cost</u> <u>Trend Rate</u> <u>(7% to 5%)</u> | <u>1% Increase</u> <u>(8% to 6%)</u> |
|----------------------|---|--|---|
| Total OPEB Liability | \$ 3,001,317 | \$ 3,345,518 | \$ 3,744,499 |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE F – POST-EMPLOYMENT HEALTHCARE BENEFITS OTHER THAN PENSION – CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the District recognized OPEB expense of \$47,708. At September 30, 2024, 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> |
|----------------------------------|---|--|
| Balance as of September 30, 2023 | \$ 1,104,747 | \$ 1,267,114 |
| Change due to: | | |
| Amortization payments | (320,692) | (341,293) |
| Demographic gain/loss | -0- | 328,618 |
| Assumption changes | 95,112 | -0- |
| Total change | <u>(225,580)</u> | <u>(12,675)</u> |
| Balance as of September 30, 2024 | <u>\$ 879,167</u> | <u>\$ 1,254,439</u> |

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

| <u>Year ended September 30:</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---------------------------------|---|--|
| 2025 | \$ 312,730 | \$ 341,293 |
| 2026 | 267,605 | 341,293 |
| 2027 | 168,967 | 338,859 |
| 2028 | 88,266 | 156,806 |
| 2029 | 36,217 | 57,584 |
| Thereafter | 5,382 | 18,604 |
| | <u>\$ 879,167</u> | <u>\$ 1,254,439</u> |

NOTE G – FAIR VALUE MEASUREMENTS

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE G – FAIR VALUE MEASUREMENTS – CONTINUED

measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgement.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for identical assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

The pension plans have the following recurring fair value measurements:

| | Total | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|-----------------------------|---|--|--|
| Investments by fair value level: | | | | |
| Mutual Funds and Short-Term | | | | |
| Investments | \$ 1,126,360 | \$ 1,126,360 | \$ -0- | \$ -0- |
| FMLvT Broad Market High Quality Bond | 11,585,415 | -0- | 11,585,415 | -0- |
| FMLvT Core Plus Fixed Income | 11,987,687 | -0- | -0- | 11,987,687 |
| FMLvT Diversified Large Cap | 20,033,114 | -0- | 20,033,114 | -0- |
| FMLvT Diversified Small to Mid Cap Equity | 11,665,870 | -0- | 11,665,870 | -0- |
| FMLvT International Equity | 16,493,126 | -0- | 16,493,126 | -0- |
| FMLvT Core Real Estate | 7,562,701 | -0- | -0- | 7,562,701 |
| Total Investments | <u>\$ 80,454,273</u> | <u>\$ 1,126,360</u> | <u>\$ 59,777,525</u> | <u>\$ 19,550,388</u> |

Investments held with Florida Municipal Investment Trust (FMLvT) are held in a Local Government Investment Pool (LGIP) which are classified as either Level 2 or Level 3. Level 2 investments are invested in funds or portfolios in which underlying asset values are based on quoted prices or market-corroborated inputs, however, the net asset value of the portfolio is not publicly quoted. FMLvT Core Plus Fixed Income is a fund classified as Level 3 since the shares of the funds are not publicly quoted and the underlying funds invest in a variety of financial instruments. FMLvT Core Real Estate is a fund classified as Level 3 since the shares are not publicly quoted and investment values are based on quarterly real estate appraisals.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

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 – CONCENTRATIONS OF LABOR SUBJECT TO COLLECTIVE BARGAINING AGREEMENT

The District's professional firefighters, which represent a significant portion of the District's employees are represented by a union.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES –BUDGET AND ACTUAL–GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|------------------------------------|----------------------------|-------------------------|----------------------|---|
| REVENUES | | | | |
| Tax assessments | \$ 22,648,331 | \$ 22,648,331 | \$ 23,035,030 | \$ 386,699 |
| Operating grants | 250 | 250 | – | (250) |
| Interest | 200,000 | 200,000 | 821,866 | 621,866 |
| Miscellaneous | 159,500 | 159,500 | 511,385 | 351,885 |
| Charges for services | 30,600 | 30,600 | 34,542 | 3,942 |
| Total Revenues | 23,038,681 | 23,038,681 | 24,402,823 | 1,364,142 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Personal service | 18,225,226 | 18,225,226 | 17,864,087 | 361,139 |
| Operating | 2,299,703 | 2,299,703 | 2,382,780 | (83,077) |
| Debt service | 750,000 | 750,000 | 773,238 | (23,238) |
| Capital outlay | 2,446,744 | 2,446,744 | 1,833,774 | 612,970 |
| Total Expenditures | 23,721,673 | 23,721,673 | 22,853,879 | 867,794 |
| Net Change in Fund Balances | (682,992) | (682,992) | 1,548,944 | 2,231,936 |
| FUND BALANCE – Beginning | 10,126,641 | 10,126,641 | 10,126,641 | – |
| FUND BALANCE – Ending | \$ 9,443,649 | \$ 9,443,649 | \$ 11,675,585 | \$ 2,231,936 |

Note 1 – Budgetary Basis

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

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|---|----------------------------|-------------------------|---------------------|---|
| REVENUES | | | | |
| Impact fees | \$ 250,000 | \$ 250,000 | \$ 402,543 | \$ 152,543 |
| Interest | 25,000 | 25,000 | 115,050 | 90,050 |
| Total Revenues | 275,000 | 275,000 | 517,593 | 242,593 |
| EXPENDITURES | | | | |
| Operating | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess of Revenues Over (Under) Expenditures | 275,000 | 275,000 | 517,593 | 242,593 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | - | - | - |
| Net Change in Fund Balance | 275,000 | 275,000 | 517,593 | 242,593 |
| FUND BALANCES – Beginning | 1,862,880 | 1,862,880 | 1,862,880 | - |
| FUND BALANCES – Ending | \$ 2,137,880 | \$ 2,137,880 | \$ 2,380,473 | \$ 242,593 |

Note 1 – Budgetary Basis

The capital projects fund budget is presented on a basis consistent with U.S. generally accepted accounting principles.

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS RETIREMENT PLAN
AVAILABLE FISCAL YEARS *

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 747,705 | \$ 1,229,781 | \$ 1,378,414 | \$ 1,483,450 | \$ 1,617,727 | \$ 1,553,753 | \$ 1,536,682 | \$ 1,651,303 | \$ 1,632,424 | \$ 1,702,035 |
| Expected interest growth | 2,454,433 | 1,832,081 | 2,614,817 | 2,908,506 | 3,312,446 | 3,548,058 | 3,804,237 | 4,056,490 | 4,632,243 | 4,874,688 |
| Demographic experience | 53,998 | 577,969 | 674,713 | 935,094 | 585,076 | (432,469) | 494,565 | 1,689,027 | 36,766 | 1,058,208 |
| Benefit payments & refunds | (1,223,598) | (680,847) | (739,639) | (1,152,043) | (1,318,886) | (851,857) | (961,014) | (1,219,360) | (2,740,491) | (1,288,517) |
| Changes in benefit terms | - | - | - | - | - | - | - | 2,192,058 | - | - |
| Assumption changes | (3,275,125) | 8,117,345 | 1,677,426 | - | (652,713) | - | (1,217,722) | - | - | - |
| Net change in Total Pension Liability | (1,242,587) | 11,076,329 | 5,605,731 | 4,175,007 | 3,543,650 | 3,817,485 | 3,656,748 | 8,369,518 | 3,560,942 | 6,346,414 |
| Total Pension liability – Beginning | 26,673,369 | 25,430,782 | 36,507,111 | 42,112,842 | 46,287,849 | 49,831,499 | 53,648,984 | 57,305,732 | 65,675,250 | 69,236,192 |
| Total Pension liability – Ending | \$ 25,430,782 | \$ 36,507,111 | \$ 42,112,842 | \$ 46,287,849 | \$ 49,831,499 | \$ 53,648,984 | \$ 57,305,732 | \$ 65,675,250 | \$ 69,236,192 | \$ 75,582,606 |
| Plan fiduciary net position | | | | | | | | | | |
| Expected interest growth | \$ 2,394,202 | \$ 1,919,835 | \$ 2,196,887 | \$ 2,664,147 | \$ 3,038,054 | \$ 3,354,741 | \$ 3,715,418 | \$ 4,510,964 | \$ 3,940,106 | \$ 4,373,036 |
| Unexpected investment income | (2,422,677) | 319,309 | 2,078,877 | 281,903 | (633,789) | (136,719) | 6,492,302 | (12,924,805) | 1,188,622 | 7,898,600 |
| Employer contributions | 1,836,541 | 2,123,606 | 2,537,622 | 3,938,097 | 3,061,579 | 3,112,058 | 2,235,682 | 1,938,768 | 2,250,494 | 3,638,924 |
| Employee contributions | 152,860 | 162,048 | 170,272 | 191,645 | 200,695 | 203,131 | 272,965 | 207,435 | 220,832 | 234,528 |
| Benefit payments & refunds | (1,280,101) | (680,847) | (739,639) | (1,152,043) | (1,318,886) | (851,857) | (961,014) | (1,219,360) | (2,740,491) | (1,288,517) |
| Administrative expenses | (63,768) | (64,657) | (64,794) | (65,334) | (82,587) | (75,535) | (82,037) | (88,581) | (71,592) | (84,136) |
| Net change in plan fiduciary net position | 617,057 | 3,779,294 | 6,179,225 | 5,858,415 | 4,265,066 | 5,605,819 | 11,673,316 | (7,575,579) | 4,787,971 | 14,772,435 |
| Plan fiduciary net position – Beginning | 26,052,113 | 26,669,170 | 30,448,464 | 36,627,689 | 42,486,104 | 46,751,170 | 52,356,989 | 64,030,305 | 56,454,726 | 61,242,697 |
| Plan fiduciary net position – Ending | \$ 26,669,170 | \$ 30,448,464 | \$ 36,627,689 | \$ 42,486,104 | \$ 46,751,170 | \$ 52,356,989 | \$ 64,030,305 | \$ 56,454,726 | \$ 61,242,697 | \$ 76,015,132 |
| Net pension liability (asset) | \$ (1,238,388) | \$ 6,058,647 | \$ 5,485,153 | \$ 3,801,745 | \$ 3,080,329 | \$ 1,291,995 | \$ (6,724,573) | \$ 9,220,524 | \$ 7,993,495 | \$ (432,526) |
| Plan fiduciary net position as a percentage of the total pension liability | 104.87% | 83.40% | 86.98% | 91.79% | 93.82% | 97.59% | 111.73% | 85.96% | 88.45% | 100.57% |
| Covered–employee payroll | \$ 4,067,897 | \$ 4,221,200 | \$ 4,470,500 | \$ 4,785,662 | \$ 5,372,667 | \$ 5,202,771 | \$ 5,238,088 | \$ 5,339,126 | \$ 5,363,948 | \$ 5,653,567 |
| Net pension liability as a percentage of covered–employee payroll | –30.44% | 143.53% | 122.70% | 79.44% | 57.33% | 24.83% | –128.38% | 172.70% | 149.02% | –7.65% |

* Ultimately this schedule will include information for the last ten years.

Notes to Schedule:

Benefit changes: There were no changes in benefits since the prior measurement date.

Changes of assumptions: For measurement date September 30, 2021, the mortality basis was changed from the RP–2000 Blue Collar Mortality Table with generational improvements in mortality using Scale BB to PUB–2010 Mortality Tables with generational improvements in mortality using Scale MP–2018.

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES RETIREMENT PLAN
AVAILABLE FISCAL YEARS *

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 60,938 | \$ 104,615 | \$ 105,131 | \$ 101,348 | \$ 103,960 | \$ 90,650 | \$ 57,260 | \$ 57,584 | \$ 39,283 | \$ 75,489 |
| Expected interest growth | 175,442 | 132,982 | 184,633 | 221,216 | 248,730 | 253,101 | 295,227 | 292,054 | 312,090 | 289,853 |
| Demographic experience | (47,655) | 31,751 | 15,274 | 155,186 | (197,589) | 368,991 | (14,829) | 103,838 | (321,705) | 28,524 |
| Benefit payments & refunds | (51,327) | (44,192) | (45,355) | (53,737) | (62,532) | (64,191) | (357,279) | (137,821) | (377,305) | (227,409) |
| Assumption changes | (212,047) | 521,628 | 257,123 | - | - | - | (20,051) | - | - | - |
| Net change in Total Pension Liability | (74,649) | 746,784 | 516,806 | 424,013 | 92,569 | 648,551 | (39,672) | 315,655 | (347,637) | 166,457 |
| Total Pension liability – Beginning | 1,896,350 | 1,821,701 | 2,568,485 | 3,085,291 | 3,509,304 | 3,601,873 | 4,250,424 | 4,210,752 | 4,526,407 | 4,178,770 |
| Total Pension liability – Ending | <u>\$ 1,821,701</u> | <u>\$ 2,568,485</u> | <u>\$ 3,085,291</u> | <u>\$ 3,509,304</u> | <u>\$ 3,601,873</u> | <u>\$ 4,250,424</u> | <u>\$ 4,210,752</u> | <u>\$ 4,526,407</u> | <u>\$ 4,178,770</u> | <u>\$ 4,345,227</u> |
| Plan fiduciary net position | | | | | | | | | | |
| Expected interest growth | \$ 178,762 | \$ 145,655 | \$ 167,671 | \$ 203,353 | \$ 230,412 | \$ 249,746 | \$ 260,634 | \$ 267,091 | \$ 251,756 | \$ 262,576 |
| Unexpected investment income | (182,740) | 24,574 | 152,474 | 12,486 | (49,224) | (10,474) | 481,840 | (839,282) | 73,953 | 471,211 |
| Employer contributions | 143,992 | 161,687 | 205,151 | 265,758 | 184,689 | 130,818 | 125,593 | 101,518 | 131,166 | 149,468 |
| Employee contributions | 15,608 | 16,611 | 15,690 | 14,460 | 14,925 | 10,572 | 9,087 | 7,460 | 9,803 | 12,252 |
| Benefit payments & refunds | (43,062) | (44,192) | (45,355) | (53,737) | (62,532) | (64,191) | (357,279) | (137,821) | (377,305) | (227,409) |
| Administrative expenses | (9,002) | (9,826) | (10,531) | (11,370) | (12,291) | (12,989) | (14,165) | (20,266) | (23,295) | (13,917) |
| Net change in plan fiduciary net position | 103,558 | 294,509 | 485,100 | 430,950 | 305,979 | 303,482 | 505,710 | (621,300) | 66,078 | 654,181 |
| Plan fiduciary net position – Beginning | 1,916,144 | 2,019,702 | 2,314,211 | 2,799,311 | 3,230,261 | 3,536,240 | 3,839,722 | 4,345,432 | 3,724,132 | 3,790,210 |
| Plan fiduciary net position – Ending | <u>\$ 2,019,702</u> | <u>\$ 2,314,211</u> | <u>\$ 2,799,311</u> | <u>\$ 3,230,261</u> | <u>\$ 3,536,240</u> | <u>\$ 3,839,722</u> | <u>\$ 4,345,432</u> | <u>\$ 3,724,132</u> | <u>\$ 3,790,210</u> | <u>\$ 4,444,391</u> |
| Net pension liability (asset) | <u>\$ (198,001)</u> | <u>\$ 254,274</u> | <u>\$ 285,980</u> | <u>\$ 279,043</u> | <u>\$ 65,633</u> | <u>\$ 410,702</u> | <u>\$ (134,680)</u> | <u>\$ 802,275</u> | <u>\$ 388,560</u> | <u>\$ (99,164)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 110.87% | 90.10% | 90.73% | 92.05% | 98.18% | 90.34% | 103.20% | 82.28% | 90.70% | 102.28% |
| Covered-employee payroll | \$ 375,841 | \$ 429,316 | \$ 424,163 | \$ 383,968 | \$ 392,111 | \$ 339,664 | \$ 236,297 | \$ 244,273 | \$ 161,394 | \$ 300,106 |
| Net pension liability as a percentage of covered-employee payroll | -52.68% | 59.23% | 67.42% | 72.67% | 16.74% | 120.91% | -57.00% | 328.43% | 240.75% | -33.04% |

* This schedule includes information for the last ten years.

Notes to Schedule:

Benefit changes: There were no changes in benefits since the prior measurement date.

Changes of assumptions: For measurement date September 30, 2021, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS RETIREMENT PLAN
AVAILABLE FISCAL YEARS *

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|-----------------|-------------------|-------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Actuarially determined contribution | \$ 1,843,933 | \$ 2,286,726 | \$ 2,667,433 | \$ 2,615,127 | \$ 2,208,787 | \$ 2,236,178 | \$ 2,100,739 | \$ 1,461,317 | \$ 3,921,983 | \$ 3,808,068 |
| Contributions in relation to the actuarially determined contribution | 1,836,541 | 2,123,606 | 2,537,622 | 3,938,097 | 3,061,579 | 3,112,058 | 2,235,682 | 1,938,768 | 2,250,494 | 3,638,924 |
| Contribution deficiency (excess) | \$ 7,392 | \$ 163,120 | \$ 129,811 | \$ (1,322,970) | \$ (852,792) | \$ (875,880) | \$ (134,943) | \$ (477,451) | \$ 1,671,489 | \$ 169,144 |
| Covered-employee payroll | \$ 4,067,897 | \$ 4,221,200 | \$ 4,470,500 | \$ 4,785,662 | \$ 5,372,667 | \$ 5,202,771 | \$ 5,238,088 | \$ 5,339,126 | \$ 5,363,948 | \$ 5,653,567 |
| Contributions as a percentage of covered-employee payroll | 45.15% | 50.31% | 56.76% | 82.29% | 56.98% | 59.82% | 42.68% | 36.31% | 41.96% | 64.37% |

* This schedule includes information for the last ten years.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS PLAN**

| | |
|-------------------|------------|
| Valuation Date: | 10/01/2023 |
| Measurement Date: | 9/30/2024 |

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

Actuarial assumptions

| | |
|---------------------------|--|
| Discount rate: | 7.00% per annum (2.62% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments. |
| Salary increases: | 4.50% per annum |
| Cost-of-living increases: | None assumed |
| | Mortality basis: For non-retired participants, the FFPP used the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (pre-retirement mortality); for non-disabled retirees, sex distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disable retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018. |
| Retirement: | 10% are assumed to retire at each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire at each of the two years after normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 50. |
| Other decrements: | Assumed employment termination is based on gender, age, and service; for participants with less than 10 years of service, termination rates range from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between 8 and 10 years of service; for participants with at least 10 years of service, termination rates range from 4.28% for males and 5.41% for females at age 25 to 0.00% at age 55. Assumed disability is based on gender and age and ranges from 0.067% for males and 0.040% for females at age 25 to 1.00% for males and 0.84% for females at age 55. |
| Non-investment expenses: | Liabilities have been loaded by 1.00% to account for non-investment expenses. |
| Future contributions: | Contributions from the employer and employees are assumed to be made as legally required. |
| Changes: | No assumption changes since the prior measurement date. |

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES RETIREMENT PLAN
AVAILABLE FISCAL YEARS *

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--------------------|-----------------|-----------------|-------------|--------------------|------------------|-----------------|--------------------|------------------|-------------|
| Actuarially determined contribution | \$ 131,597 | \$ 169,387 | \$ 209,846 | \$ 265,758 | \$ 146,609 | \$ 146,948 | \$ 131,396 | \$ 48,766 | \$ 200,065 | \$ 149,468 |
| Contributions in relation to the actuarially determined contribution | 143,992 | 161,687 | 205,151 | 265,758 | 184,689 | 130,818 | 125,593 | 101,518 | 131,166 | 149,468 |
| Contribution deficiency (excess) | <u>\$ (12,395)</u> | <u>\$ 7,700</u> | <u>\$ 4,695</u> | <u>\$ -</u> | <u>\$ (38,080)</u> | <u>\$ 16,130</u> | <u>\$ 5,803</u> | <u>\$ (52,752)</u> | <u>\$ 68,899</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 375,841 | \$ 429,316 | \$ 424,163 | \$ 383,968 | \$ 392,111 | \$ 339,664 | \$ 236,297 | \$ 244,273 | \$ 161,394 | \$ 300,106 |
| Contributions as a percentage of covered- employee payroll | 38.31% | 37.66% | 48.37% | 69.21% | 47.10% | 38.51% | 53.15% | 41.56% | 81.27% | 49.81% |

* This schedule includes information for the last ten years.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
GENERAL EMPLOYEES PLAN**

| | |
|-------------------|------------|
| Valuation Date: | 10/01/2023 |
| Measurement Date: | 9/30/2024 |

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

Actuarial assumptions

| | |
|---------------------------|--|
| Discount rate: | 7.00% per annum (2.62% per annum is attributable to long-term inflation): this rate was used to discount all future benefit payments. |
| Salary increases: | 4.00% per annum |
| Cost-of-living increases: | 3.00% per annum for all benefits other than the health supplement. |
| Mortality basis: | The GEPP used the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employee, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year. |
| Retirement: | 10% are assumed to retire at each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire at each of the two years after normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 50. |
| Other decrements: | Assumed employment termination is based on gender, age, and service; for participants with less than 10 years of service, termination rates range from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between 8 and 10 years of service; for participants with at least 10 years of service, termination rates range from 4.28% for males and 5.41% for females at age 25 to 0.00% at age 55. Assumed disability is based on gender and age and ranges from 0.067% for males and 0.040% for females at age 25 to 1.00% for males and 0.84% for females at age 55. |
| Non-investment expenses: | Liabilities have been loaded by 2.50% to account for non-investment expenses. |
| Future contributions: | Contributions from the employer and employees are assumed to be made as legally required. |
| Changes: | No assumption changes since the prior measurement date. |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS RETIREMENT PLAN
AVAILABLE FISCAL YEARS ***

Annual money-weighted rate of return, net of
investment expense

September 30,

| | |
|------|---------|
| 2015 | -0.11% |
| 2016 | 8.43% |
| 2017 | 13.83% |
| 2018 | 7.69% |
| 2019 | 5.79% |
| 2020 | 7.15% |
| 2021 | 20.80% |
| 2022 | -14.18% |
| 2023 | 9.82% |
| 2024 | 21.17% |

* Ultimately this schedule will include information for the last ten years.

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEES RETIREMENT PLAN
AVAILABLE FISCAL YEARS ***

Annual money-weighted rate of return, net of
investment expense

September 30,

| | |
|------|---------|
| 2015 | -0.20% |
| 2016 | 8.21% |
| 2017 | 13.44% |
| 2018 | 7.56% |
| 2019 | 5.72% |
| 2020 | 7.15% |
| 2021 | 21.02% |
| 2022 | -13.76% |
| 2023 | 9.34% |
| 2024 | 19.57% |

* Ultimately this schedule will include information for the last ten years.

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

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | | | | | |
| Service cost | \$ 15,722 | \$ 19,306 | \$ 42,493 | \$ 55,750 | \$ 52,121 | \$ 33,731 | \$ 37,617 | \$ 54,160 |
| Expected interest growth | 116,150 | 94,067 | 111,207 | 80,293 | 113,352 | 189,871 | 151,802 | 142,161 |
| Demographic experience | - | - | (37,364) | - | (225,196) | - | 461,128 | (328,618) |
| Employer contributions | - | - | - | - | (64,826) | - | - | - |
| Benefit payments & refunds | (10,842) | (23,695) | (38,838) | (54,528) | - | (73,097) | (129,737) | (128,012) |
| Assumption changes | - | 416,734 | 562,770 | 839,904 | (537,324) | (1,015,254) | (128,267) | 95,112 |
| Net change in Total OPEB Liability | 121,030 | 506,412 | 640,268 | 921,419 | (661,873) | (864,749) | 392,543 | (165,197) |
| Total OPEB liability – beginning | \$ 2,455,665 | \$ 2,576,695 | \$ 3,083,107 | \$ 3,723,375 | \$ 4,644,794 | \$ 3,982,921 | \$ 3,118,172 | \$ 3,510,715 |
| Total OPEB liability – ending | <u>\$ 2,576,695</u> | <u>\$ 3,083,107</u> | <u>\$ 3,723,375</u> | <u>\$ 4,644,794</u> | <u>\$ 3,982,921</u> | <u>\$ 3,118,172</u> | <u>\$ 3,510,715</u> | <u>\$ 3,345,518</u> |
| Plan fiduciary net position | | | | | | | | |
| Expected interest growth | \$ (68,540) | \$ (37,854) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unexpected investment income | (63,306) | (8,117) | - | - | - | - | - | - |
| Benefit payments & refunds | - | 1,140,471 | - | - | - | - | - | - |
| Administrative expenses | 5,874 | 13,496 | - | - | - | - | - | - |
| Net change in plan fiduciary net position | (125,972) | 1,107,996 | - | - | - | - | - | - |
| Plan fiduciary net position – beginning | (982,024) | (1,107,996) | - | - | - | - | - | - |
| Plan fiduciary net position – ending | <u>\$ (1,107,996)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net OPEB liability | <u>\$ 1,468,699</u> | <u>\$ 3,083,107</u> | <u>\$ 3,723,375</u> | <u>\$ 4,644,794</u> | <u>\$ 3,982,921</u> | <u>\$ 3,118,172</u> | <u>\$ 3,510,715</u> | <u>\$ 3,345,518</u> |
| Covered-employee payroll | \$ 5,209,825 | \$ 5,209,825 | \$ 5,764,778 | \$ 5,764,778 | \$ 7,208,000 | \$ 7,208,000 | \$ 8,150,822 | \$ 9,603,036 |
| Total OPEB liability as a percentage of covered-employee payroll | 28.19% | 59.18% | 64.59% | 80.57% | 55.26% | 43.26% | 43.07% | 34.84% |

* GASB No. 75 was adopted in fiscal year 2017. Ultimately, this schedule will contain information for the last ten years.

Notes to Schedule:

Commencing in 2019, there are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Changes of assumptions since the prior measurement date:

The discount rate was changed from 4.91% to 4.06%

Monthly implied subsidy at age 55 was decreased from \$268.75 for the retiree and \$322.50 for the retiree's spouse to \$250 for the retiree and \$300 for the retiree's spouse.

SUPPLEMENTARY INFORMATION

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF OPERATING EXPENDITURES –
BUDGET TO ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|----------------------|----------------------|--|
| Personal Services Expenditures | | | |
| Wages | \$ 10,951,489 | \$ 10,553,699 | \$ 397,790 |
| Insurance – health, disability, and workers' compensation | 3,288,677 | 3,145,279 | 143,398 |
| Retirement and OPEB | 3,200,000 | 3,292,655 | (92,655) |
| Payroll taxes | 754,000 | 796,735 | (42,735) |
| Uniforms and protective gear | 31,060 | 75,719 | (44,659) |
| Total Personal Service Expenditures | \$ 18,225,226 | \$ 17,864,087 | \$ 361,139 |
| Operating Expenditures | | | |
| Information technology | \$ 235,910 | \$ 229,615 | \$ 6,295 |
| Travel and training | 140,186 | 121,902 | 18,284 |
| Repairs and maintenance | 381,110 | 379,430 | 1,680 |
| Professional fees | 114,072 | 99,131 | 14,941 |
| Fuel | 109,350 | 101,198 | 8,152 |
| Supplies | 239,423 | 173,684 | 65,739 |
| Other operating expenses | 93,805 | 292,901 | (199,096) |
| Fees, collector and appraiser | 670,000 | 674,593 | (4,593) |
| Utilities | 105,628 | 100,534 | 5,094 |
| General insurance | 210,219 | 209,792 | 427 |
| Total Operating Expenditures | \$ 2,299,703 | \$ 2,382,780 | \$ (83,077) |

OTHER INFORMATION

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF FIRE ASSESSMENT RATES**

Non-ad valorem assessment rates for Southern Manatee Fire and Rescue District:

| CATEGORY – LOTS / ACREAGE | RATES |
|---|-------------------|
| Vacant Platted Lot (per lot) – 0000, 0001, 0008, 0009, 0040, 0041, 0050, 0055..... | \$ 10.5428 |
| Vacant Unplatted less than 10 acres – 0010 (per acre) | \$ 5.2772 |
| Vacant Commercial and Industrial Parcels, Per Lot or Parcel – 1000, 1001, 1004, 1009, 1033, 1040, 1041,..... 1240, 4000, 4001, 7000, 9002 | \$10.5428 |

| CATEGORY – RESIDENTIAL | RATES |
|--|--------------------|
| Single Family Residential – 0100, 0101, 0108, 0164 Base rate for the first 1,000 square feet..... | \$ 150.8312 |
| In addition, for each square foot above the first 1,000 square feet | \$ 0.0921 |
| Single Family Residential 10 acres or more – 0105, 0210 (per acre) | \$ 5.2772 |
| Plus the base rate for the first 1,000 sq. ft | \$ 150.8312 |
| For each sq. ft. above 1000 sq. ft. | \$ 0.0921 |
| Condominia Residential - 0400, 0408, 0409, 0410, 0464, 510 Per dwelling unit..... | \$ 226.2356 |
| Mobile Homes/Lots - 0002, 0003, 0201, 0202, 0203, 0264, 0411, 0412, 0413 0501, 0502, 0503, 0720, 2802, 2805, 2832 Per dwelling unit or available space | \$ 211.1635 |
| Multi-Family Residential – 0110, 0300, 0301, 0600, 0700, 0710, 0800 0801, 0803, 0805, 0864 | |
| Per dwelling unit | \$ 226.2356 |
| Per dwelling unit or bedroom (group quarters) | \$ 226.2356 |

| CATEGORY – RESIDENTIAL AMENITIES (common areas) | RATES |
|--|--------------|
|--|--------------|

The assessment of common elements shall be determined by the Property Appraiser and prorated in accordance with Florida Statutes 193.0235. To the extent applicable, common elements shall be assessed based upon the size and type of the lot, building or structure pursuant to this assessment schedule.

Base rate for the first 1,000 square feet..... **\$ 527.9650**
plus a per square foot amount for each square foot above 1,000 square feet as per the following table:

| | |
|--|------------------|
| Vacant Residential Common Areas (per acre) – 0900, 0910, 0940, 0941, | \$ 5.2772 |
| Improved Residential Common Areas – 0901 | \$ 0.1847 |
| Residential Related Amenities – 0725 | \$ 5.2772 |
| Residential Amenities on more than 10 acres – 0730 (per acre) | \$ 5.2772 |

**SOUTHERN MANATEE FIRE AND RESCUE DISTRICT
SCHEDULE OF FIRE ASSESSMENT RATES**

| CATEGORY – NON RESIDENTIAL | RATES |
|-----------------------------------|--------------|
|-----------------------------------|--------------|

| | |
|---|-------------|
| All Other Buildings or Structures | |
| Base rate for the first 1,000 square feet | \$ 527.9650 |
| plus, a per square foot amount for each square foot | |
| above 1,000 square feet as per the following table: | |

| CATEGORY – NON RESIDENTIAL USE CODES | RATES |
|---|--------------|
|---|--------------|

| | | |
|------------------------|--|-----------|
| Mercantile | 1100, 1101, 1102, 1103, 1104, 1105, 1110, 1114, 1200 1205, 1230, 1233, 1264, 1300, 1400, 1500, 1600, 1604 and 2900 | \$ 0.1345 |
| Business (B) | 1700, 1704, 1800, 1900, 1904, 2200, 2300, 2500 2600, 3000, 3600..... | \$ 0.1345 |
| Assembly (A) | 2100, 3100, 3200, 3300, 3400, 3410, 3500, 3510, 3700 3800, 3901, 3902, 3903, 7600, 7601, 7602, 7700, 7900 | \$ 0.1847 |
| Factory/Industrial (F) | 4100, 4104, 4400, 4500, 4600, 4700, and 9100 | \$ 0.2232 |
| Storage (S) | 2000, 2003, 2700, 2710, 2720, 2730, 2740 2750, 2800, 3810 and 4900, 9000 | \$ 0.2192 |
| Hazardous (H) | 4200, 4300, 4800, 4801, 4803, 4804 and 4805, 4810..... | \$ 0.2692 |
| Institutional (I) | 7200, 7210, 7300, 7400, 7500, and 7800..... | \$ 0.1643 |

| Acreage/Agricultural: | RATES |
|------------------------------|--------------|
|------------------------------|--------------|

| | |
|---|------------|
| Unsubdivided Acreage- (per acre) 5100, 5350 through 6900 series & 9700, 9900, 9902, 9908, 9909, 0938 Except that not more than \$ 250.00 shall be assessed against any one parcel. | \$ 5.2772 |
| <u>Agricultural Land with Residential Improvements</u> – 5000 | \$150.8312 |
| In addition, for each square foot above the first 1,000 square feet..... | \$ 0.0921 |
| <u>Agricultural Land with Non-Residential Improvements</u> – 5010 | \$150.8312 |
| In addition, for each square foot above the first 1,000 square feet..... | \$ 0.0921 |
| <u>Agricultural Land with Residential and Non-Residential Improvements</u> – 5020, 5030 & 9901..... | \$150.8312 |
| In addition, for each square foot above the first 1,000 square feet..... | \$ 0.0921 |

The base assessment for all buildings and structures on un-subdivided acreage for the first 1,000 square feet on a parcel is as stated above. The schedule for all square footage above 1,000 square feet is as stated above per square foot.

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.

SOUTHERN MANATEE FIRE AND RESCUE DISTRICT **SCHEDULE OF FIRE ASSESSMENT RATES**

The following use codes are hereby exempted from the non-ad valorem fire assessment unless; the property, building(s) or any portion thereof is used by any person(s) or purpose(s) other than expressly identified in these exemptions.

| CATEGORY - EXEMPTED | USE CODES | RATES |
|---------------------------------------|--|--------------|
| Forest, Parks, Recreation Area – | 8081, 8082, 8200..... | \$ 0.00 |
| Public Schools, Colleges, Hospitals – | 8083, 8084, 8085, 8300, 8400, 8500 | \$ 0.00 |
| County, State, Federal, Municipal – | 8086, 8087, 8088, 8089, 8100, 8600, 8700, 8800, 8900, 8901, 9600, 9800..... | \$ 0.00 |
| Subsurface Rights & Rights-of-Way – | 9300 & 9400, 9401 | \$ 0.00 |
| Rivers, Lakes, & Submerged Lands – | 9500 | \$ 0.00 |

Notwithstanding the schedule provided above entitled “all other buildings or structures” the District finds that within the District’s jurisdictional boundaries there is one (1) industrial complex under single ownership that has more than 2.3 million square feet of structures on a site of contiguous parcels or a site of parcels that would be contiguous except that they are dissected by one or more transportation rights-of-way. The District finds that said industrial complex possesses self-contained, internal fire suppression facilities within its buildings and structures that improve the industrial complex’s hazard classification such that the complex receives less of a special benefit from the District’s fire protection service. Therefore, in consideration of the internal fire suppression facilities contained within the industrial complex, the above referenced industrial complex’s non-ad valorem fire assessment shall be assessed at one-half the rate for factory/industrial, regardless of the actual use of the building.

OTHER 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
Southern Manatee Fire and 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, each major fund and the aggregate remaining fund information of Southern Manatee Fire and Rescue District (the District) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 4, 2025.

Report on 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 the 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.

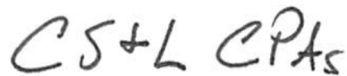
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in black ink that reads "CS&L CPAs".

CS&L CPAs, P.A.

April 4, 2025
Bradenton, Florida

MANAGEMENT LETTER

**Board of Commissioners
Southern Manatee Fire and Rescue District
Manatee County, Florida**

Report on the Financial Statements

We have audited the financial statements of the Southern Manatee Fire and Rescue District, (the District), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 4, 2025.

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 April 4, 2025, 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.

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A.

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 Southern Manatee Fire and 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 Southern Manatee Fire and Rescue District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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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 Southern Manatee Fire and Rescue District. It is management's responsibility to monitor Southern Manatee Fire and 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)7, 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 105.
- 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 14.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$10,553,699.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$240,176.
- 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 is presented below:

| <u>Project</u> | <u>Approved value</u> | <u>Reported value</u> |
|----------------|-----------------------|-----------------------|
| Station 4 | \$ 1,195,145 | \$ 719,802 |

- 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 44.

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)8, Rules of the Auditor General, the District reported:

- a. The millage rate imposed by the district was 1.2061.
- b. The total amount of ad valorem taxes collected by or on behalf of the District was \$8,738,565.
- 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)9, 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 56 through 58.
- b. The total amount of special assessments collected by or on behalf of the District was \$14,296,465.
- 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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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.

A handwritten signature in dark ink that reads "CS&L CPAs". The letters are cursive and slightly slanted to the right.

CS&L CPAs, P.A.

April 4, 2025
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT
ON INVESTMENT COMPLIANCE

Board of Commissioners
Southern Manatee Fire and Rescue District
Manatee County, Florida

We have examined Southern Manatee Fire and Rescue District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. 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.

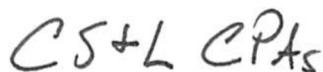
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2024.

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

A handwritten signature in blue ink that reads "CS&L CPAs".

CS&L CPAs P.A.

April 4, 2025
Bradenton, Florida

IMPACT FEE AFFIDAVIT

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Robert C. Bounds, Jr., Fire Chief, who being duly sworn, deposes and says on oath that:

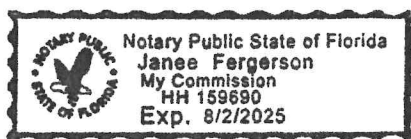
1. I am the Chief Financial Officer¹ of Southern Manatee Fire & Rescue District which is a local governmental entity of the State of Florida.
2. The governing body of Southern Manatee Fire & Rescue District adopted (Resolution No. 2004-03) implementing an impact fee or authorized Southern Manatee Fire & Rescue District to receive and expend proceeds of an impact fee implemented by Southern Manatee Fire & Rescue District.
3. Southern 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.


Robert C. Bounds, Jr., Fire Chief

STATE OF FLORIDA
COUNTY OF Manatee

SWORN TO AND SUBSCRIBED before me this 24 day of March, 2025.




NOTARY PUBLIC
Print Name Jane Fergerson

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires: 08/02/2025

¹ Pursuant to Section 163.31801(8), Florida Statutes, if there is no chief financial officer, the executive officer must sign the affidavit.