

**BONITA SPRINGS FIRE CONTROL
AND RESCUE DISTRICT
BASIC FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF
INDEPENDENT AUDITOR
YEAR ENDED
SEPTEMBER 30, 2015**

TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	3
 <u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position.....	10
Statement of Activities.....	11
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet.....	12
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets.....	13
Statement of Revenues, Expenditures and Changes in Fund Balance.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities.....	15
Fiduciary Funds	
Firefighters' Pension Plan	
Statement of Fiduciary Net Assets.....	16
Statement of Changes in Fiduciary Net Assets.....	17
General Employee Pension Plan	
Statement of Fiduciary Net Assets.....	18
Statement of Changes in Fiduciary Net Assets.....	19
Retiree Insurance Trust Fund (VEBA)	
Statement of Fiduciary Net Assets.....	20
Statement of Changes in Fiduciary Net Assets.....	21
NOTES TO THE FINANCIAL STATEMENTS.....	22-74
 <u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A</u>	
BUDGET TO ACTUAL COMPARISON - MAJOR FUNDS (General and Special Revenue)	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Summary Statement.....	75
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Detailed Statement.....	76-79
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Impact Fee Fund.....	80
Schedules of District's Proportionate Share of Net Pension Liability and District's Contributions Florida Retirement System.....	81
Schedules of District's Proportionate Share of Net Pension Liability and District' Contributions- Health Insurance Subsidy.....	82
Schedule of Changes in Net Pension Liability and Related Ratios	
Firefighters' Pension Trust Fund.....	83
Schedule of Contributions-	
Firefighters' Pension Trust Fund.....	84-85
Components of Pension Expense	
Firefighters' Pension Trust Fund.....	86
Schedule of Changes in Net Pension Liability and Related Ratios	
General Employees' Pension Trust Fund.....	87
Schedule of Contributions-General Employees' Pension Trust Fund	
General Employees' Pension Trust Fund.....	88-89
Components of Pension Expense	
General Employees' Pension Trust Fund.....	90

ADDITIONAL REPORTS OF INDEPENDENT AUDITOR

Independent Auditor's Report on Internal Control over Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	91-92
Independent Auditor's Report to Management.....	93-95
Independent Accountant's Examination Report.....	96
Management's Response to Independent Auditor's Report to Management.....	97

Independent Auditor's Report

Honorable Board of Commissioners
Bonita Springs Fire Control and Rescue District
Bonita Springs, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Bonita Springs Fire Control and Rescue District, (the "District") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Change in Accounting Principle

As described in Note G to the financial statements, effective October 1, 2014, the District adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. Our opinions are not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of September 30, 2015, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Punta Gorda, Florida
June 27, 2016

Ashley, Brown & Co.

Bonita Springs Fire Control & Rescue District, Florida

Management's Discussion and Analysis (Unaudited)

This discussion and analysis of the Bonita Springs Fire Control & Rescue District's (the "District") financial statements are designed to introduce the basic financial statements and provide an analytical overview of the District's financial activities for the fiscal year ended September 30, 2015. The basic financial statements are comprised of the government-wide financial statements, governmental and fiduciary fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the District's financial position.

District Highlights

- The Governmental Accounting Standards Board (GASB) statement 67- which requires governments providing defined benefit pensions (1) to recognize their long-term obligations for pension benefits as a liability on the balance sheet for the first time, (2) more comprehensively and comparably measure the annual costs of pension benefits and (3) enhance note disclosures and Required Supplementary Information for pension plans.
- Due to the implementation of GASB 67 and GASB 68 has resulted in:
 - At the close of fiscal year 2015 the District's assets exceeded its liabilities, resulting in a net position of 1,564,461.
 - The District had a prior period adjustment of \$6,056,201 and the restated net position for fiscal year ending 2014 was \$3,255,081.
 - The District's total net position decreased \$1,690,620 or 51.9 percent, in comparison to prior year restated net position.
- The District had \$7,930,147 of assigned fund balances and \$1,037,847 of unassigned net fund balance that can be used to meet the District's ongoing obligations.
- Total revenues increased \$1,578,082, or 8.6 percent, in comparison to prior year.
- Total expenses increased \$1,658,439 or 8.8 percent, in comparison to prior year.

Government-wide Financial Statements

Government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 10 and 11) are intended to allow a reader to assess a Government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the District as a whole and do not emphasize fund types.

The Statement of Net Position (Page 10) presents information on all of the District's assets and liabilities, with the difference between the two reported as

net position. The District's capital assets (property, plant and equipment) are included in this statement and reported net of their accumulated depreciation.

The Statement of Activities (Page 11) presents revenue and expense information showing how the District's net position changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense recognized when a liability is incurred).

Governmental Fund Financial Statements

The accounts of the District are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Governmental fund financial statements (found on pages 12 and 14) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Fiduciary Fund Financial Statements

Fiduciary funds reflect the net position for the District's firefighter retirement plan, the general employees plan and the retiree insurance trust fund plan, as well as the related financial activity. The assets are not available to fund the District's operations, but are held strictly to fund the respective retirement benefits.

Notes to the Financial Statements

The *notes* to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 22. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the District is in a better or worse financial condition from the prior year.

The following is a condensed summary of net assets for the primary government for fiscal years 2014 and 2015:

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF NET POSITION
September 30, 2015

	2014	2015
ASSETS		
Current assets	\$ 8,423,580	\$ 9,682,028
Capital assets	15,984,743	15,819,062
Total Assets	<u>\$ 24,408,323</u>	<u>\$ 25,501,090</u>
Deferred Outflows of Resources		4,435,704
LIABILITIES		
Current liabilities:	1,089,342	1,069,313
Noncurrent liabilities:	20,063,900	26,140,271
Total Liabilities	<u>21,153,242</u>	<u>27,209,584</u>
Deferred Inflows of Resources	-	1,162,749
NET POSITION		
Investment in capital assets, net of related debt	12,608,071	12,790,258
Restricted for:		
Capital projects	125,930	94,086
Unrestricted	<u>(9,478,920)</u>	<u>(11,319,883)</u>
Total Net Position	<u>\$ 3,255,081*</u>	<u>\$ 1,564,461</u>

**As restated*

Current and other assets represent 38 percent of total assets. Current assets are comprised of unrestricted cash and investment balances of \$9,620,518, restricted cash of \$61,510. The balances of unrestricted cash represent amounts that are available for spending at the District's discretion. Restricted cash balances are comprised of impact fee funds, which are restricted for the purchase of capital assets. The District is using the Impact fees to pay off the loan which was used to build Station 4.

The investment in capital assets, net of related debt represent 817.5 percent of net position and are comprised of land, buildings, improvements, equipment, furniture, and vehicles, net of accumulated depreciation, and the outstanding

related debt used to acquire the assets. The balance of net position restricted for capital projects is impact fees. The unrestricted net asset balance of (\$11,319,883) represents the impact of reporting the new GASB 67 and 68 statements on the financial statements this year.

The following schedule reports the revenues, expenses, and changes in net position for the District for the current and previous fiscal year.

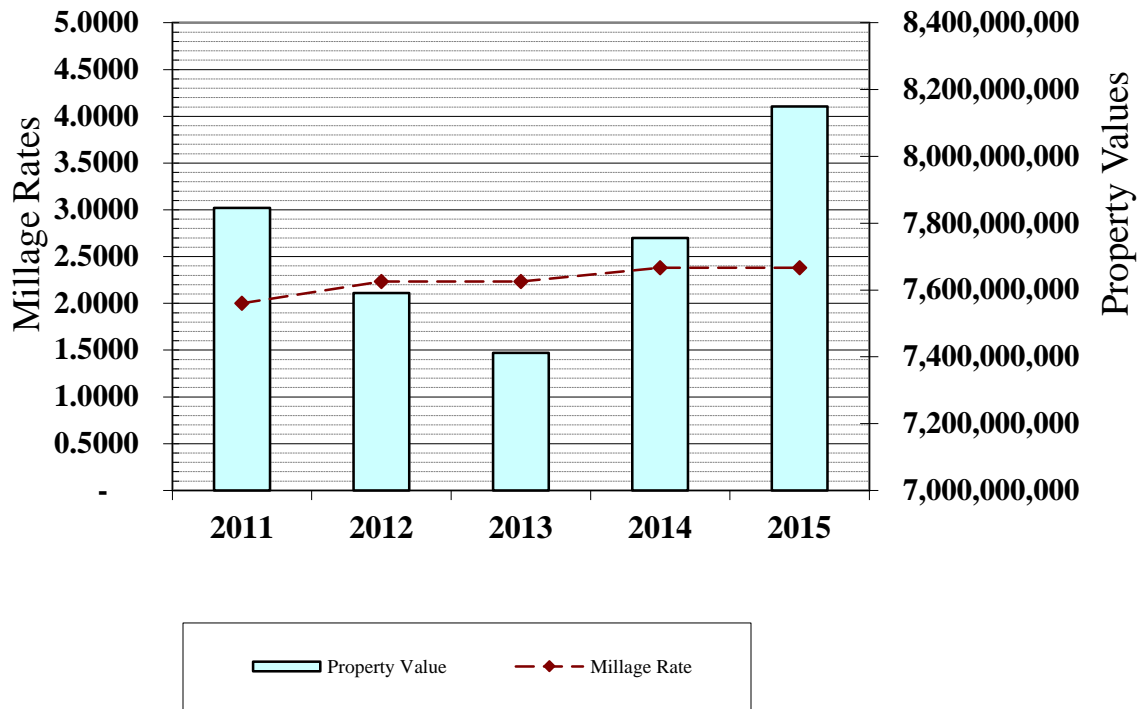
**Bonita Springs Fire Control and Rescue District
Summary of Revenues, Expenses, and Changes in Net Assets
September 30, 2015**

REVENUES	2014	2015
Ad Valorem taxes	\$ 17,581,863	\$ 18,844,235
Intergovernmental	35,230	39,763
Charges for services	433,928	628,947
Miscellaneous		
Impact fees	293,207	383,795
Investment earnings	38,600	37,636
Gain on Disposal Cap Assets	-	-
Other	73,830	100,364
Total Revenue	\$ 18,456,658	\$ 20,034,740
EXPENDITURES		
Public safety-Fire and Rescue Services	38,778,309	21,725,360
Decrease in net position	(20,321,651)	(1,690,620)
Net Position Beginning of the year	17,520,531	3,255,081
Prior Period Adjustment	6,056,201	-
Net Position End of the Year	\$ 3,255,081*	\$ 1,564,461

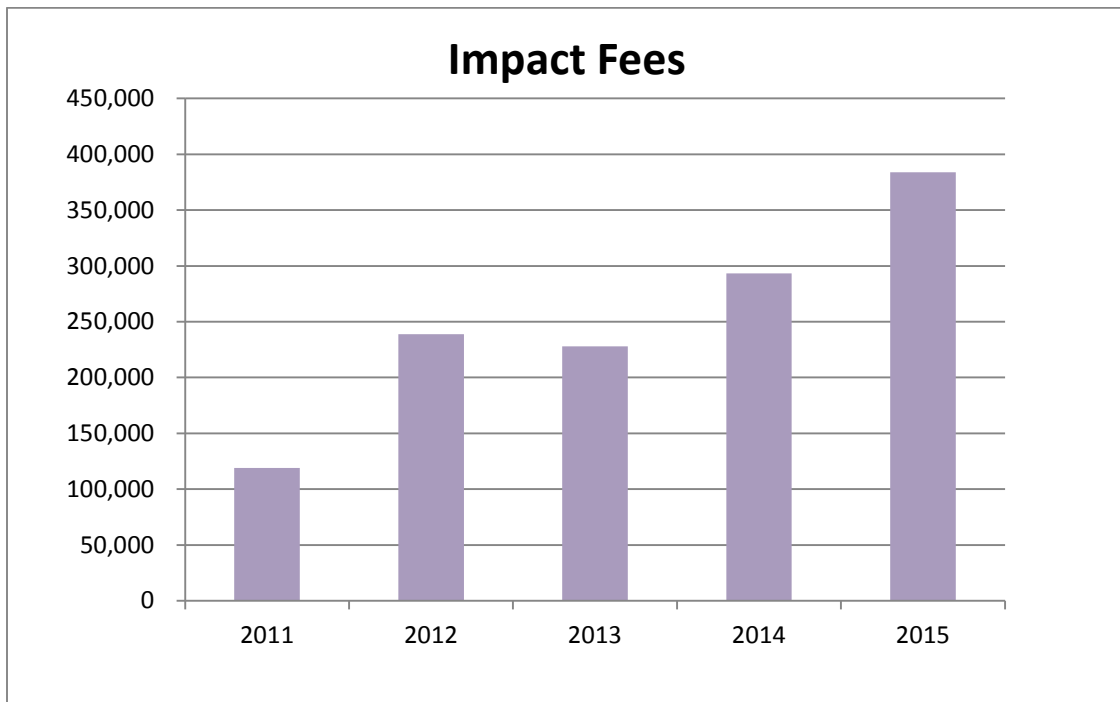
**As restated*

Assessed property value increased 7.18 percent; the District assessed a millage rate of 2.3800. The increased revenue was needed to offset the District use of Reserves. In comparison to the prior year, total revenues increased 8.55 percent. Total expenses decreased \$17,052,949 or 44 percent, in comparison to prior year, largely due to GASB 67 and 68 reporting of the Net Pension Liability. The following schedule compares the change in property value and millage rates for the past five years.

Property Values and Millage Assessed



Impact fees increased \$90,588, or 30.9 percent, in comparison to the prior year. The increase of Impact Fees shows the increase of new construction within the District’s boundaries continues.



Budgetary Highlights

Budget versus actual comparisons are reported in the required supplementary information other than management discussion and analysis on pages 75 through 80.

Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, improvements other than buildings, office equipment, machinery & equipment and vehicles.

The following is a schedule of the District's Capital Assets as of September 30, 2015.

**Bonita Springs Fire Control & Rescue District
Capital Assets
September 30, 2015**

CAPITAL ASSETS	2014	2015
Land	\$ 2,699,136	\$ 2,699,136
Construction in progress	-	-
Total Capital Assets not depreciated	<u>2,699,136</u>	<u>2,699,136</u>
Buildings	14,863,390	14,873,517
Office equipment	518,770	524,099
Vehicles	3,683,841	4,253,114
Machinery & equipment	<u>2,242,768</u>	<u>2,316,859</u>
Total Capital Assets being depreciated	<u>21,308,769</u>	<u>21,967,589</u>
ACCUMULATED DEPRECIATION		
Buildings	(4,344,198)	(4,869,482)
Office equipment	(429,279)	(448,194)
Vehicles	(1,955,378)	(2,111,169)
Machinery & equipment	<u>(1,294,307)</u>	<u>(1,418,818)</u>
Total accumulated depreciation	<u>(8,023,162)</u>	<u>(8,847,663)</u>
CAPITAL ASSETS, NET	<u>\$ 15,984,743</u>	<u>\$ 15,819,062</u>

Noteworthy capital asset purchases/projects that took place in fiscal year 2015 were as follows:

- The District replaced Engine 22 and other vehicles.
- The District purchased new vehicle extrication equipment.

Additional information on the District's capital assets can be found in Note E on pages 40 and 41.

Debt Administration

At September 30, 2015, the District had \$26,495,550 of outstanding liabilities. The following is a schedule of the District's outstanding liabilities at September 30, 2015.

Net pension liability	\$	21,443,133
Note payable		3,028,804
Retiree health insurance		1,268,883
Compensated absences		<u>754,730</u>
Total	\$	<u>26,495,550</u>

The Impact Fee Fund and the General Fund are currently using funds in an amount equal to the principal and interest owed on the Station #4 Note Payable for payment of the debt. The Station #4 Note Payable will be repaid in fiscal year ending September 30, 2023. Retiree Health Insurance is the actuarially estimated Net OPEB (Other Postemployment Benefits) obligation at the end of the year. The Net Pension Liability is a new Governmental Accounting Standards Board statement number 67 and 68, requiring that the District record the actuarially determined net pension liability on the District's financial statements. The current amount reported as compensated absences increased \$14,162 or 1.9 percent. This liability represents the total amount the District has due at the termination of all employees' employment.

Economic Factors and Next Year's Budget Rates

The following were factors considered when next year's budget (2015-2016) was prepared:

- Property values increased by \$726 million or 8.91% to \$8.8 billion. The District assessed a millage rate of 2.3800.
- The District adopted a capital improvement plan for the 2015-2016 Budget to assist in replacement of capital assets and long term budgeting for the future growth of the District.
- The District is also being mindful of additional community needs as construction is continuing to grow.
- Personnel received a 3% increase in wages.

Request for information

This financial report is designed to provide the reader an overview of the District. Questions regarding any information provided in this report should be directed to: Bonita Springs Fire & Rescue District, Lisa Gendron, Administration-Finance Director, 27701 Bonita Grande Drive, Bonita Springs, Florida, 34135, phone (239) 390-7943.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF NET POSITION
September 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 5,960,673
Cash and cash equivalents - restricted	61,510
Non-Investment Certificates of Deposit	3,164,334
Account Receivable	690
Pre Paid Expenses	253,500
Due from other governments	241,321
Total current assets	<u>9,682,028</u>
Noncurrent assets:	
Capital assets:	
Land	2,699,136
Depreciable buildings, equipment, office equipment and vehicles (net of \$8,847,663 accumulated depreciation)	<u>13,119,926</u>
Total noncurrent assets	<u>15,819,062</u>
 TOTAL ASSETS	 25,501,090
 DEFERRED OUTFLOW OF RESOURCES	
Unamortized pension costs and subsequent contributions	<u>4,435,704</u>
Total Deferred Outflow of Resources	4,435,704
 LIABILITIES	
Current liabilities:	
Accounts payable	47,458
Accrued expenses	666,576
Current portion of long-term obligations	<u>355,279</u>
Total current liabilities	1,069,313
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	<u>26,140,271</u>
 TOTAL LIABILITIES	 27,209,584
 DEFERRED INFLOW OF RESOURCES	
Unamortized pension costs	<u>1,162,749</u>
Total Deferred Inflows of Resources	1,162,749
 NET POSITION	
Investment in capital assets, net of related debt	12,790,258
Restricted for:	
Capital projects	94,086
Unrestricted	<u>(11,319,883)</u>
 TOTAL NET POSITION	 <u>\$ 1,564,461</u>

The accompanying notes are an integral part of this statement.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF ACTIVITIES
September 30, 2015

Page 11

EXPENSES

Governmental Activities	
Public Safety - Fire Protection	
Personal services	\$ 18,833,053
Operating expenses	1,886,835
Depreciation	943,519
Gain/Loss on Capital	(5,943)
Interest and fiscal charges	67,896

TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES 21,725,360

Charges for services 628,947

Operating Grants and Contributions 2,323

NET PROGRAM EXPENSES 21,094,090

GENERAL REVENUES

Ad Valorem taxes	18,844,235
State supplemental compensation	37,440
Impact fees	383,795
Insurance Proceeds	
Interest	37,636
FEMA Reimbursement	
Disposal of capital assets	11,012
Other	89,352

TOTAL GENERAL REVENUES 19,403,470

INCREASE(DECREASE) IN NET POSITION (1,690,620)

NET POSITION - October 1, 2014, prior to restatement (2,801,120)

Prior Period Adjustment 6,056,201

NET POSITION - October 1, 2014, as restated 3,255,081

NET POSITION - September 30, 2015 \$ 1,564,461

The accompanying notes are an integral part of this statement.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2015

	General Fund	Impact Fee Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 5,960,673	\$ -	\$ 5,960,673
Cash and Cash Equivalents - Restricted	-	61,510	61,510
Non-Investment Certificates of Deposit	3,164,334	-	3,164,334
Accounts receivable	690	-	690
Due from other governments	208,745	32,576	241,321
Prepaid Expenses	253,500	-	253,500
Other Assets-General	-	-	-
TOTAL ASSETS	\$ 9,587,942	\$ 94,086	\$ 9,682,028
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 47,458	\$ -	\$ 47,458
Accrued expenses	666,576	-	666,576
TOTAL LIABILITIES	\$ 714,034	\$ -	\$ 714,034
FUND BALANCES			
Restricted: Capital additions	\$ -	\$ 94,086	\$ 94,086
Assigned:			
Operations	4,598,506	-	4,598,506
Emergency/disaster	245,539	-	245,539
Insurance	480,000	-	480,000
Future Capital Planning	1,923,112	-	1,923,112
Debt Service	500,000	-	500,000
Radio/Car Seat	88,904	-	88,904
Assigned	7,836,061	94,086	7,930,147
Unassigned	1,037,847	-	1,037,847
TOTAL FUND BALANCES	8,873,908	94,086	8,967,994
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,587,942	\$ 94,086	\$ 9,682,028

The accompanying notes are an integral part of this statement.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2015**

Total fund balances for governmental funds \$ 8,967,994

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

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

Capital assets not being depreciated:

Land \$ 2,699,136

Governmental capital assets being depreciated:

Building, Equipment and Vehicles 21,967,589
Less accumulated depreciation (8,847,663)

15,819,062

Deferred outflows and deferred inflows related to pensions are applied to future periods and, therefore, are not reported in the governmental funds.

Deferred outflows related to pensions 4,435,704
Deferred inflows related to pensions (1,162,749)

3,272,955

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Notes payable (3,028,804)
Retiree health insurance (1,268,883)
Compensated absences (754,730)
Net pension liability (21,443,133)

(26,495,550)

Total net position of governmental activities \$ 1,564,461

The accompanying notes are an integral part of this statement.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
September 30, 2015

	General Fund	Impact Fee Fund	Total Governmental Funds
REVENUES			
Ad Valorem taxes	\$ 18,844,235	\$ -	\$ 18,844,235
State supplemental compensation	37,440	-	37,440
Grant- Boat	2,323	-	2,323
Fees:	-		
Inspection fees	442,277	-	442,277
Impact fees	-	383,795	383,795
Fire flow fees	1,595	-	1,595
Fleet maintenance	60,717		60,717
CPR classes	4,174	-	4,174
Disposition of fixed assets	11,012	-	11,012
USAR reimbursement	-	-	-
Facilities rental	120,184		120,184
Interest	37,511	125	37,636
FEMA reimbursement	-	-	-
Insurance proceeds	-	-	-
Other	89,352	-	89,352
TOTAL REVENUES	19,650,820	383,920	20,034,740
EXPENDITURES			
Public safety			
Personal services	15,674,358	-	15,674,358
Operating expenditures	1,886,835	-	1,886,835
Capital outlay	771,895		771,895
Debt service			
Principal reduction	347,868	-	347,868
Interest and fiscal charges	67,896	-	67,896
TOTAL EXPENDITURES	18,748,852	-	18,748,852
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	901,968	383,920	1,285,888
OTHER FINANCING SOURCES (USES)			
Operating transfers in	415,764	-	415,764
Operating transfers out	-	(415,764)	(415,764)
TOTAL OTHER FINANCING SOURCES (USES)	415,764	(415,764)	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER	1,317,732	(31,844)	1,285,888
FUND BALANCES - October 1, 2014	7,556,176	125,930	7,682,106
FUND BALANCES - September 30, 2015	\$ 8,873,908	\$ 94,086	\$ 8,967,994

The accompanying notes are an integral part of this statement.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
September 30, 2015**

Net change (expenditures in excess of revenues and other financing sources) in fund balances - total governmental funds \$ 1,285,888

The increase (change) in net position reported for governmental activities in the statement of activities is different because:

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. Additionally, dispositions of capital assets resulted in an increase to net assets. The total sale proceeds provides current financial resources and reduces expenses in the governmental funds.

Expenditures for capital assets	\$ 771,895	
Depreciation expense	(943,519)	
Gain from disposition of capital assets	<u>5,943</u>	
		(165,681)

The issuance of debt is reported as a financing source in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Repayments (principal retirement):		
Notes payable		347,868

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 the governmental funds.

Pension Expense	\$ (2,844,081)	
Increase for Retirees health Insurance	(300,452)	
Increase in compensated absences	<u>(14,162)</u>	
		(3,158,695)
Decrease in net position of governmental activities		<u>\$ (1,690,620)</u>

The accompanying notes are an integral part of this statement.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
September 30, 2015**

	Firefighters' Pension Plan
ASSETS	
Cash and Cash Equivalents	\$ 1,812,043
Receivables	273,393
Investments	<u>50,063,999</u>
TOTAL ASSETS	<u><u>\$ 52,149,435</u></u>
LIABILITIES AND NET POSITION	
Payables	<u>\$ 15,523</u>
TOTAL LIABILITIES	<u>15,523</u>
NET POSITION	
Held in trust for pension benefits and other purposes	<u>52,133,912</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 52,149,435</u></u>

The accompanying notes are an integral part of this statement.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
September 30, 2015**

	<u>Firefighters' Pension Plan</u>
ADDITIONS	
Contributions:	
Employer	\$ 3,786,822
Plan members	466,598
State of Florida, insurance premiums	585,584
Miscellaneous	-
Total contributions	<u>4,839,003</u>
Investment income:	
Net increase in fair value of investments	(1,240,898)
Interest and dividends	1,290,401
Net investment income	<u>49,503</u>
TOTAL ADDITIONS	<u>4,888,505</u>
DEDUCTIONS	
Actuarial Fees	22,394
Benefits paid	2,349,598
Consultant Fees	15,500
Dues	630
Insurance	4,325
Investment Management Fees	341,285
Legal Fees	17,412
Miscellaneous	2,919
Custodial Fees	22,562
TOTAL DEDUCTIONS	<u>2,776,625</u>
CHANGE IN NET POSITION	2,111,880
NET POSITION - BEGINNING	<u>50,022,032</u>
NET POSITION - ENDING	<u><u>\$ 52,133,912</u></u>

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
September 30, 2015**

	General Employees' Retirement System
ASSETS	
Cash and Cash Equivalents	\$ 73,978
Receivables	8,212
Investments	<u>2,776,726</u>
TOTAL ASSETS	<u><u>\$ 2,858,916</u></u>
LIABILITIES AND NET ASSETS	
Unearned Revenue	<u>\$ 53</u>
TOTAL LIABILITIES	<u>53</u>
NET POSITION	
Held in trust for pension benefits and other purposes	<u>2,858,863</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,858,916</u></u>

The accompanying notes are an integral part of this statement.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
September 30, 2015**

	General Employees' Retirement System
ADDITIONS	
Contributions:	
Employer	\$ 150,771
Plan members	46,939
Total contributions	<u>197,710</u>
Investment income:	
Net appreciation in fair value of investments	(52,316)
Interest and dividends	57,612
Net investment income	<u>5,296</u>
TOTAL ADDITIONS	<u>203,006</u>
DEDUCTIONS	
Actuarial Fees	13,580
Consultant Fees	13,125
Custodial Fees	2,000
Dues	600
Insurance	1,617
Investment Management Fees	2,714
Legal Fees	6,037
Miscellaneous	1,177
Pension Payments	102,839
TOTAL DEDUCTIONS	<u>143,689</u>
CHANGE IN NET POSITION	59,317
NET POSITION - BEGINNING	<u>2,799,546</u>
NET POSITION - ENDING	<u><u>\$ 2,858,863</u></u>

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
September 30, 2015**

Page 20

	Retiree Insurance Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 185,727
Investments	1,537,346
TOTAL ASSETS	<u>\$ 1,723,073</u>
NET POSITION	
Held in trust for VEBA Retiree Health Insurance Benefits	1,723,073
TOTAL NET POSITION	<u>\$ 1,723,073</u>

Note: VEBA trust was established in September 2010.

The accompanying notes are an integral part of this statement.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
September 30, 2015**

	Retiree Insurance Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 169,363
Employees	-
Total contributions	<u>169,363</u>
Investment income:	
Realized Gain/(Loss) on sale of investments	37,945
Unrealized Gain/(Loss) on sale of investments	(134,195)
Interest and dividends	<u>20,527</u>
Net investment income	<u>(75,723)</u>
TOTAL ADDITIONS	<u>\$ 93,640</u>
DEDUCTIONS	
Benefits paid	\$ 102,195
Administrative Expenses	9,312
Legal Fees	1,406
Investment Management Fees	10,577
Surrender fee	<u>55,864</u>
TOTAL DEDUCTIONS	<u>\$ 179,354</u>
CHANGE IN NET POSITION	\$ (85,713)
NET POSITION - BEGINNING	<u>1,808,786</u>
NET POSITION - ENDING	<u><u>\$ 1,723,073</u></u>

Note: VEBA trust was established in September 2010.

The accompanying notes are an integral part of this statement.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Bonita Springs Fire Control and Rescue District (the "District") is an independent special taxing district located in southern Lee County, Florida. The District was originally established by Laws of Florida, Chapter 65-1828 and was then amended several times including Laws of Florida Chapter 97-340, as amended. The District's governing legislation was recreated, re-enacted and codified by Laws of Florida, Chapter 98-464 on May 28, 1998. The District is governed by a five-member (5) elected Board of Commissioners. Commissioners serve on a staggered four-year (4) term basis.

The District provides fire control and protection services, fire safety inspections, code enforcement, fire hydrant maintenance, firefighter training, and fire rescue services as well as advanced life support services. In providing these services, the District operates and maintains five (5) stations and the related equipment and employs approximately 104 full-time professional firefighters, administrative staff and Board members.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

The basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information other than MD&A

Reporting Entity

The District adheres to Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units." This Statement requires the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, as amended, there are no component units required to be included.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of Activities) report information on all of the activities of the District and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the District is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the pension fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement 33, "Accounting and Financial Reporting for Non-exchange Transactions."

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

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

Program revenues are considered to be revenues generated by service performed and/or by fees charged such as inspection fees, plan review, flow testing, fleet maintenance, CPR and facilities rental.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds, in aggregate, for governmental funds. The fiduciary statement includes financial information for the firefighters' pension fund. The fiduciary fund represents assets held by the District in a custodial capacity for the benefit of other individuals.

Governmental Funds

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns on the fund financial statements.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Fiduciary Fund

The pension trust fund accounts for the activities of the Firefighters' Pension Plan and the General Employees' Retirement System Plan. These plans accumulate resources for the pension benefit payments to qualified firefighters and the fire chief and the qualified General Employees respectively. The Retiree Insurance Trust Fund (VEBA) accounts for health insurance for retirees of both the General and Firefighters upon retirement.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources management focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on the general long-term debt, if any, which is recognized when due; and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, continued

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Non-current Government Assets/Liabilities

GASB 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes payable and capital leases to be reported in the governmental activities column in the government-wide Statement of Net Position.

Major Funds

The District reports the following major governmental funds:

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

The Impact Fee Fund consists of fees imposed by the City of Bonita Springs and collected by the City based on new construction within the District. The fees are restricted and can only be used for certain capital expenditures associated with growth within the District.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgetary Information

The District has elected to report budgetary comparison of major funds as required supplementary information (RSI).

Investments

The District adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," in which all investments are reported at fair value.

Investments, including restricted investments, U.S. Government securities, corporate debt securities, and securities of government agencies unconditionally guaranteed by the U.S. Government.

Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment and vehicles, are reported in the government-wide financial statements in the statement of net position.

The District follows a capitalization policy which calls for capitalization of all fixed assets that have a cost or donated value of \$750 or more and have a useful life in excess of one year.

All capital assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than building, including curbs, gutters and drainage systems, are not capitalized, as the District generally does not acquire such assets. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB Statement No. 34.

NOTE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets, continued

Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide statements, but rather capitalized and depreciated.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	10-30
Improvements Other Than Buildings	10-20
Equipment	3-20
Vehicles	7-20

Budgets and Budgetary Accounting

The District has adopted an annual budget for the General Fund, which included budgeted expenditures over revenue of \$7,399,284 which was intended to be funded through prior year unreserved, undesignated fund balance.

The District has also adopted an annual budget for the Special Revenue Fund - Impact Fee, which included budgeted expenditures equal to revenue anticipated to be funded through prior year fund balance.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The District follows these procedures in establishing budgetary data for the General Fund and the Impact Fee Fund:

1. During the summer of each year, the District Fire Chief submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing on the upcoming October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is adopted by approval of the Board of Commissioners.
4. Budget amounts, as shown in these financial statements, are as originally adopted or as amended by the Board of Commissioners.
5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The level of control for appropriations is exercised at the fund level.
7. Appropriations lapse at year-end.

Impact Fees

Through an inter-local agreement, the District levies an impact fee on new construction within the District via a City of Bonita Springs ordinance. The intent of the fee is for growth within the District to pay for capital improvements needed due to the growth. The fee is collected by the City of Bonita Springs and remitted to the District monthly. The fee is refundable if not expended by the District within (6) years from the date of collection. The District, therefore, records this fee as restricted cash. When the funds are expended they are charged to capital outlay in the fund financial statements and capital assets in the government-wide financial statements. Lee County collects any fees that are outside of the City boundaries but are within the District and remits quarterly.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Due To/From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by funds affected in the period in which transactions are executed.

Due From Other Governments

No allowance for losses on uncollectible accounts has been recorded since the District considers all amounts to be fully collectible.

Compensated Absences

The District's employees accumulate annual leave, based on the number of years of continuous service. Upon termination of employment, employees can receive payment of accumulated annual leave, if certain criteria are met. The costs of vacation and personal leave benefits (compensated absences) are expended in the respective operating funds when payments are made to employees. However, the liability for all accrued personal benefits is recorded in the government-wide financial statements - statement of net position.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because, at present, it is not necessary in order to assure effective budgetary control or to facilitate effective cash planning and control.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Equity

In the governmental fund financial statements, reservation of fund balance indicates amounts that are limited for a specific purpose, not appropriable for expenditure, or are legally segregated for a specific future use. Designations of fund balance represent tentative management plans. Restricted fund balance includes funds limited by enabling legislation (Impact Fees). Assigned fund balance are limited by the intended use and unassigned fund balance indicates funds that are available for current expenditure.

Interfund Transactions

The District considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as reduction of expenditures/expenses in the fund that is reimbursed.

Note B- RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

"Total fund balance" as reported on the District's Governmental Funds Balance Sheet of \$8,967,994 differs from the "net position" of governmental activities of \$1,685,233 that are reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Funds Balance Sheet. The effect of the difference is illustrated below.

Capital related items

When capital assets (land, buildings and improvements, and machinery and equipment that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE B RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - CONTINUED

However, the Statement of Net Position includes those capital assets among the assets of the District as a whole at September 30, 2015.

	<u>Amount</u>
Cost of capital assets	\$ 24,666,725
Accumulated depreciation	<u>(8,847,663)</u>
Total	<u>\$ 15,819,062</u>

Long-term debt transactions

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Balances at September 30, 2015 were:

	<u>Amount</u>
Net pension liability	\$ 21,443,133
Note payable	3,028,804
Retiree health insurance	1,268,883
Compensated absences	<u>754,730</u>
Total	<u>\$ 26,495,550</u>

Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for government fund of \$1,285,888 (expenditures in excess of revenues) differs from the "decrease in net position" for governmental activities of (\$1,690,620) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated on the following page:

NOTE B RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS, CONTINUED

Capital related items

When capital assets are purchased or constructed for governmental activities, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. Additionally, dispositions of capital assets resulted in an increase to net position. The total sale proceeds provides current financial resources and reduces expenses in the governmental funds.

Capital outlay - expenditures	\$	771,895
Gain on disposition of capital assets		5,943
Depreciation expense		<u>(943,519)</u>
Difference	\$	<u><u>(165,681)</u></u>

Long-term debt transactions

Repayments of principal on notes and capital leases are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. Principal payments reduce the liabilities in the Statement of Net Position, but do not result in an expense in the Statement of Activities.

Notes payable - principal payments	\$	347,868
Pension Expense		2,844,081
Retiree Health Insurance		300,452
Increase in current year compensated absences		<u>14,162</u>
Total	\$	<u><u>3,506,563</u></u>

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE C - CASH AND CASH EQUIVALENTS

Cash, cash equivalents, and deposits consisting of non-investment certificates of deposit were \$9,186,517 of which \$61,510 was restricted. Total cash and cash equivalents included cash on hand of \$300 at September 30, 2015.

Deposits

The District's deposit policy allows deposits to be held in demand deposit accounts. All District depositories are institutions designated as qualified depositories by the State Treasurer at September 30, 2015.

District deposits consist of the following at September 30, 2015:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
<u>Unrestricted Cash</u>		
General Fund		
Depository Accounts	\$9,186,217	\$8,932,938
Total Unrestricted Deposits	9,186,217	8,932,938
Plus Petty Cash (1)	300	-
Total Unrestricted Cash	<u>9,186,517</u>	<u>8,932,938</u>
<u>Restricted Cash</u>		
Special Revenue Fund		
Impact Fee		
Depository Account	61,510	61,510
Total Special Revenue Fund	61,510	61,510
Total Restricted Deposits	<u>61,510</u>	<u>61,510</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$9,248,027</u>	<u>\$8,994,448</u>

(1) Held in General Fund - not considered a deposit

These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act (Florida Statute 280) of the State of Florida. Bank balances approximate market value.

NOTE C CASH AND CASH EQUIVALENTS, CONTINUED

Restricted Cash and Cash Equivalents

The following is a brief description of the restrictions on cash and cash equivalents:

The Impact Fee Fund is used to account for the deposit of impact fees received and is restricted for certain capital asset acquisitions associated with growth within the District. Impact fees are collected by the City of Bonita Springs for the District pursuant to an ordinance and District resolution.

NOTE D INVESTMENTS

Investments were \$54,378,071 at September 30, 2015, of which \$50,063,999 was held in the Firefighters' Pension Plan, \$2,776,726 was held in the General Employees Pension Plan and \$1,537,346 was held in the Retiree Insurance Trust Fund.

This space intentionally let blank.

NOTE INVESTMENTS, CONTINUED

In accordance with GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Purchase Agreements, " as amended by GASB Statement No. 40, the District's Investments are categorized as follows to give an indication of the level of risk assumed by the District:

- Category 1 Includes investments that are insured or registered, or securities held by the District or its agents in the District's name, or held by the District's agents in a Depository Trust Company custodial account.
- Category 2 Includes uninsured and unregistered investments held by a counterparty's trust department or agent in the District's name.
- Category 3 Includes uninsured and unregistered investments for which securities are held by a counterparty, its trust department or agent, but not in the District's name.

There were no losses during the period due to default by counterparties to investment transactions, and transactions, and the District had no other types of investments during the year other than those listed below.

	Market Value/Carrying Value		Total	Cost
	Category 1	Category 3		
Firefighters' Pension Trust Fund				
Cash & Money Market Funds	\$ -	\$ 1,015,902	\$ 1,015,902	\$ 1,015,902
Corporate Bonds	-	14,485,286	14,485,286	14,485,286
Corporate Security Equities	-	23,125,630	23,125,630	23,125,630
Real Estate Investments	-	4,324,263	4,324,263	4,324,263
Alternative Strategies	-	2,601,528	2,601,528	2,601,528
RBC Global Mutual Funds	-	6,581,303	6,581,303	6,581,303
Total Firefighters' Pension Trust Fund	-	52,133,912	52,133,912	52,133,912
General Employees' Retirement System				
Cash & Money Market Funds	-	172,136	172,136	172,136
Rockwood Cap Adv. Fixed Units	-	694,187	694,187	694,187
Dana Large Cap Equity	-	823,445	823,445	823,445
Dodge & Cox Income Fund	-	268,906	268,906	268,906
Templeton -Fixed	-	111,170	111,170	111,170
American Funds-International	-	376,522	376,522	376,522
Vanguard Mutual Funds-Equity	-	412,497	412,497	412,497
Total General Employees' Retirement	-	2,858,863	2,858,863	2,858,863
Retiree Insurance Trust Fund (VEBA)				
Cash & Money Market Funds	-	185,727	185,727	185,727
Stocks	-	1,062,137	1,062,137	1,062,137
Corporate Fixed Income	-	217,935	217,935	217,935
Government Securities	-	257,274	257,274	257,274
Total Retiree Insurance Trust Fund	-	1,723,073	1,723,073	1,723,073
TOTAL INVESTMENTS		\$ 56,715,848	\$ 56,715,848	\$ 56,715,848

Foreign Currency Risk:

The District's Firefighters' Pension Trust Fund and General Employees' Retirement Fund assets are partially comprised of investments in international equities thereby exposing the assets to foreign currency risk.

NOTE D INVESTMENTS, CONTINUED

Authorized Plan Investment Limitations:

The following is a summary of investment limitations for the Firefighters' Pension Plan and The General Employees' Retirement System:

	<u>Firefighters' Pension Plan</u>	<u>General Employees' Retirement System</u>
The aggregate investment in common stock, capital stock or convertible securities of any one issuing company shall not exceed the following percentage of the fund assets	5%	5%
The aggregate investment in any one issuing company shall not exceed the following percentage of the outstanding capital stock of that company	5%	5%
The value of bonds issued by any single corporation shall not exceed the following percentage of the total fund	5%	10%
Investments in common stock and convertible bonds shall not exceed the following percentage of the fund assets	70% Market	70% Market
Investments in foreign securities shall not exceed the following percentage of the fund assets	25%	15%

Concentration of Credit Risk:

The investment policies of the Firefighters' Pension Plan and the General Employees' Retirement System contain limitations on the amount that can be invested in any one issuer. There were no individual investments that represented 5% or more of plan net assets at September 30, 2015 for either the Firefighters' Pension Plan or the General Employees' Retirement System.

NOTE D - INVESTMENTS, CONTINUED

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. As a means of limiting its exposure to interest rate risk, the Firefighters' Pension Plan and General Employees' Retirement System diversify their investment by security type and institution, and limit holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of each Plan's fixed income investments to market interest rate fluctuations is provided by the following table that shows the distribution of each Plan's investment by maturity at September 30, 2015:

Investment Maturities (in years)- Firefighters' Pension Plan					
<u>Investment Type</u>	<u>Market Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate Bonds	\$ 11,893,602	\$ 1,868,485	\$ 4,149,678	\$ 3,767,893	\$ 2,107,546
	<u>\$ 11,893,602</u>	<u>\$ 1,868,485</u>	<u>\$ 4,149,678</u>	<u>\$ 3,767,893</u>	<u>\$ 2,107,546</u>

Investment Maturities (in years)- General Employees' Retirement System					
<u>Investment Type</u>	<u>Market Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
* Corporate Bonds	\$ 694,187	\$ 40,679	\$ 44,219,712	\$ 21,131,052	\$ -
	<u>\$ 694,187</u>	<u>\$ 40,679</u>	<u>\$ 44,219,712</u>	<u>\$ 21,131,052</u>	<u>\$ -</u>

* Note: There is no ownership of the bonds. They are part of a co-mingled fund which the District owns units of the underlying bonds.

NOTE D - INVESTMENTS, CONTINUED

Credit Risk:

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The investment policy of the Firefighters' Pension Plan and the General Employees' Retirement System utilized portfolio diversification in order to control this risk.

The following table discloses credit rating by fixed income investment type at September 30, 2015, if applicable:

	Firefighters' Pension Plan		General Employees' Retirement System	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	N/A	0.0%	N/A	0%
Quality rating of credit risk debt securities			Rating	
AAA	\$ 5,452,471	45.84%	AAA	\$ 386,315 55.65%
AA	-		AA2	9,510 1.37%
AA+	-		AA3	16,383 2.36%
AA-	386,770	3.25%	A1	22,769 3.28%
A+	326,057	2.74%	A2	9,649 1.39%
A	1,078,376	9.07%	A3	39,013 5.62%
A-	1,880,496	15.81%	BAA1	80,942 11.66%
BB+	-		BAA2	62,199 8.96%
BBB	370,399	3.11%	BAA3	59,631 8.59%
BBB+	1,573,111	13.23%	BA1	7,775 1.12%
BBB-	684,600	5.76%	N/A	-
NR	-		WR	-
Total credit risk debt securities	\$ 11,752,279	98.8%		\$ 694,187 100.0%
Money Market	141,323	1.19%		- 0.0%
Total Bond Fund	\$ 11,893,602	100.0%		\$ 694,187 100.0%

* Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

Custodial Credit Risk:

This is the risk that in the event of the failure of the counterparty, the Plans will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. Consistent with the each Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE E - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2015:

	Balance October 1, 2014	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30, 2015
Capital Assets Not Being Depreciated:					
Land	\$ 2,699,136	\$ -	\$ -	\$ -	\$ 2,699,136
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>2,699,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,699,136</u>
Capital Assets Being Depreciated:					
Buildings	14,863,391	10,126	-	-	14,873,517
Office Equipment	518,771	11,282	(5,954)	-	524,099
Vehicles	3,683,841	650,122	(80,849)	-	4,253,114
Equipment & Machinery	<u>2,242,768</u>	<u>100,365</u>	<u>(28,601)</u>	<u>2,327</u>	<u>2,316,859</u>
Total Capital Assets Being Depreciated	<u>21,308,771</u>	<u>771,895</u>	<u>(115,404)</u>	<u>2,327</u>	<u>21,967,589</u>
Less Accumulated Depreciation:					
Buildings	(4,344,198)	(525,284)	-	-	(4,869,482)
Office Equipment	(429,279)	(24,868)	5,953	-	(448,194)
Vehicles	(1,955,378)	(228,700)	72,909	-	(2,111,169)
Equipment & Machinery	<u>(1,294,307)</u>	<u>(164,667)</u>	<u>26,761</u>	<u>13,395</u>	<u>(1,418,818)</u>
Total Accumulated Depreciation	<u>(8,023,162)</u>	<u>(943,519)</u>	<u>105,623</u>	<u>13,395</u>	<u>(8,847,663)</u>
Total Capital Assets Being Depreciated, Net	<u>13,285,609</u>	<u>(171,624)</u>	<u>(9,781)</u>	<u>15,722</u>	<u>13,119,926</u>
Capital Assets, Net	<u>\$ 15,984,745</u>	<u>\$ (171,624)</u>	<u>\$ (9,781)</u>	<u>\$ 15,722</u>	<u>\$ 15,819,062</u>

Adjustments/reclassifications in capital assets represent reclassifications from of an asset from disposed to active.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE E - CAPITAL ASSETS ACTIVITY, CONTINUED

Depreciation expense was charged to the following functions during the year ended September 30, 2015:

General Government	\$ 943,519
Total Depreciation Expense	<u>\$ 943,519</u>

NOTE F - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2015:

	Balance October 1, 2014	Additions	Retirements / Adjustments	Balance September 30, 2015	Amounts Due Within One Year
Note Payable (2)	\$ 3,376,672		\$ (347,868)	\$ 3,028,804	\$ 355,279
Retiree Health Insurance	968,431	300,452		1,268,883	-
Net Pension Liability	-	21,443,133		21,443,133	-
Compensated Absences	740,568	14,162	-	754,730	-
	<u>\$ 5,085,671</u>	<u>\$ 21,757,747</u>	<u>\$ (347,868)</u>	<u>\$ 26,495,550</u>	<u>\$ 355,279</u>

During the year ended September 30, 2015, \$415,764 was transferred from the Impact Fee fund, to pay the principal of \$347,868 and interest of \$67,896 on the \$3,775,787 re-financed note payable.

(2) During the year ended September 30, 2013, the District reissued District's Promissory Note, Series 2003. The amount of this re-issue was \$3,775,787.

This space intentionally let blank.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE F - LONG-TERM LIABILITIES, CONTINUED

The following is a summary of the long-term obligations at September 30, 2015:

On July 26, 2013, the District refinanced the original promissory note, Series 2003 for \$3,775,787, payable monthly to a financial institution in the amount of \$34,647, including interest at 2.11%. The note is uncollateralized. Final maturity is August 15, 2023.	\$ 3,028,804
Retiree Health Insurance - Districts Net OPEB Obligation	1,268,883
Non-current portion of compensated absences. Employees of the District are entitled to paid leave based on length of service and job classification.	754,730
Net Pension Liability	
Firefighter Pension	\$ 21,321,912
General Pension	60,386
Florida Retirement System	50,750
Florida Retirement System Health Insurance Subsidy	<u>10,085</u>
	<u>21,443,133</u>
Total Liabilities	26,495,550
Less Current Portion	<u>(355,279)</u>
Total Long Term Liabilities	<u><u>\$ 26,140,271</u></u>

The annual debt service requirements at September 30, 2015 were as follows:

Year Ending September 30	Note Payable (1) Principal	Interest	Total
2016	\$ 355,279	\$ 60,485	\$ 415,764
2017	362,849	52,915	415,764
2018	370,579	45,185	415,764
2019	378,474	37,290	415,764
2020	386,538	29,226	415,764
2021	394,773	20,991	415,764
2022	403,184	12,580	415,764
2023	<u>377,128</u>	<u>3,990</u>	<u>381,118</u>
Total Notes Payable	<u><u>\$ 3,028,804</u></u>	<u><u>\$ 262,662</u></u>	<u><u>\$ 3,291,466</u></u>

(1) Debt service is paid from Impact Fees which are transferred to and paid via the General Fund.

NOTE G - PRIOR PERIOD ADJUSTMENT

Change in Accounting Principle

The beginning net position of the District was increased by \$6,056,201 due to the adoption of new GASB Pronouncements, Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No 68 requires the District to recognize its proportionate share of the net pension liabilities and related pension amounts of the cost-sharing multiple-employer FRS And HIS defined benefit plans. The District recognizes the net pension liabilities and related pension amounts with the Firefighters' Pension Trust Fund and the General Employee's Pension Trust Fund.

Other Prior Period

The prior period adjustment also included an adjustment for the overstatement of the net pension liability as of September 30, 2014.

The prior period adjustment affected beginning net position as follows:

Net position, September 30, 2014, as reported	\$ (2,801,120)
Understated as a result of Net Pension Liability recorded for the year ended September 30, 2014	21,382,298
Overstated as a result of the implementation of GASB No. 68	<u>(15,326,097)</u>
Net position October 1, 2014, as restated	<u><u>\$ 3,255,081</u></u>

NOTE H - RETIREMENT PLANS

The following three retirement plans have been established by the District:

- Plan 1 - Florida Retirement System (FRS) - Elected Officials
- Plan 2 - Firefighters' Pension Trust Fund (Florida Statute 175)
- Plan 3 - General Employees' Retirement System

Employee participation in a specific plan is based on the respective employee's classification.

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System

All District Board of Commissioners members, beginning January 1, 2002, became participants in the statewide Florida Retirement System (FRS) under the Authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The Florida Retirement System provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retirees' Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code.

The District's Board of Commissioners were not participants in any retirement plan prior to enrollment in the FRS. The Plan provides for all District Board of Commission members to become eligible to participate in the Plan immediately upon election, beginning January 1, 2002 per District resolution number 02-01-05. The FRS is now a contributory plan and is totally administered by the State of Florida.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by written request to the State of Florida Division of Retirement, Department of Management Services, PO Box 9000, Tallahassee, FL 32315-
www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan Description

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System

Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service compensation and service credit. For Pension Plan members enrolled before July 1, 2011, Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited services for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Services, and Elected Officers' class members. As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

This space intentionally left blank.

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System (continued)

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contributions are as follows:

Year ending	Covered Payroll	Contribution Employer	Percentage of Payroll
9/30/2015	\$ 30,000	\$ 12,689	42.3%
9/30/2014	29,839	9,307	31.2%
9/30/2013	29,362	4,195	14.3%
9/30/2012	30,000	2,899	9.7%

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

At September 30, 2015, the District reported a liability of \$50,750 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-2015 fiscal year contributions relative to the 2013-2014 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was .000392910 percent which was an increase of .000113749 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the District recognized pension expense of \$13,764. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,358	\$ (1,204)
Changes of assumptions	3,368	-
Net difference between projected and actual earnings on Pension Plan investments	17,875	(29,994)
Employer specific amounts due to changes in employer proportion	44,028	-
Differences between expected and actual District Pension Plan contributions subsequent to the measurement date	8,694	-
Total	<u>\$ 79,323</u>	<u>\$ (31,198)</u>

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, and prior to the employer's fiscal year end, will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pension expense will be recognized as follows:

Fiscal Year ending	FRS Expense
2016	\$ 5,569
2017	\$ 5,569
2018	\$ 5,569
2019	\$ 15,567
2020	\$ 6,009
Thereafter	\$ 1,148

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection scale BB tables.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the table on the following page:

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System (continued)

Actuarial Assumptions (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return Standard Deviation	Standard Deviation
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Entities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds/Absolute Return	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	12.00%	7.11%	6.35%	13.00%
Total	<u>100.00%</u>			
Assumed Inflation - Mean		2.60%		2.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease 6.65%	Current 7.65%	1% Increase 8.65%
District's proportionate share of the net pension liability	\$ 131,504	\$ 50,750	\$ (16,451)

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System (continued)

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Health Insurance Subsidy (HIS) Plan

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The Benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries receive a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS Payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 was 1.20% and 1.26% respectively. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The District's contributions to the HIS Plan totaled \$365 for the fiscal year ended September 30, 2015.

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System (continued)

Health Insurance Subsidy (HIS) Plan (continued)

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

At September 30, 2015, the District reported a liability of \$10,085 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-2015 fiscal year contributions relative to the 2013-2014 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was .000098885 percent which was a decrease of .000002086 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the District recognized HIS expense of \$665. In addition the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows	Deferred Inflows
Changes of assumptions	\$ 793	\$ -
Differences between projected and actual investment earnings	5	-
Employer specific amounts due to changes in employer proportion	-	(165)
District HIS Plan contributions subsequent to the measurement date	1,055	-
Total	\$ 1,853	\$ (165)

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System (continued)

Health Insurance Subsidy (HIS) Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

<u>Fiscal Year ending</u>	<u>HIS Expense</u>
2016	\$ 111
2017	\$ 111
2018	\$ 111
2019	\$ 110
2020	\$ 110
Thereafter	\$ 80

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average including inflation
Municipal bond rate	4.29%

Mortality rates were based on the Generational RP-2000 with Projection scale BB tables.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 4.29%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System (continued)

Health Insurance Subsidy (HIS) Plan (continued)

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 4.29%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.29%) or one percentage point higher (5.29%) than the current rate:

	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
District's proportionate share of the net pension liability	\$ 11,491	\$ 10,085	\$ 8,912

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Investment Plan

The SBA administers the defined contribution plan officially titles the FRS Investment Plan. The investment plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual member allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through as employer contribution of .04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2014-2015 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular Class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%.

NOTE H - RETIREMENT PLANS (continued)

Plan 1 - Plan Description and Provisions - Florida Retirement System (continued)

Investment Plan (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTE H - RETIREMENT PLANS (continued)

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund

The following brief description of the Bonita Springs Fire Control and Rescue District Firefighters' Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan. Under the authority of Florida Statute 175 and Laws of Florida, Chapter 95-338, the District's Board of Commissioners passed Resolution 95-05-30 and subsequently amended the Plan through resolutions 02-03-07, 03-10-15, 05-01-01, 05-12-06, 07-03-01 07-08-02, 08-05-03, 09-07-02, 10-04-02, 10-04-03, 10-04-04, 10-04-05, 11-08-04, 13-04-04 to provide for the establishment and funding of a single-employer defined benefit retirement plan and trust for all full-time eligible certified firefighter personnel. The resolution establishes that all full-time eligible certified firefighters employed on May 30, 1995 and all full-time eligible certified firefighters hired thereafter are to become participants in the Districts' Firefighters' Pension Trust Fund. The Plan is totally administered, including all investment management, by the Plan's appointed Pension Board or its designee. The Board has designated a third party investment manager.

The Plan provides for full-time eligible certified firefighting personnel to become eligible to participate in the Plan immediately upon hire and successful completion of a medical examination. Employees are eligible for normal retirement at the earlier of the attainment of age 50 with 25 years of creditable services or attainment of age 55 with 10 years of credited service. Employees may elect early retirement after 10 years of creditable service and attainment of age 50 with a reduction in benefit not to exceed 3% for each year before normal retirement. The Plan also includes certain disability and death benefits.

Contributions

Contributions to the Plan are derived from three sources: employees: 7% of compensation paid by the employee, State funds: (insurance premium tax per Florida Statute Chapter 175) and the employer: remaining amount necessary to meet actuarial funding requirement, however, in no event shall the employer contribution be less than 15%. The State contribution is based on property fire insurance premiums collected within the District and is applied up to an approved "frozen" limit of \$1,000,155. The District (employer) is required to fund the difference each year between the total contributions from all other sources for the year and the total funding cost for the year pursuant to the most recent actuarial valuation of the Plan. The total cost for any year equals total normal cost plus the additional amounts sufficient to amortize the unfunded past service liability over a 30 year period commencing the first year of the Plan's inception.

NOTE H - RETIREMENT PLANS (continued)

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund (continued)

Plan Descriptions

Plan Administration

The Board is hereby designated as the plan administrator. The Board shall consists of five (5) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the District, who shall be appointed by the Bonita Springs Fire Control and Rescue District Board of Commissioners, and two (2) members of the Department elected by the membership. The fifth Trustee shall be chosen by a majority of the previous four (4) Trustees as provided for herein, and such name shall be submitted to the Bonita Springs Fire Control and Rescue District Board of Commissioners.

Plan Membership as of October 1, 2013

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	43
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	2
Active Plan Members	76
Total members	<u><u>121</u></u>

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of age 55 and 10 years of Credited Service, or age 50 and 25 years of Credited Service

Benefit: 3.58% (3.00% for Firefighters hired after June 1, 2010) of Average Final Compensation times Credited Service.

Early Retirement:

Date: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3.0% per year.

Cost of Living Adjustment:

Normal and Early Service Retirees after January 1, 2000 receive 3% annual benefit increases for 17 years (12 years for Firefighters hired after June 1, 2010), commencing one year after retirement.

Vesting:

Schedule: 100% after 10 years of Credited Service

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

NOTE H - RETIREMENT PLANS (continued)

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund (continued)

Plan Descriptions

Disability Retirement:

Service Incurred: Covered from Date of Employment

Non-Service Incurred: 10 years of Credited Service

Benefits: Accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. In no event will the District's contribution be less than 15% of the Member's salary.

Investments

Investments Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45%
International Equity	15%
Domestic Fixed Income	20%
Global Fixed Income	5%
Core Real Estate	10%
GTAA	5%
Total	100%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net

Rate of Return:

For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.81 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE H - RETIREMENT PLANS (continued)

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund (continued)

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 with 10 years of Credited Services or (2) Age 50 with 25 years of Credited Service).

Participation: Not to exceed 60 months.

Rate of Return: At the Member's election: (1) 6.5% annual rate, or (2) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), credited each fiscal quarter. One change between the above is allowed.

The DROP balance as of September 30, 2014 was \$1,930,010.

Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 71,343,944
Plan Fiduciary Net Position	<u>\$ (50,022,032)</u>
Sponsor's Net Pension Liability	<u>\$ 21,321,912</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	70.11%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013, updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	4.00%-10.00%
Discount Rate	7.60%
Investment Rate of Return	7.60%

RP-2000 Table with no projection-Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements, (Disabled lives set forward 5 years).

The actuarial assumptions used in the October 1, 2013, valuation were based on the results of an actuarial experience study for the period 1995-2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014, are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%
GTAA	2.50%

NOTE H - RETIREMENT PLANS (continued)

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. 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.

	1% Decrease	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
	<hr/>	<hr/>	<hr/>
Sponsor's Net Pension Liability	\$ 30,472,016	\$ 21,321,912	\$ 14,011,209

This space intentionally left blank.

NOTE H - RETIREMENT PLANS (continued)

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund (continued)

Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2013	\$ 66,771,706	\$ 42,981,714	\$ 23,789,992
Changes for a Year:			
Service Cost	1,697,295	-	1,697,295
Interest	5,118,393	-	5,118,393
Differences Between Expected and Actual Experience		-	-
Contributions-Employer	-	3,565,486	(3,565,486)
Contributions-State	-	583,892	(583,892)
Contributions-Employee	-	436,835	(436,835)
Contributions-Buy Back			-
Net Investment Income	-	4,736,538	(4,736,538)
Benefit Payments, Including Refunds of Employee Contributions	(2,243,450)	(2,243,450)	-
Administrative Expense	-	(38,532)	38,532
Other Changes	-	-	-
New Changes	4,572,238	7,040,769	(2,468,531)
Balances at September 30, 2014	<u>\$ 71,343,944</u>	<u>\$ 50,022,483</u>	<u>\$ 21,321,461</u>

NOTE H - RETIREMENT PLANS (continued)

Plan 2 - Plan Description and Provisions - Firefighters' Pension Trust Fund (continued)

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

For the year ended September 30, 2015, the Sponsor recognized a pension expense of \$2,203,313. On September 30, 2015 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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,105,908
Employer and State Contributions subsequent to the Measurement Date	4,372,406	-
	<u>\$ 4,372,406</u>	<u>\$ 1,105,908</u>

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

Year ended September 30:	Deferred Outflows/ (Deferred Inflows)
<u> </u>	<u> </u>
2016	\$ (276,477)
2017	\$ (276,477)
2018	\$ (276,477)
2019	\$ (276,477)
2020	\$ -
Thereafter	\$ -

No separate Plan audit is issued. A copy of the District audited financial statements including the Plan for September 30, 2014 can be obtained by writing the District at 27701 Bonita Grande Drive, Bonita Springs, Florida 34135, or by calling (239) 949-6200. The Audit Report can also be found on the District website (www.bonitafire.org) under the heading of Finance.

NOTE H - RETIREMENT PLANS (continued)

Plan 3 - Plan Description and Provisions- General Employees' Pension Trust Fund

Plan Description

The District established a Single-Employer defined retirement benefit plan on December 12, 2005 via Resolution 05-12-07 for its general employees who are not employed as certified firefighters and are not participants in any other District retirement plan. The General Employees' Retirement System (the "Plan") replaced the previous Governmental Money Purchase Plan for General Employees.

The following brief description of the Bonita Springs Fire Control and Rescue District General Employees' Retirement System is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan. The Plan is totally administered, including all investment management, by the Plan's appointed Pension Board or its designee. The Plan provides for the District's general employees who are not employed as certified firefighters and are not participants in any other District retirement plan to participate upon their hire date. The Plan also includes certain disability and death benefits.

Plan Administration

The Board is hereby designated as the plan administrator. The Board shall consists of five (5) Trustees, on (1) of whom, unless otherwise prohibited by law, shall be a legal resident of the District, who shall be appointed by the Bonita Springs Fire Control and Rescue District Board of Commissioners, one (1) of whom shall be a union Member of the System who shall be elected by a majority of the union Members of the System, one (1) of whom shall be a non-union Member of the System who shall be elected by a majority of the non-union Members of the System and one (1) of whom shall be an at-large Trustee of the System, who shall be elected by a majority of all union and non-union General Employees who are Members of the Systems. The fifth Trustee shall be chosen by a majority of the previous four (4) Trustees.

Plan Membership as of September 30, 2014

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	0
Active Plan Members	11
	<hr style="border-top: 1px solid black;"/>
	<u>19</u>

NOTE H - RETIREMENT PLANS (continued)

Plan 3 - Plan Description and Provisions- General Employees' Pension Trust Fund (continued)

Pension benefits

Employees are entitled to annual pension benefits, (early retirement) beginning at the earlier of age 50 with 7 years of creditable services or 20 years of service regardless of age. Normal retirement is defined as the earlier of age 55 and 7 years of credited service or 25 years of credited service, regardless of age. Benefits are equal to 2.48% of average final compensation (AFC) times credited service. AFC is defined as average salary of the five (5) highest years of the last ten (10) years immediately preceding retirement or termination. Benefits shall be paid monthly with a minimum of one hundred twenty (120) monthly payments guaranteed. Employees may elect early retirement at the earlier of age 50 and 7 years of credible service or 20 years of credible service, regardless of age with a 7.0% reduction of the accrued benefit per year. Employees may elect to receive their pension benefits in the form of a 10 year certain and life annuity. Normal and early retirees and their beneficiaries receive a 1.35% increase in their benefits each October 1st following retirement. The Plan provides retirement, termination, disability and death benefits.

Average Final Compensation

Average salary for the best five (5) years during the ten (10) years immediately preceding retirement or termination.

Normal Retirement:

Date: Earlier of age 55 and 7 years of Credited Service, or 25 years of Credited Service regardless of age.

Benefit: 2.48% of Average Final Compensation times Credited Service

Early Retirement:

Date: Earlier of Age 50 and 7 Years of Credited Service, or 20 years of Credited Service regardless of age.

Benefit: Accrued benefit, reduced 7.0% per year.

Vesting:

100% after 7 Years of Credited Service

Disability

Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 7 Years of Credited Service

Benefit accrued to date of disability.

NOTE H - RETIREMENT PLANS (continued)

Plan 3 - Plan Description and Provisions- General Employees' Pension Trust Fund (continued)

Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years at Member's Normal or Early (reduced) Retirement date.

Non-Vested: Refund of accumulated contributions without interest.

Cost of Living Adjustments:

Normal and Early service Retirees and their Beneficiaries receive 1.35% annual benefit increases on each October 1st following retirement (the first adjustment will be prorated amount of 1.35%)

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided by Chapter 112, Florida Statutes.

This space intentionally left blank.

NOTE H - RETIREMENT PLANS (continued)

Plan 3 - Plan Description and Provisions- General Employees' Pension Trust Fund (continued)

Investments

Investments Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation
Domestic Equity	45.00%
International Equity	15.00%
Domestic Fixed Income	35.00%
Global Fixed Income	5.00%
Total	100.00%

Concentrations:

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

Rate of Return:

For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.16 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 with 7 years of Credited Services, or (2) 25 years of Credited Services regardless of age).

Participation: Not to exceed 60 months.

Rate of Return: At the Member's election: (1) 6.5% annual rate, or (2) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), credited each fiscal quarter. One change between the above is allowed.

The DROP balance as of September 30, 2014 is \$115,995.

NOTE H - RETIREMENT PLANS (continued)

Plan 3 - Plan Description and Provisions- General Employees' Pension Trust Fund (continued)

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

Total Pension Liability	\$ 2,859,932
Plan Fiduciary Net Position	<u>\$ (2,799,546)</u>
Sponsor's Net Pension Liability	<u>\$ 60,386</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	97.89%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2014, using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	6.00%
Discount Rate	8.00%
Investment Rate of Return	8.00%

RP-2000 table, combined healthy with no projection, sex district. Disabled set forward 5 years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45.00%	7.50%
International Equity	15.00%	8.50%
Domestic Fixed Income	35.00%	2.50%
Global Fixed Income	5.00%	3.50%
	<u>100.00%</u>	

NOTE H - RETIREMENT PLANS (continued)

Plan 3 - Plan Description and Provisions- General Employees' Pension Trust Fund (continued)

Discount Rate:

The discount rate used to measure the total pension liability was 8.00%. 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.

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
Sponsor's Net Pension Liability	\$ 381,906	\$ 60,386	\$ (208,978)

This space intentionally left blank.

NOTE H - RETIREMENT PLANS (continued)

Plan 3 - Plan Description and Provisions- General Employees' Pension Trust Fund (continued)

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2013	\$ 2,666,681	\$ 2,492,096	\$ 174,585
Changes for a Year:			
Service Cost	79,309	-	79,309
Interest	215,613	-	215,613
Differences Between Expected and Actual Experience	-	-	-
Contributions-Employer	-	126,276	(126,276)
Contributions-State	-	-	-
Contributions-Employee	-	34,800	(34,800)
Net Investment Income	-	255,640	(255,640)
Benefit Payments, Including Refunds of Employee Contributions	(101,671)	(101,671)	-
Administrative Expense	-	(7,595)	7,595
Other Changes	-	-	-
Net Changes	193,251	307,450	(114,199)
Balances at September 30, 2014	<u>\$ 2,859,932</u>	<u>\$ 2,799,546</u>	<u>\$ 60,386</u>

Note H- RETIREMENT PLANS - General Employees' Pension Trust Fund

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2015, the District recognized a portion of Resources related to pensions from the following sources: pension expense of \$55,436. On September 30, 2015, 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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
	<u> </u>	<u>43,360</u>
	<u><u>\$ -</u></u>	<u><u>\$ 43,360</u></u>

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

Year ended September 30:	
\$ 2,016	\$ (10,840)
2017	\$ (10,840)
2018	\$ (10,840)
2019	\$ (10,840)
2020	\$ -
Thereafter	\$ -

No separate Plan audit is issued. A copy of the District audited financial statements including the Plan for September 30, 2014 can be obtained by writing the District at 27701 Bonita Grande Drive, Bonita Springs, Florida 34135, or by calling (239) 949-6200. The Audit Report can also be found on the District website (www.bonitafire.org) under the heading of Finance.

NOTE I - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The District provides insurance (health insurance) benefits to its retired employees. All retired full-time employees are eligible for benefits if actively employed by the District immediately before retirement. The benefits are provided both with and without contractual or labor agreements. The benefits may require contributions from the retirees, depending on certain specified criteria and, in particular, length of creditable employment. The District is currently mirroring the Retiree Insurance Trust Fund. The District currently finances the yearly benefit as a pay as you-go basis. The district paid \$76,678 in benefits to 16 retirees.

The District offered an early retirement incentive during the year ending September 30, 2011 which offered two years of health insurance paid for by the District. There were 18 employees that decided to take the retirement incentive.

During the year ended September 30, 2010, the District established a separate trust to fund the cost of medical, dental, and prescription drug benefits for retirees. The trust started to pay paying benefits on October 1, 2013.

Plan Description and Provisions - Retiree Insurance Trust Fund

The Bonita Springs Fire Department Retiree Insurance Trust Fund, a defined contribution plan, was established in 2010. This is a voluntary employee beneficiary association ("VEBA") which was established under Internal Revenue Section 501(c)(9) and related benefit plan (the "Plan"). The following is a brief description of the Plan which is provided for general information purposes only.

The VEBA trust consists of a Board of Trustees which is governed by five trustees. The trustees consist of the Fire Chief, the President of the Union, one person appointed by the Union President, one person appointed by the Fire Chief, and one person appointed by the preceding four members of the Board of Trustees.

Funding Policy - The District and the Union agreed to amend the collective bargaining agreement to provide for the creation and establishment of the VEBA. The District agreed to provide an initial contribution of one million dollars (\$1,000,000) to the trust in fiscal year 2009/2010. Also effective October 1, 2010, all employees had their base annual pay as set forth in the collective bargaining agreement reduced by one percent (1%). The 1% of base pay was deposited into the VEBA. On October 1, 2011 the District contributed \$167,400 to the VEBA as provided for in this amendment. Effective October 1, 2011, all employees had their base annual pay reduced by an additional one percent (1%). From that point on, in behalf of each employee, a contribution equal to two percent (2%) will made by the District to the VEBA. During the fiscal the year beginning October 1, 2014 the District contribute \$169,363 to the VEBA.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE J - RISK MANAGEMENT

The District participates in a fully funded insurance program for health insurance beginning October 1, 2013. The District paid \$1,758,203 in premiums for health, vision, dental, for employees and dependents and life insurance, short term and long term disability for employees only.

It is the policy of the District to purchase commercial insurance for other remaining forms of potential risks to which it is exposed. The District's risk management activities are reported in the General Fund. The District did reduce its Umbrella limits from \$5,000,000 occurrence/\$10,000,000 aggregate to \$2,000,000 occurrence/\$4,000,000 aggregate. Reported claims have not exceeded the insurance coverage for the years ended September 30, 1999 through September 30, 2015. The District's total liability within any one year is limited to the annual loss limit. The District has no plan to terminate coverage; therefore the District has no plan to terminate coverage; therefore, no such accrual has been recorded in the financial statements.

This space intentionally left blank.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE K - PROPERTY TAXES

Property taxes are levied after formal adoption of the District's budget and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates are sold to the public for the full amount of any unpaid taxes and must be sold not later than June 1 of each year. The billing, collection, and related record keeping of all property taxes is performed for the District by the Lee County Tax Collector. No accrual for the property tax levy becoming due in November 2015 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided for by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. As of September 30, 2015, \$147,450 was due from the Lee County Tax Collector to the District for ad valorem taxes and excess fees.

Important dates in the property tax cycle are as follows:

Assessment roll certified	July 1
Millage resolution approved	No later than 100 days following certification of assessment roll
Taxes due and payable (Levy date)	November / with various discount provisions through March 31
Property taxes payable - maximum discount (4 percent)	30 days after levy date
Beginning of fiscal year for which taxes have been levied	October 1
Due date	March 31
Taxes become delinquent (lien date)	April 1
Tax certificates sold by the Lee County Tax Collector	Prior to June 1

For the year ended September 30, 2015, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of \$2.3800 per \$1,000 (2.3800) of the 2014 net taxable value of real property located within the District.

NOTE L - COMMITMENTS AND CONTINGENCIES

The District is involved from time to time in certain routine litigation, the substance of which either as liabilities or recoveries, would not materially affect the financial position of the District. Although the final outcome of the lawsuits, assertions and claims or the exact amount of costs and/or potential recovery is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a materially adverse affect on the financial condition of the District. As a general policy, the District plans to vigorously contest any such matters. The District currently has litigation pending.

NOTE M - IMPLEMENTATION OF GASB STATEMENT NO. 45

The Governmental Accounting Standards Board has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (OPEB)." This Statement has changed the manner in which a governmental entity funds and records its post retirement benefit costs other than pension. Specifically, governments will have to actuarially accrue costs rather than fund them on a pay-as-you-go basis, as was the previous method used. To comply with the requirements of GASB No. 45, the District created the Retiree Insurance Trust Fund (VEBA) during the year ended September 30, 2010. For further discussion, see NOTE H. The Retirees Insurance Trust Fund to start paying funds October 1, 2013 to the Retirees. The District had an actuary valuation October 1, 2015 which found that the Net OPEB liability at the end of the year would be \$1,268,883. The VEBA helped reduce the actuarial accrued liability by approximately \$16.5 million.

NOTE M - IMPLEMENTATION OF GASB STATEMENT NO. 45 (Continued)

Applicable for Fiscal year Ending	10/1/2014 <u>9/30/2015</u>
Annual Required Contribution	\$ 543,493
Interest on Net OPEB Obligation	30,541
Adjustment to Annual Required Contribution	<u>(27,682)</u>
Annual OPEB Cost/(Expense)	546,352
Expected Contributions	<u>(256,611)</u>
Anticipated Increase/(Decrease) in Net OPEB Obligation	300,452
Net OPEB Obligation - Beginning of Year	<u>968,431</u>
Net OPEB Obligation - End of Year	<u><u>\$ 1,268,883</u></u>

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2015	571,363	47.4%	1,268,883
9/30/2014	546,352	47.0%	968,431
9/30/2013	556,429	136.9%	959,265

Funded Status as of Valuation Date

Actuarial Accrued Liability (AAL)	\$ 5,728,019
Actuarial Value of Assets (AVA)	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,728,019
Funded Ratio	0.0%
Covered Payroll	\$ 7,768,311
Ratio of UAAL to Covered Payroll	73.7%

NOTE M - IMPLEMENTATION OF GASB STATEMENT NO. 45 (Continued)

STATISTICAL DATA

	<u>10/1/2015</u>	
Number of Active Participants		100
Average Current Age		42.5
Average Age at Employment		30.6
Average Past Service		11.9
Average Annual Salary	\$	88,328
Number of Pre 10/1/2010 Retirees (With District Explicit Subsidy)		
Pre-Medicare		13
Post-Medicare		<u>4</u>
Total		17
Average Current Age of Retirees		62.1
Number of Retirees (with Medical Coverage)	Pre-10/1/2010	Post 10/1/2010
Pre-Medicare	8	9
Post-Medicare	<u>4</u>	<u>2</u>
	12	11
Average Current Age of Retirees	63.7	58.0
Number of Covered Spouses (Includes Beneficiaries of Deceased Retirees)	Pre-10/1/2010	Post 10/1/2010
Pre-Medicare	2	1
Post-Medicare	<u>0</u>	<u>1</u>
Total	2	2
Average Current Age of Spouses	55.9	60.4

Valuation Methods and Assumptions

Normal cost and the allocation of benefit values between services rendered before and after the valuation date was determined using the Entry Age Normal Actuarial Cost Method. The rate of return on investments is 4.5% compounded annually and the payroll growth/inflation rate is 3.0% per annum.

**REQUIRED SUPPLEMENTARY
INFORMATION
OTHER THAN MD&A**

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT
September 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 18,799,236	\$ 18,799,236	\$ 18,844,235	\$ 44,999
Intergovernmental Revenues:				
State Supplemental Compensation	36,000	36,000	37,440	1,440
Fees:				
Inspection Fees	250,000	250,000	442,277	192,277
Fire Flow Fees	750	750	1,595	845
CPR Classes	9,050	9,050	4,174	(4,876)
Fleet Maintenance	45,000	45,000	60,717	15,717
Disposition of Fixed Assets	20,000	20,000	11,012	(8,988)
Grants-Marine	2,500	2,500	2,323	(177)
USAR Reimbursement	-	-	-	-
Miscellaneous:				
Facilities Rental	125,000	125,000	120,184	(4,816)
Insurance Proceeds	-	-	-	-
Loan Proceeds	-	-	-	-
Interest	27,000	27,000	37,511	10,511
Other	10,700	10,700	89,352	78,652
TOTAL REVENUES	\$ 19,325,236	\$ 19,325,236	\$ 19,650,820	\$ 325,584
EXPENDITURES				
Current				
Public Safety				
Personal Services	\$ 16,614,818	\$ 16,614,818	\$ 15,674,358	\$ 940,460
Operating Expenditures	9,806,837	9,801,637	1,886,835	7,914,802
Capital Outlay	779,323	784,523	771,895	12,628
Debt Service				
Principal Reduction	347,868	347,868	347,868	-
Interest and Fiscal Charges	67,896	67,896	67,896	-
TOTAL EXPENDITURES	\$ 27,616,742	\$ 27,616,742	\$ 18,748,852	\$ 8,867,890
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,291,506)	(8,291,506)	901,968	9,193,474
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	415,764	415,764	415,764	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	415,764	415,764	415,764	-
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,875,742)	(7,875,742)	1,317,732	9,193,474
FUND BALANCE - Beginning	7,875,742	7,875,742	7,556,176	(319,566)
FUND BALANCE - Ending	\$ -	\$ -	\$ 8,873,908	\$ 8,873,908

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND - DETAILED
STATEMENT
September 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad Valorem taxes	\$ 18,799,236	\$ 18,799,236	\$ 18,844,235	\$ 44,999
Intergovernmental Revenues:				
Grant	-	-	-	-
State Supplemental Compensation	36,000	36,000	37,440	1,440
Grants - CERT	-	-	-	-
Fees:				
Inspection Fees	250,000	250,000	442,277	192,277
Fire Flow Fees	750	750	1,595	845
CPR Classes	9,050	9,050	4,174	(4,876)
Fleet Maintenance	45,000	45,000	60,717	15,717
Disposition of Fixed Assets	20,000	20,000	11,012	(8,988)
Matching Grants	2,500	2,500	2,323	(177)
USAR Reimbursement	-	-	-	-
Miscellaneous:				
Facilities Rental	125,000	125,000	120,184	(4,816)
Insurance Proceeds	-	-	-	-
Interest	27,000	27,000	37,511	10,511
Loan Proceeds	-	-	-	-
Other	10,700	10,700	89,352	78,652
TOTAL REVENUES	\$ 19,325,236	\$ 19,325,236	\$ 19,650,820	\$ 325,584

EXPENDITURES

Current

Public safety

Personal services:

Salaries

Firefighters & admin.	\$ 7,363,663	\$ 7,363,663	\$ 7,172,219	\$ 191,444
Commissioners	30,000	30,000	30,000	-
Overtime	623,583	623,583	654,308	(30,725)
Incentives and Holiday Pay	973,546	973,546	912,013	61,533
VEBA - Retiree Health Insurance	245,553	245,553	246,041	(488)

Payroll Taxes

Social Security & Medicare	673,285	673,285	667,750	5,535
----------------------------	---------	---------	---------	-------

Benefits and Other Costs

Retirement - Firefighters	3,843,261	3,843,261	3,681,775	161,486
Retirement - Administration & FRS	149,127	149,127	163,979	(14,852)
Other contractual services	-	-	-	-
Health/Life/Disability Ins.	2,300,000	2,300,000	1,758,203	541,797
Unemployment Compensation	300	300	-	300
Workers Compensation	412,500	412,500	388,070	24,430

Subtotal - Personal services \$ **16,614,818** \$ **16,614,818** \$ **15,674,358** \$ **940,460**

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND - DETAILED
STATEMENT
September 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Expenditures:				
Professional and Other Fees				
Professional Fees	\$ 26,600	\$ 26,600	\$ 1,910	\$ 24,690
Legal Fees	75,000	75,000	55,536	19,464
Property Appraiser Fees	159,473	159,473	145,234	14,239
Financial plan	-	-	-	-
Tax Collector Fees	370,000	370,000	375,644	(5,644)
Election Fees	-	-	-	-
Computer consulting	-	-	-	-
Ad Valorem Postage	-	-	-	-
Auditing and Accounting	30,000	30,000	27,200	2,800
Medical Director	25,000	25,000	25,000	-
Annual Physicals	70,000	70,000	48,882	21,118
ALS Transport Contingency	-	-	-	-
Travel and Training				
Educational Seminars	41,400	41,400	34,983	6,417
Training Books & Supplies	99,400	74,200	76,483	(2,283)
USAR Reimbursable	-	-	-	-
Communications				
Radio Tower Fees/Pagers	25,599	25,599	21,608	3,991
Station Expenditures				
Telephones and Cellular's	35,000	35,000	35,476	(476)
Electricity	73,000	73,000	65,129	7,871
Water and Sewer	22,500	22,500	19,990	2,510
Garbage	9,200	9,200	9,313	(113)
Gas and Oil	123,250	123,250	62,543	60,707
Pest Control	6,250	6,250	5,436	814
Cable	2,000	2,000	850	1,150
Insurance				
Liability Policy	100,000	100,000	94,052	5,948
Repairs and Maintenance				
Building	82,000	82,000	86,940	(4,940)
Truck	153,000	153,000	189,810	(36,810)
Equipment	42,050	42,050	37,261	4,789
Communications	15,000	15,000	9,215	5,785
Special Operations	9,000	9,000	5,952	3,048
USAR District Expenses	15,890	15,890	15,890	-
Office Equipment	10,500	10,500	7,277	3,223
Computer Support	139,050	139,050	129,790	9,260
Public education/fire prevention	-	-	-	-
Fire Prevention	-	-	-	-

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND - DETAILED
STATEMENT
September 30, 2015

	General Fund			
	Original	Final		Variance
	Budget	Budget	Actual	Favorable
				(Unfavorable)
CPR Classes	\$ 6,800	\$ 6,800	\$ 4,041	\$ 2,759
Car Seat Expense	2,444	2,444	2,178	266
Public Education	16,195	16,195	13,068	3,127
Explorer Post 5512	8,483	8,483	-	8,483
Smoke Alarms	4,000	4,000	3,758	242
Supplies				
Legal Ads	5,000	5,000	2,330	2,670
Office Supplies	10,000	10,000	10,078	(78)
Postage and Freight	3,500	3,500	1,042	2,458
FEMA Expense	-	-	-	-
Administration	15,875	15,875	16,179	(304)
Station Supplies	15,000	15,000	17,757	(2,757)
Fire and Medical	83,700	98,700	96,058	2,642
Uniforms and Bunker Gear	32,450	49,450	51,008	(1,558)
Office Equipment	250	250	964	(714)
Personal Protection Unif./Bunker Gear	38,250	45,250	44,267	983
Food Consumables/Supplies	3,000	3,000	3,543	(543)
Heavy Rescue Equipment/Truck <500	-	-	-	-
Books and Dues	16,470	16,470	18,495	(2,025)
PETC Hiring	750	750	212	538
B-228/St 4 under 750	-	-	-	-
Equipment < \$750	7,350	11,350	10,836	514
CERT Training	5,000	5,000	3,617	1,383
Operating Reserves/Contingencies				
Operating	4,598,506	4,598,506	-	4,598,506
Emergency Disaster	245,539	245,539	-	245,539
Insurance	-	-	-	-
Insurance	480,000	480,000	-	480,000
Debt Service	500,000	500,000	-	500,000
Capital Improvements	1,948,113	1,925,113	-	1,925,113
Subtotal - Operating Expenditures	\$ 9,806,837	\$ 9,801,637	\$ 1,886,835	\$ 7,914,802
Capital Outlay:				
Land & Buildings	\$ -	\$ -	\$ -	\$ -
Buildings	9,800	9,800	10,126	(326)
Office Equipment	5,700	5,700	11,282	(5,582)
Machinery and Equipment	90,365	95,565	100,365	(4,800)
Vehicles	673,458	673,458	650,122	23,336
Subtotal - Capital Outlay	\$ 779,323	\$ 784,523	\$ 771,895	\$ 12,628

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND - DETAILED
STATEMENT
September 30, 2015

	General Fund			Variance
	Original	Final	Actual	Favorable
	Budget	Budget		(Unfavorable)
DEBT SERVICE				
Principal Reduction	\$ 347,868	\$ 347,868	\$ 347,868	\$ -
Interest and Fiscal Charges	67,896	67,896	67,896	-
TOTAL EXPENDITURES	\$ 27,616,742	\$ 27,616,742	\$ 18,748,852	\$ 8,867,890
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	\$ (8,291,506)	\$ (8,291,506)	\$ 901,968	\$ 9,193,474
OTHER FINANCING SOURCES				
(USES)				
Operating Transfers In	415,764	415,764	415,764	-
Operating transfers out	-	-	-	-
Prepaid Assets	-	-	-	-
TOTAL OTHER FINANCING				
SOURCES (USES)	415,764	415,764	415,764	-
EXCESS REVENUES AND				
OTHER FINANCING SOURCES	\$ (7,875,742)	\$ (7,875,742)	\$ 1,317,732	\$ 9,193,474
OVER (UNDER) EXPENDITURES				
AND OTHER USES				
FUND BALANCE - BEGINNING	7,875,742	7,875,742	7,556,176	(319,566)
FUND BALANCE - ENDING	\$ -	\$ -	\$ 8,873,908	\$ 8,873,908

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - IMPACT FEE FUND
September 30, 2015

	Impact Fee Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Fees:				
Impact Fees	\$ 380,000	\$ 380,000	\$ 383,795	\$ 3,795
Miscellaneous:				
Interest	500	500	125	(375)
Other	-	-	-	-
TOTAL REVENUES	<u>380,500</u>	<u>380,500</u>	<u>383,920</u>	<u>3,420</u>
EXPENDITURES				
Current				
Public safety				
Operating	-	-	-	-
Expenses				
Refunds	-	-	-	-
Capital Outlay				
Station 4 Reserves	37,316	37,316	-	37,316
Debt service				
Principal reduction	-	-	-	-
Interest and fiscal charges	-	-	-	-
TOTAL EXPENDITURES	<u>37,316</u>	<u>37,316</u>	<u>-</u>	<u>37,316</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	343,184	343,184	383,920	(33,896)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(415,764)	(415,764)	415,764	-
TOTAL OTHER FINANCING SOURCES	<u>(415,764)</u>	<u>(415,764)</u>	<u>415,764</u>	<u>-</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER	(72,580)	(72,580)	(31,844)	(33,896)
FUND BALANCE - Beginning	<u>72,580</u>	<u>72,580</u>	<u>125,930</u>	<u>53,350</u>
FUND BALANCE - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,086</u>	<u>\$ 94,086</u>

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2015**

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

	2015	2014
District's proportion of the net pension liability	0.0392910%	0.0002792%
District's proportion share of the net pension liability	\$ 50,750	\$ 17,033
District's covered - employee payroll	\$ 30,000	\$ 29,839
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	169.17%	57.08%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%

Notes: (1) The amounts presented for each fiscal year was determined as of September 30.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS- FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2015	2014
Contractually required contribution	\$ 12,444	\$ 8,944
Contributions in relation to the contractually required contribution	12,444	8,944
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 30,000	\$ 29,839
Contributions as a percentage of covered-employee payroll	41.48%	29.97%

Notes: (1) The amounts presented for each fiscal year was determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2015**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
 LIABILITY - HEALTH INSURANCE SUBSIDY (HIS) PENSION**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0000989%	0.000100971%
District's proportion share of the net pension liability	\$ 10,085	\$ 9,441
District's covered - employee payroll	30,000	29,839
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.6%	31.6%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

Notes: (1) The amounts presented for each fiscal year was determined as of September 30.

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS- HEALTH INSURANCE SUBSIDY (HIS)
 PENSION**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 245	\$ 363
Contributions in relation to the contractually required contribution	<u>245</u>	<u>363</u>
Contribution deficiency (excess)	-	-
District's covered-employee payroll	\$ 30,000	\$ 29,839
Contributions as a percentage of covered-employee payroll	0.82%	1.22%

Notes: (1) The amounts presented for each fiscal year was determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 FIREFIGHTERS' PENSION TRUST FUND
 Last 10 Fiscal Years

Reporting Period Ending	9/30/2016	9/30/2015
Measurement Date	9/30/2015	9/30/2014
Total Pension Liability		
Service Cost	\$ 1,726,781	\$ 1,697,295
Interest	5,464,090	5,118,393
Changes in Excess State Money	-	-
Share Plan Allocation	-	-
Change of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(535,327)	-
Changes of Assumptions	-	-
Contributions-Buy Back	2,982	-
Benefit Payments, Including Refunds of Employee contribution	(2,349,598)	(2,243,450)
Net Change in Total Pension Liability	4,308,928	4,572,238
Total Pension Liability-Beginning	71,343,944	66,771,706
Total Pension Liability-Ending (a)	<u>\$75,652,872</u>	<u>\$ 71,343,944</u>
Plan Fiduciary Net Position		
Contributions-Employer	\$ 3,786,822	\$ 3,565,486
Contributions-State	585,584	583,892
Contribution-Employee	463,616	436,385
Contribution-Buy Back	2,982	-
Net Investment Income	(329,845)	4,736,538
Benefit Payments, Including Refunds of Employee Contributions	(2,349,598)	(2,243,450)
Administrative Expense	(47,681)	(38,532)
Other	-	-
Net Change in Plan Fiduciary Net Position	2,111,880	7,040,317
Plan Fiduciary Net Position-Beginning	50,022,032	42,981,714
Plan Fiduciary Net Position-Ending (b)	<u>\$52,133,912</u>	<u>\$ 50,022,032</u>
Net Pension Liability-Ending (a)-(b)	<u>\$23,518,960</u>	<u>\$ 21,321,912</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.91%	70.11%
Covered Employee Payroll	\$ 8,193,018	\$ 6,111,013
Net Pension Liability as a Percentage of Covered Employee Payroll	287.06%	348.91%

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled governments should present information for only year for which information is available.

SCHEDULE OF CONTRIBUTIONS
FIREFIIGHTERS' PENSION TRUST FUND
 Last 10 Fiscal Years

Reporting Period Ending	9/30/2016	9/30/2015
Measurement Date	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 4,372,406	\$ 4,149,378
Contributions in Relation to the Actuarially Determined Contribution	4,372,406	4,149,378
Contributing Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>

Covered Employee Payroll*	8,193,018	6,111,013
Contributions as a Percentage of Covered Employee Payroll	53.37%	67.90%

**For the 2014 Fiscal year, the Covered Employee Payroll was based on Pensionable Salary*

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled governments should present information for only year for which information is available.

Notes to Schedule

Valuation Date: 10/1/2013

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	26 Years (as of 10/01/2013).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.0% per year.
Payroll Increase:	3.0% per year
Salary Increases:	6.0% per year until Retirement age.
Interest Rate:	8% per year, compounded annually, net of investment related expenses.
Retirement Age	Earlier of Age 55 and 10 Years of Credited service or age 50 and 25 years of Credited Service. Any member who has reached Normal Retirement is assumed to continue employment for one
Early Retirement	Commencing upon a member's eligibility for Early Retirement (50 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION TRUST FUND

Termination Rates: See table below

Disability Rates: See table below. It is assumed that 75% of disablements and active member deaths are service related.

Mortality: RP-2000 Table with no projection-Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

Other Information: Termination and Disability Rate Table

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	6.00%	0.03%
30	5.00%	0.04%
40	2.60%	0.07%
50	0.80%	0.18%

SCHEDULE OF INVESTMENT RETURNS

	9/30/2015	9/30/2014
Annual Money-Weighted Rate of Return Net of Investment Expense	-0.65%	10.81%

COMPONENTS OF PENSION EXPENSE
FIREFIGHTERS' PENSION TRUST FUND
 Fiscal Year September 30, 2015

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 23,789,992	\$ -	\$ 4,149,378	\$ -
Employer and State Contributions made after 9/30/14	-	-	4,372,406	-
Total pension liability factors:				
Service cost	1,697,295	-	-	1,697,295
Interest	5,118,393	-	-	5,118,393
Changes in benefit terms	-	-	-	-
Contributions-Buy Back	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	-	-	-	-
Current year amortization	-	-	-	-
Changes in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization	-	-	-	-
Benefit payments	(2,243,450)	-	-	(2,243,450)
Net Change	<u>28,362,230</u>	<u>-</u>	<u>4,372,406</u>	<u>4,572,238</u>
Plan Fiduciary net Position:				
Contributions-employer	3,565,486	-	(3,565,486)	-
Contributions-state	583,892	-	(583,892)	-
Contributions-employee	436,385	-	-	(436,385)
Net investment income	3,354,153	-	-	(3,354,153)
Difference between projected and actual earning on pension plan investments	1,382,384	1,382,384	-	-
Current year amortization	-	(276,477)	-	(276,477)
Benefit payments	(2,243,450)	-	-	2,243,450
Administrative expenses	(38,532)	-	-	38,532
Other	-	-	-	-
Net Change	<u>7,040,318</u>	<u>1,105,907</u>	<u>(4,149,378)</u>	<u>(1,785,033)</u>
Ending Balance	<u>\$ 21,321,912</u>	<u>\$ 1,105,907</u>	<u>\$ 4,372,406</u>	<u>\$ 2,787,205</u>

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION TRUST FUND
Last 10 Fiscal Years

Reporting Period Ending	9/30/2016	9/30/2015
Measurement Date	9/30/2015	9/30/2014
Total Pension Liability		
Service Cost	\$ 85,654	\$ 79,309
Interest	231,533	215,612
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee contribution	(102,839)	(101,671)
Net Change in Total Pension Liability	214,348	193,251
Total Pension Liability-Beginning	2,859,932	2,666,681
Total Pension Liability-Ending (a)	<u>\$ 3,074,280</u>	<u>\$ 2,859,932</u>
Plan Fiduciary Net Position		
Contributions-Employer	154,995	126,276
Contributions-State	-	-
Contribution-Employee	42,715	34,800
Net Investment Income	(13,270)	255,640
Benefit Payments, Including Refunds of Employee Contributions	(102,839)	(101,671)
Administrative Expense	(22,284)	(7,595)
Other	-	-
Net Change in Plan Fiduciary Net Position	59,317	307,450
Plan Fiduciary Net Position-Beginning	2,799,546	2,492,096
Plan Fiduciary Net Position-Ending (b)	<u>\$ 2,858,863</u>	<u>\$ 2,799,546</u>
Net Pension Liability-Ending (a)-(b)	<u>\$ 215,417</u>	<u>\$ 60,386</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.99%	97.89%
Covered Employee Payroll	\$ 790,658	\$ 497,148
Net Pension Liability as a Percentage of Covered Employee Payroll	27.25%	12.15%

SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION TRUST FUND
 Last 10 Fiscal Years

Reporting Period Ending Measurement Date	9/30/2016 <u>9/30/2015</u>	9/30/2015 <u>9/30/2014</u>
Actuarially Determined Contribution	\$ 154,995	\$ 126,276
Contributions in Relation to the Actuarially Determined Contribution	<u>154,995</u>	<u>126,276</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	790,658	497,148
Contributions as a Percentage of Covered Employee Payroll	19.60%	25.40%

Notes to Schedule

Valuation Date: 10/1/2011
 Actuarially determined contribution rates are calculated as of October 1, four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability Actuarial cost Method.
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	33 Years (as of 10/01/2014).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market value return. It is possible that over time this technique will produce an insignificant bias about or below Market Value.
Inflation:	3.0% per year.
Salary Increases:	6.0% per year until the assumed Retirement age.
Interest Rate:	8% per year, compounded annually, net of investment related expenses.
Payroll Growth:	3.0% for amortizing UAAL's (Limited to 1.1% for October 1, 2014).
Normal Retirement:	Earlier of 1) Age 55 and 7 Years of service or 2) 25 years of service, regardless of age. Any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement	It is assumed that members who are eligible for Early Retirement (50 & 7 or 20 & out) will retire at the rate of 5% per year.

SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION TRUST FUND
 Last 10 Fiscal Years

Termination Rates: See table below
 Disability Rates: See table below
 of 5% per year.
 Mortality: RP-2000 table, combined healthy projected to valuation date
 with scale AA (previously no projection), sex distinct.
 Disabled's set forward 5 years.
 Other Information: Termination and Disability Rate Table

Age	<u>% Terminating</u>	<u>% Becoming Disabled</u>
	During the Year	During the Year
20	17.20%	0.05%
30	15.00%	0.06%
40	8.20%	0.12%
50	17.00%	0.43%

SCHEDULE OF INVESTMENT RETURNS

	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual Money-Weighted Rate of Return		
Net of Investment Expense	-0.47%	10.16%

COMPONENTS OF PENSION EXPENSE
GENERAL EMPLOYEES' PENSION TRUST FUND
 Fiscal Year Ended September 30, 2015

	<u>Net Pension Liability</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Pension Expense</u>
Beginning Balance	\$ 174,586	\$ -	\$ 126,276	\$ -
Employer and State Contributions made after 9/30/14	-	-	154,995	-
Total pension liability factors:				
Service cost	79,309	-	-	79,309
Interest	215,612	-	-	215,612
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience with regard to economic or demographic assumptions	-	-	-	-
Current year amortization	-	-	-	-
Changes in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization	-	-	-	-
Benefit payments	(101,671)	-	-	(101,671)
Net Change	<u>367,836</u>	<u>-</u>	<u>281,271</u>	<u>193,250</u>
Plan Fiduciary net Position:				
Contributions-employer	126,276	-	(126,276)	-
Contributions-state	-	-	-	-
Contributions-employee	34,800	-	-	(34,800)
Net investment income	201,440	-	-	(201,440)
Difference between projected and actual earning on pension plan investments	54,200	54,200	-	-
Current year amortization	-	(10,840)	-	(10,840)
Benefit payments	(101,671)	-	-	101,671
Administrative expenses	(7,595)	-	-	7,595
Other	-	-	-	-
Net Change	<u>307,450</u>	<u>43,360</u>	<u>(126,276)</u>	<u>(137,815)</u>
Ending Balance	<u>\$ 60,386</u>	<u>\$ 43,360</u>	<u>\$ 154,995</u>	<u>\$ 55,436</u>

**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***

Honorable District Commissioners
Bonita Springs Fire Control and Rescue District
Bonita Springs, 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 of Bonita Springs Fire Control and Rescue District, (the "District") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 27, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Punta Gorda, Florida
June 27, 2016

Ashley, Brown & Co.

MANAGEMENT LETTER

Honorable Board of Commissioners
Bonita Springs Fire Control and Rescue District
Bonita Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the Bonita Springs Fire Control and Rescue District, Florida, (the "District") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 27, 2016.

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 Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 27, 2016, 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 that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements. The District had no component units as of September 30, 2015.

Financial Condition

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

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

Annual Financial Report

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

Other Matters

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

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

Other Matters (continued)

Our management letter is intended solely for the information Bonita Springs Fire Control and Rescue District and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

June 27, 2016

Ashley Brown & Co.

Independent Accountant's Examination Report

Honorable Board of Commissioners
Bonita Springs Fire Control and Rescue District
Bonita Springs, Florida

We have examined the Bonita Springs Fire Control and Rescue District's (the "District") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2015. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, the Bonita Springs Fire Control and Rescue District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

Punta Gorda, Florida
June 27, 2016

Ashley, Brown & Co.



BONITA SPRINGS FIRE CONTROL & RESCUE DISTRICT

27701 BONITA GRANDE DRIVE, BONITA SPRINGS, FL 34135

ADMINISTRATION
TEL: (239) 949-6200
FAX: (239) 949-6207

FIRE PREVENTION
TEL: (239) 949-6211
FAX: (239) 949-6216

STEVE LOHAN
CHAIRMAN

LAWRENCE P. KOSILLA, JR.
VICE-CHAIRMAN

JAMES P. MURPHY
SECRETARY/TREASURER

FRANK W. LILES
COMMISSIONER

PATRICK MCCOURT
COMMISSIONER

JOSEPH V. DAIGLE
FIRE CHIEF

www.bonitafire.org

June 27, 2016

Sherill F. Norman, CPA
Florida Auditor General
111 West Madison Street
Claude Denson Pepper Bldg.
Tallahassee, FL 32399-1450

Ms. Norman,

The records for the Bonita Springs Fire Control and Rescue District for FY ending September 2015 have been audited by Ashley & Brown, Certified Public Accountants and they have provided us with a management letter. There were no comments or recommendations made for the District.

Response:

The District was very pleased with the audit results showing no comments or recommendations. The Bonita Springs Fire Control and Rescue District will continue to work hard towards meeting the same standards in the future.

Sincerely,

Lisa Gendron
Administration-Finance Director