BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT

BASIC FINANCIAL STATEMENTS TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Bonita Springs Fire Control and Rescue District

For the Year Ended September 30, 2017

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Bonita Springs Fire Control and Rescue District

For the Year Ended September 30, 2017

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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, each major fund, and the aggregate remaining fund information of the Bonita Springs Fire Control and Rescue District (the "District") as of and for the year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2018, on our consideration of the District internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Ashley, Brown + Co.

Punta Gorda, FL
June 18, 2018

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
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, 2017. 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 68 - 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.
- At the close of fiscal year 2017 the District's assets exceeded its liabilities, resulting in a net position of $7,113,202.
- The District's total net position increased $2,863,701 or 67.4 percent, in comparison to prior year.
- The District had $10,826,331 of assigned fund balances and $801,259 of unassigned net fund balance that can be used to meet the District's ongoing obligations.
- Total revenues increased $1,898,840, or 8.9 percent, in comparison to prior year.
- Total expenses increased $1,720,179 or 9.2 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 9 - 10) 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 9) 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 10) 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 11 and 12) 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 assets available 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. These 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 21. 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 2016 and 2017:

BONITA SPRINGS FIRE CONTROL & RESCUE DISTRICT
STATEMENT OF NET POSITION
September 30, 2017

	2016	2017
Assets		
Current Assets	$ 11,383,576	$ 12,323,747
Capital Assets	15,533,096	17,320,314
Total Assets	26,916,672	29,644,061
Deferred Outflows	8,011,048	9,223,278
Liabilities		
Current liabilities	835,606	1,069,332
Noncurrent Portion of Long-Term Obligations	28,509,018	30,272,264
Total Liabilities	29,344,624	31,341,596
Deferred Inflows	1,333,595	412,541
Net Position		
Investment in Capital Assets, Net of related Debt	12,859,571	14,892,402
Restricted for:		
Restricted for	84,487	38,687
Unrestricted	(8,694,557)	(7,817,887)
Total Net Position	$ 4,249,501	$ 7,113,202

Current and other assets represent 41.6 percent of total assets. Current assets are comprised of unrestricted cash and investment balances of $12,306,816, restricted cash of $16,931. 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.

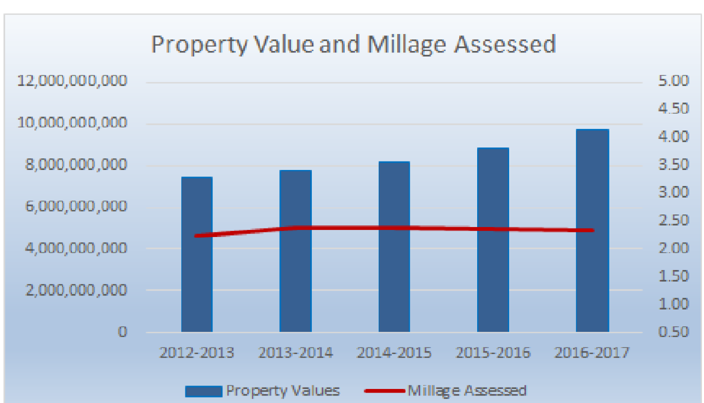
The investment in capital assets, net of related debt represent 209.4 percent of net position and are comprised of land, buildings, improvements, equipment, furniture, and vehicles, net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The balance of net position restricted for capital projects is impact fees. The unrestricted net position of $(7,817,887) represents the impact of reporting GASB 68 requirements on the financial statements this year.

BONITA SPRINGS FIRE CONTROL & RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
September 30, 2017

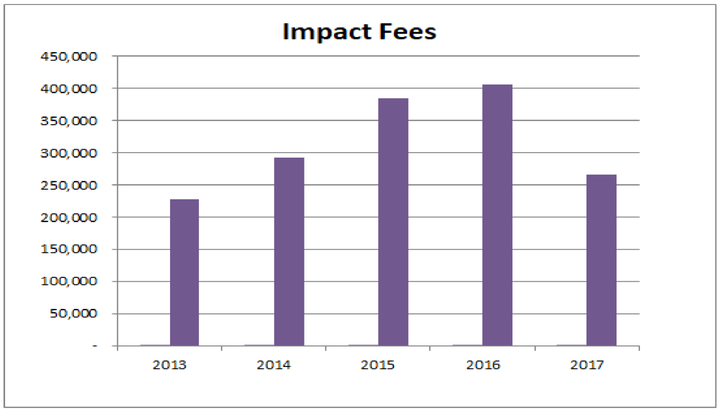
	2016	2017
Revenues		
Ad Valorem Taxes	$ 20,183,301	$ 22,220,613
Intergovernmental	41,190	46,100
Charges for Services	562,726	381,194
Impact Fees	406,025	265,972
Interest	29,820	39,733
Gain on the Disposition of Capital Assets	1,700	-
Other	107,112	277,102
Total Revenues	21,331,874	23,230,714
Expenses		
Public Safety - Fire and Rescue Services	18,646,834	20,367,013
Total Expenses	18,646,834	20,367,013
Decrease / Increase in Net Position	2,685,040	2,863,701
Net Position, Beginning of Year	1,564,461	4,249,501
Net Position, End of Year	$ 4,249,501	$ 7,113,202

Assessed property value increased 9.11 percent; the District assessed a millage rate of 2.3300. The increased revenue was needed to replace outdated equipment, and for the construction of Station 26 located East Bonita Beach Road. Total expenses increased $1,720,179 or 9.2 percent, in comparison to prior year.

The following schedule compares the change in property value and millage rates for the past five years.



Impact fees decreased $140,053, or 34.5 percent, in comparison to the prior year. The change in Impact Fees shows a decrease 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 58 through 61.

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, 2017.

BONITA SPRINGS FIRE CONTROL & RESCUE DISTRICT
CAPITAL ASSETS
September 30, 2017

	2016	2017
Capital Assets		
Land	$ 2,699,136	$ 2,742,569
Construction in Progress	84,232	1,326,639
Total Capital Assets not depreciated	2,783,368	4,069,208
Buildings	14,873,517	15,066,011
Office Equipment	573,300	483,103
Vehicles	4,454,835	5,403,548
Equipment and Machinery	2,567,009	2,813,404
Total Capital Assets being depreciated	22,468,661	23,766,066
Accumulated Depreciation		
Buildings	(5,395,211)	(5,923,384)
Office equipment	(421,242)	(354,961)
Vehicles	(2,353,142)	(2,621,356)
Machinery & equipment	(1,549,338)	(1,615,259)
Total accumulated depreciation	(9,718,933)	(10,514,960)
Capital Assets, Net	$ 15,533,096	$ 17,320,314

Capital Assets (continued)

Noteworthy capital asset purchases or projects that took place in fiscal year 2017 were as follows:

- The District opened the leased property on Hickory Boulevard as a satellite station. This included the purchase of a new engine and equipment for this satellite station.
- The District started construction on Station 26 located on East Bonito Beach Road
- The District purchased replaced various items of equipment such as:
  - Updated the communications in the emergency vehicles with mobile data terminals to include vehicle locators,
  - Updated computers and software,
  - Replaced bunker gear for suppression employees,
  - Replaced staff vehicles.
  - Received delivery of the new 107 foot ladder truck

Additional information on the District's capital assets can be found in Note D on pages 31 and 32.

Debt Administration

At September 30, 2017, the District had $30,684,126 of outstanding debt. The following is a schedule of the District's outstanding debt at September 30, 2017.

Net pension liability	$ 25,630,771
Note payable	2,310,677
Retiree health insurance	1,972,392
Compensated absences	770,286
Total	$ 30,684,126

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 reporting requirement is a new Governmental Accounting Standards Statement 68, requiring that the District record the actuarially determined liability on the District's financial statements. The current amount reported as compensated absences decreased $26,309 or 3.4 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 (2017-2018) was prepared:

- Property values increased by $830 million or 8.52% to $10.5 billion. The District assessed a millage rate of 2.3300.
- The District adopted a capital plan for the 2017-2018 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 2% 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) 390-7953.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF NET POSITION
September 30, 2017

	Governmental Activities
Assets	
Current assets:	
Cash and Cash Equivalents - Unrestricted	$ 12,086,504
Cash and Cash Equivalents - Restricted	16,931
Accounts Receivable	6,531
Due from Other Governments	213,781
Total current assets	12,323,747
Non-current assets:	
Capital assets:	
Land	2,742,569
Construction in Progress	1,326,639
Depreciable buildings, equipment, office equipment and vehicles (net of $10,514,960 accumulated depreciation)	13,251,106
Total noncurrent assets	17,320,314
Total assets	29,644,061
Deferred outflow of resources	
Related to Pensions	9,223,278
Total deferred outflow of resources	9,223,278
Total assets and deferred outflows of recources	38,867,339
Liabilities	
Current liabilities:	
Accounts Payable	416,318
Accrued Expenses	241,152
Current Portion of Long-Term Obligations	411,862
Total current liabilities	1,069,332
Non-current liabilities:	
Noncurrent Portion of Long-Term Obligations	30,272,264
Total liabilities	31,341,596
Deferred inflow of resources	
Related to Pension	412,541
Total deferred inflows of resources	412,541
Total liabilities and deferred inflows of resources	31,754,137
Net position	
Investment in Capital Assets, Net of related Debt	14,892,402
Restricted for:	
Capital Projects	38,687
Unrestricted	(7,817,887)
Total net position	$ 7,113,202

The accompanying notes are an integral part of this statement.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF ACTIVITIES
September 30, 2017

Expenses	
Government Activities	
Public Safety - Fire Protection	
Personnal Services	$ 17,049,056
Operating Expenses	2,203,646
Depreciation	1,053,843
Loss on the Disposition of Capital Assets	7,552
Interest and Fiscal Charges	52,916
Total Expenses - Governmental Activities	20,367,013
Charges for Services	381,194
Operating Grants and Contributions	9,000
Net Program Expenses	19,976,819
General revenue	
Ad Valorem Taxes	22,220,613
State Supplemental Compensation	37,100
Impact Fees	265,972
Interest	39,733
Other	277,102
Total General Revenues	22,840,520
Increase (Decrease) in Net Position	2,863,701
Net Position - October 1, 2016	4,249,501
Net Position - September 30, 2017	$ 7,113,202

The accompanying notes are an integral part of this statement.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2017

	General Fund	Impact Fee Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents - Unrestricted	$ 12,086,504	$ -	$ 12,086,504
Cash and Cash Equivalents - Restricted	-	16,931	16,931
Accounts Receivable	6,531	-	6,531
Due from Other Governments	192,025	21,755	213,780
Total Assets	12,285,060	38,686	12,323,746
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	416,318	-	416,318
Accrued Expenses	241,152	-	241,152
Total Liabilities	657,470	-	657,470
Fund Balances			
Restricted: Capital Additions	-	38,687	38,687
Assigned:			
Operations	5,774,662	-	5,774,662
Emergency/disaster	342,644	-	342,644
Insurance	480,000	-	480,000
Future Capital Planning	3,768,942	-	3,768,942
Debt Service	415,764	-	415,764
Assigned Fund Balance	44,319	-	44,319
Assigned	10,826,331	-	10,826,331
Unassigned	801,259	-	801,259
Total Fund Balances	11,627,590	38,687	11,666,277
Total Liabilities and Fund Balances	$ 12,285,060	$ 38,687	$ 12,323,747

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, 2017

Total fund balances for government funds		$ 11,666,277
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	$ 2,742,569	
Construction in Progress	1,326,639	
Capital assets being depreciated		
Building, Equipment and Vehicles	23,766,066	
Less: accumulated depreciation	(10,514,960)	
		17,320,314
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	9,223,278	
Deferred inflows related to pensions	(412,541)	
		8,810,737
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Note Payable	2,310,677	
OPEB	1,972,392	
Compensated absences	770,286	
Net pension liability	25,630,771	
		30,684,126
Total net pension of governmental activities		$ 7,113,202

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, 2017

	General Fund	Impact Fee Fund	Total Governmental Funds
Revenues			
Ad Valorem Taxes	$ 22,220,613	$ -	$ 22,220,613
State Supplemental Compensation	37,100	-	37,100
Grants	9,000	-	9,000
Fees:			
Inspection Fees	296,933	-	296,933
Impact Fees	-	265,972	265,972
Fire Flow Fees	1,430	-	1,430
Fleet Maintenance	79,617	-	79,617
CPR Classes	3,214	-	3,214
USAR/FEMA Reimbursement	24,195	-	24,195
Facilities Rental	122,024	-	122,024
Interest	39,684	50	39,734
Other	130,883	-	130,883
Total Revenues	22,964,693	266,022	23,230,715
Expenditures			
Public safety			
Personnel Services	17,014,647	-	17,014,647
Operating Expenditures	2,203,646	-	2,203,646
Capital Outlay	2,841,200	-	2,841,200
Debt Service			
Principal Reduction	362,849	-	362,849
Interest and Fiscal Charges	52,916	-	52,916
Total Expenditures	22,475,258	-	22,475,258
Excess of Revenues over (under) Expenditures	489,435	266,022	755,457
Other Financing Sources (Uses)			
Transfers in	311,823	-	311,823
Transfers out	-	(311,823)	(311,823)
Total Other Financing Sources (Uses)	311,823	(311,823)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	801,258	(45,801)	755,457
Fund Balances - October 1, 2016	10,826,332	84,488	10,910,820
Fund Balances - September 30, 2017	$ 11,627,590	$ 38,687	$ 11,666,277

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, 2017

Net change (expenditures in excess of revenues and other financing sources) in fund balances - total governmental funds		$ 755,457
The increase (change) in net position reported for governmental activities in the statement of activities is different because:		
Expenditures for various services extending over more than one accounting period are not allocated between or among accounting periods in the governmental funds, but are accounted for as expenditures of the period of acquisition.		(55,175)
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 resulting in an increase to net assets. The total sale proceeds provides current financial resources and reduces expenses in the governmental funds.:		
Loss on the Disposition of Capital Assets	$ (7,552)	
Capital Outlay	2,841,200	
Depreciation	(1,053,843)	
		1,779,805
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		362,849
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as the expenditures in the governmental funds.		
Decrease in Pension Expense	352,744	
Increase in OPEB	(358,287)	
Decrease in compensated absences	26,308	
		20,765
Increase in net position of governmental activities		$ 2,863,701

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, 2017

For the plan year ended date September 30, 2016 and the reporting period of the District for the year ended September 30, 2017.

	Firefighters' Pension Plan
Assets	
Cash and cash equivalents	$ 3,066,980
Accounts Receivable	140,035
Investments	61,696,003
Total Assets	64,903,018
Liabilities and Net Position	
Prepaid Member Contributions	69
Net Position	
Held in trust for pension benefits and other purposes	64,902,949
Total Liabilities and Net Position	$ 64,903,018

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, 2017

	Firefighters' Pension Plan
Additions	
Contributions:	
Employer Contributions	$ 3,811,896
Plan Members	548,008
State of Florida, Insurance Premiums	550,062
Miscellaneous	-
Total contributions	4,909,966
Investment Income:	
Net increase in fair value of investments	6,455,733
Interest and Dividends	1,243,375
Less: Investment Income Expenses	(381,144)
Net investment income	7,317,964
Total Additions	12,227,930
Deductions	
Actuarial Fees	25,234
Benefits Paid	4,097,287
Dues	630
Insurance	5,155
Legal Fees	23,018
Miscellaneous	3,558
Total Deductions	4,154,882
Change in Net Position	8,073,048
Net Position - Beginning	56,829,901
Net Position - Ending	$ 64,902,949

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, 2017

	General Employees' Retirement System
Assets	
Cash and cash equivalents	$ 30,855
Investments	3,249,262
Total Assets	3,280,117
Liabilities and Net Position	
Total Liabilities	-
Net Position	
Held in trust for pension benefits and other purposes	3,280,117
Total Liabilities and Net Position	$ 3,280,117

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, 2017

	General Employees' Retirement System
Additions	
Contributions:	
Employer Contributions	$ 144,807
Plan Members	52,794
Total contributions	197,601
Investment Income:	
Net increase in fair value of investments	297,251
Interest and Dividends	74,046
Net investment income	371,297
Total Additions	568,898
Deductions	
Actuarial Fees	14,060
Consultant Fees	10,500
Custodial Fees	7,500
Dues	600
Insurance	1,677
Legal Fees	2,448
Benefits Paid	160,954
Total Deductions	197,739
Change in Net Position	371,159
Net Position - Beginning	2,908,958
Net Position - Ending	$ 3,280,117

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, 2017

		Retiree Insurance Trust Fund
Assets		
Cash and cash equivalents	$	134,074
Investments		1,898,284
Total Assets		2,032,358
Net Position		
Held in trust for pension benefits and other purposes		2,032,358
Total Net Position	$	2,032,358

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, 2017

	Retiree Insurance Trust Fund
Additions	
Contributions:	
Employer Contributions	$ 128,562
Total contributions	128,562
Investment Income:	
Realized Gain/(Loss) on Sale of Investments	58,335
Unrealized Gain/(Loss) on Sale of Investments	109,834
Interest and Dividends	35,334
Net investment income	203,503
Total Additions	332,065
Deductions	
Benefits Paid	134,992
Administrative Expenses	7,337
Insurance	1,934
Investment Management Fees	16,532
Total Deductions	160,795
Change in Net Position	171,270
Net Position - Beginning	1,861,088
Net Position - Ending	$ 2,032,358

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, reenacted and codified by Laws of Florida, Chapter 98-464 on May 28, 1998. The District is governed by a five-member elected Board of Commissioners. Commissioners serve on a staggered four-year 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. The District operates and maintains five stations with the related equipment. The District employs approximately 102 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.

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:

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Government-wide Financial Statements (Continued)
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.

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 general employees pension fund, and the retiree's insurance trust 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.

The District's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

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

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.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

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.

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.

Budgetary Information

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

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

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," GASB Statement Number 40, "Deposit and Investment Risk Disclosures" and GASB Statement Number 72, "Fair Value Measurement and Application" 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 are 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 acquisition 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.

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:

Assets	Years
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 $10,776,361 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 revenues over expenditures of $326,765 which was intended to be funded through prior year fund balance.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (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 to pay for capital improvements needed due to the growth within the District. 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 twenty 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.

The District currently uses the funds collected from Impact fees to satisfy the note on Station 4. During the year ended September 30, 2017, $311,823 was transferred from the Impact Fee fund, to pay the principal of $271,418 and interest of $40,405 on the $3,775,787 re-financed note payable.

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.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

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.

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.

New Accounting Pronouncement

Effective October 1, 2014, the County adopted provisions 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.

NOTE B - CASH AND CASH EQUIVALENTS

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, 2017.

District deposits consist of the following at September 30, 2017:

	Carrying Amount	Bank Balance
Unrestricted Cash		
Depository Accounts	$ 12,086,204	$ 12,324,189
Total Unrestricted Cash	12,086,204	12,324,189
Petty Cash	300	-
Total Unrestricted Cash	12,086,504	12,324,189
Restricted Cash		
Cash and Cash Equivalents - Restricted	16,931	16,931
Total Restricted Cash	16,931	16,931
Total Cash and Cash Equivalents	$ 12,103,435	$ 12,341,120

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.

Restricted 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 C - INVESTMENTS

Investments were $70,215,424 at September 30, 2017, of which $64,902,949 was held in the Firefighters' Pension Plan, $3,280,117 was held in the General Employees Pension Plan and $2,032,358 was held in the Retiree Insurance Trust Fund.

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.

NOTE C - INVESTMENTS (CONTINUED)

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.

	Category 3	Total	Cost
Firefighters' Pension Trust Fund			
Cash & Money Market Funds	$ 2,146,031	$ 2,146,031	$ 3,206,946
Corporate Bonds	15,653,098	15,653,098	15,455,845
Corporate Security Equities	29,924,398	29,924,398	25,071,665
Real Estate Investments	5,083,451	5,083,451	3,785,574
Alternate Strategies	3,165,362	3,165,362	2,968,109
RBC Global Mutual Funds	8,930,609	8,930,609	4,577,850
Total Firefighters' Pension Trust Fund	64,902,949	64,902,949	55,065,989
General Employees' Retirement System			
Cash & Money Market Funds	29,484	29,484	29,484
Domestic Equity Composite	1,602,121	1,602,121	1,602,121
International Equity Composite	492,898	492,898	492,898
Fixed Income	1,025,778	1,025,778	1,025,778
Global Fixed Income	129,836	129,836	129,836
Total General Employees' Retirement	3,280,117	3,280,117	3,280,117
Retiree Insurance Trust Fund (VEBA)			
Cash & Money Market Funds	169,462	169,462	169,462
Equities	1,319,564	1,319,564	1,319,564
Fixed Income & Preferred	523,702	523,702	523,702
Alternatives	19,630	19,630	19,630
Total Retiree Insurance Trust Fund	2,032,358	2,032,358	2,032,358
Total Investments	$ 70,215,424	$ 70,215,424	$ 60,378,464

Authorized Plan Investment Limitations:

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

	Firefighters' Pension Plan	General Employees' Retirement System
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	5.0%	5.0%
The aggregate investment in any one issuing company shall not exceed the following percentage of the outstanding capital stock of that company	5.0%	5.0%
The value of bonds issued by any single corporation shall not exceed the following percentage of the total fund	5.0%	10.0%
Investments in common stock and convertible bonds shall not exceed the following percentage of the fund assets	70.0% Market	70.0% Market
Investments in foreign securities shall not exceed the following percentage of the fund assets	25.0%	15.0%

NOTE C - INVESTMENTS (CONTINUED)

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, 2017 for either the Firefighters' Pension Plan or the General Employees' Retirement System.

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.

Investment Sensitivity

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, 2017:

	Investment Maturities (in years) - Firefighters' Pension Plan				
Investment Type	Market Value	Less than 1	1 to 5	6 to 10	More than 10
Corporate Bonds	$ 15,653,098	$ 2,162,383	$ 7,135,236	$ 4,160,304	$ 2,195,175

	Investment Maturities (in years) - General Employees' Retirement System				
Investment Type	Market Value	Less than 1	1 to 5	6 to 10	More than 10
Corporate Bonds	$ 1,155,614	$ 98,972	$ 463,899	$ 419,044	$ 173,699

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 C - 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, 2017, if applicable:

	Firefighters' Pension Plan		General Employees' Retirement System	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed (1)	-	- %	460,750	39.87%
Quality rating of credit risk debt securities				
AAA	$ 6,273,383	40.08%	$ 72,514	6.27%
AA	943,052	6.02%	60,167	5.21%
A	1,928,718	12.32%	147,360	12.75%
A-	450,347	2.88%	19,294	1.67%
BBB	3,434,210	21.94%	263,320	22.79%
BBB-	628,849	4.02%	26,941	2.33%
BB	405,944	2.59%	35,808	3.10%
BB-	39,095	0.25%	1,675	0.14%
B+	10,910	0.07%	468	0.04%
B	303	- %	13	- %
Below B	294,271	1.88%	21,125	1.83%
NR	35,761	0.23%	1,532	0.13%
Total credit risk debt securities	14,444,843	92.28%	650,217	56.26%
Money Market	1,208,255	7.72%	44,647	3.86%
Total Bond Fund	$ 15,653,098	100.00%	$ 1,155,614	100.00%

(1) 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.

NOTE D - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2017:

	Balance October 1, 2016	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30, 2017
Capital Assets Not Being Depreciated:					
Land	$ 2,699,136	$ 43,433	$ -	$ -	$ 2,742,569
Construction in Progress	84,232	1,256,378	-	(13,971)	1,326,639
Total Capital Assets Not Being Depreciated	2,783,368	1,299,811	-	(13,971)	4,069,208
Capital Assets Being Depreciated:					
Building	14,873,517	192,493	-	1	15,066,011
Equipment and Machinery	2,567,009	397,134	(157,173)	6,434	2,813,404
Office Equipment	573,300	17,020	(108,195)	978	483,103
Vehicles	4,454,835	948,713	-	-	5,403,548
Total Capital Assets Being Depreciated	22,468,661	1,555,360	(265,368)	7,413	23,766,066
Less Accumulated Depreciation:					
Buildings	(5,395,211)	(528,173)	-	-	(5,923,384)
Equipment & Machinery	(1,549,338)	(213,973)	149,621	(1,569)	(1,615,259)
Office Equipment	(421,241)	(41,426)	108,195	(489)	(354,961)
Vehicles	(2,353,143)	(268,213)	-	-	(2,621,356)
Total Accumulated Depreciation	(9,718,933)	(1,051,785)	257,816	(2,058)	(10,514,960)
Total Capital Assets Being Depreciated, Net	12,749,728	503,575	(7,552)	5,355	13,251,106
Capital Assets, Net	$ 15,533,096	$ 1,803,386	$ (7,552)	$ (8,616)	$ 17,320,314

Depreciation expense was charged to the following functions during the year ended September 30, 2017:

Depreciation	$ 1,053,843

NOTE E - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2017:

	Balance October 1, 2016	Additions	Retirements/ Adjustments	Balance September 30, 2017	Amounts Due Within One Year
Note Payable	$ 2,673,526	$ -	$ (362,849)	$ 2,310,677	$ 370,579
OPEB	1,614,105	358,287	-	1,972,392	-
Net Pension Liability	23,840,260	1,790,511	-	25,630,771	-
Compensated Absences	743,977	55,010	(28,701)	770,286	41,283
	$ 28,871,868	$ 2,203,808	$ (391,550)	$ 30,684,126	$ 411,862

The following is a summary of the long-term obligations at September 30, 2017:

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.	$ 2,310,677
Retirees Health Insurance (OPEB)	1,972,392
Non-current portion of compensated absences. Employees of the District are entitled to paid leave based on length of service and job classification.	770,286
Net Pension Liability	
Firefighter Pension	25,035,540
General Pension	484,804
Florida Retirement System	101,202
Florida Retirement System Health Insurance Subsidy	9,225
	25,630,771
Total Liabilities	30,684,126
Total Long-Term Liabilities	$ 30,684,126

The annual debt service requirements at September 30, 2017 were as follows:

Year Ending September 30	Note Payable (1) Principal	Interest	Total
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	377,128	3,990	381,118
Total Notes Payable	$ 2,310,676	$ 149,262	$ 2,459,938

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

NOTE F - 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.

General Information - All District Board of Commissioners members, beginning January 1, 2002, participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS 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 Retiree 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, District 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. Amendments to the law can be made only by an act of the Florida State Legislature.

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 writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

<u>Pension Plan</u>

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. The general classes of membership are as follows:

Elected District Officers Class- Members who hold specified elective offices in local government.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final 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% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Elected Officers' class members. The final average compensation for all these members will be based on the eight highest years of salary.

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.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP

NOTE F - RETIREMENT PLANS (CONTINUED)

Pension Plan (Continued)
participants.

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 contribution rates by job class for the periods from October 1, 2016 through June 30, 2017 and from July 1, 2017 through September 30, 2017, respectively, were as follows: Elected Officers'--42.47% and 45.50%; and DROP participants--12.99% and 13.25%. These employer contribution rates include 1.66% HIS Plan subsidy for the period of October 1, 2016 through September 30, 2017. Other than DROP participants, these employer contribution rates include 0.06% administrative fee for the period October 1, 2016 through September 30, 2017.

The District had $1,125 in contributions to the Pension Plan for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2017, the District reported a liability of $101,202 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the 2014-16 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 0.0003421%, which was a decrease of 0.0000346% from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the District recognized pension expense of $17,253, excluding HIS. 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	$ 9,290	$ 561
Changes of assumptions	34,011	-
Net difference between projected and actual earnings on Pension Plan investments	-	2,508
Changes in proportion and differences between District Pension plan contributions and proportionate share of contributions	24,860	6,090
District Pension Plan contributions subsequent to the measurement date	2,658	-
Total	$ 70,819	$ 9,159

The deferred outflows of resources related to the Pension Plan, totaling $0 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	Amount
2018	$ 13,642
2019	22,348
2020	13,413
2021	1,646
2022	5,764
Thereafter	2,189

NOTE F - RETIREMENT PLANS (CONTINUED)

Pension Plan (Continued)

Actuarial Assumptions - The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.10%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables, updated to better anticipate expected future experience for those members while in FRS covered employment.

The actuarial assumptions used in the July 1, 2017, 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 assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual Geometric Return	Standard Deviation
Cash	1.00%	3.00%	3.00%	1.80%
Fixed Income	18.00%	4.50%	4.40%	4.20%
Global Equity	53.00%	7.80%	6.60%	1.70%
Real estate (property)	10.00%	6.60%	5.90%	12.80%
Private equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	12.00%	6.10%	5.60%	9.70%
Assumed Inflation - Mean		2.60%		1.90%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.10%. 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 of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Pension 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 7.10%, 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 (6.10%) or one percentage point higher (8.10%) than the current rate:

	1% Decrease 6.10%	Discount Rate 7.10%	1% Increase 8.10%
District's proportionate share of the net pension liability/(asset)	$ 183,170	$ 101,202	$ 33,150

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.

NOTE F - RETIREMENT PLANS (CONTINUED)

Pension Plan (Continued)

Payables to the Pension Plan - At September 30, 2017, the District had no outstanding contributions to the Pension Plan.

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, 2017, eligible retirees and beneficiaries received 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, 2017, the HIS contribution for the period October 1, 2016 through September 30, 2017 was 1.66%. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions 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 $481 for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2017, the District reported a liability of $10,760 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District’s proportionate share of the net pension liability was based on the District’s 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 0.00862750%, which was a decrease of 0.00001% from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the District recognized HIS expense of $507. 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	$ -	$ 19
Changes of assumptions	1,297	798
Net difference between projected and actual earnings on Pension Plan investments	5	-
Changes in proportion and differences between District Pension Plan contributions	-	1,069
District Pension Plan contributions subsequent to the measurement date	125	-
Total	$ 1,427	$ 1,886

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - The deferred outflows of resources related to the HIS Plan, totaling $125 resulting from District contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

NOTE F - RETIREMENT PLANS (CONTINUED)

HIS Plan (Continued)

Fiscal Year Ended September 30:		Amount
2018	$	(45)
2019		(46)
2020		(46)
2021		(83)
2022		(130)
Thereafter		(235)

Actuarial Assumptions – The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.58%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables, updated to better anticipate expected future experience for those members while in FRS covered employment.

The actuarial assumptions used in the July 1, 2017 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 3.58%. 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.

Sensitivity of the District's Proportionate Share of the Net Pension 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 3.58%, 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 (2.58%) or one percentage point higher (4.58%) than the current rate:

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
District's proportionate share of the net pension liability/(asset)	$ 10,527	$ 9,225	$ 8,141

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

Payables to the HIS Plan - At September 30, 2017, the District reported $33 payable in outstanding contributions to the HIS Plan.

Investment Plan

The SBA administers the defined contribution plan officially titled 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.

NOTE F - RETIREMENT PLANS (CONTINUED)

Investment Plan (Continued)

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. Board 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 District Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members 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 an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 20116-2017 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, District Elected Officers class--8.34%.

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. Nonvested 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, 2017, 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 Board.

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.

The District's Investment Plan pension contributions totaled $10,634 for the fiscal year ended September 30, 2017, excluding HIS, inclusive of the administrative fees.

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

Overview

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 e 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, 11-09-05, 13-04-04 and 16-09-03 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.

NOTE F - RETIREMENT PLANS (CONTINUED)

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

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.

Plan Descriptions

Any employee who is employed as a police officer or public safety officer.

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:
a. Two District appointees
b. Two Members of the Department elected by the Membership, and a
c. Fifth Member elected by other four and appointed by the District

Plan Membership as of October 1, 2015

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	45
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3
Active Plan Members	78
Total members	126

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.

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Plan Descriptions (Continued)

Vesting:

Schedule: 100% after 10 years of Credited Service

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

Disability Retirement:

Service Incurred: Covered from Date of Employment

Non-Service Incurred: 10 years of Credited Service

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Pre-Retirement Death Benefits

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

Non-Vested: Refund of accumulated contributions without interest.

Contributions

Member Contributions: 7% of Salary.

District and State 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.

Net Pension Liability

The measurement date is September 30, 2016.

The measurement period for the pension expense was October 1, 2015 to September 30, 2016.

The reporting period is October 1, 2017 through September 30, 2017.

The District's Net Pension Liability was measured as of September 30, 2016.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2016 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.00-10.00%
Discount Rate	7.60%
Investment Rate of Return	7.60%

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Net Pension Liability (Continued)

Mortality Rate: RP-2000 Generational, Scale BB.

The actuarial assumptions used in the October 1, 2015 valuation were based on the results of actuarial experience study performed on July 29, 2015 for the period 1995-2013.

The Long-Term Expected Rate of Return on Pension Pan 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.

For 2016, the inflation rate assumption of the investment advisor was 2.50%.

The ranges are combined to produce 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 estimated of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45%	7.50%
International Equity	15%	8.50%
Domestic Fixed Income	20%	2.50%
Global Fixed Income	5%	3.50%
Real Estate	10%	4.50%
GTAA	5%	3.50%
Total	100%	

The components of the Net Pension Liability of the District as of September 30, 2016 were as follows:

Total Pension Liability	$ 81,862,510
Plan Fiduciary Net	(56,826,970)
District's Net Pension Liability	25,035,540
Plan Fiduciary Net Position as a percentage of Total Pension Liability	69.42%

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 period of Projected benefit payments to determine the Total Pension Liability.

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Net Pension Liability (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the District's net pension liability calculated using the discount rate of 7.60%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
District's Net Pension Liability	$ 35,670,285	$ 25,035,540	$ 16,249,867

Investments

Investment Policy: The following was the Board's adopted asset allocation policy as of September 30, 2016:

Asset Class	Target Allocation
Domestic Equity	45.0%
International Equity	15.0%
Domestic Fixed Income	20.0%
Global Fixed Income	5.0%
Real Estate	10.0%
GTAA	5.0%
Total	100.0%

Concentrations: The Plan did not hold any investment 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, 2016, the annual money-weighted rate of return on Pension Plan Investment, net of Pension Plan investment expense, was 7.98 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 (DROP)

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

Participation: Not to exceed 60 months.

Rate of Return: At the Member's election: 6.50% annual rate, or 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 rate of return selection is allowed.

The DROP balance as of September 30, 2016 was $2,334,406.

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Changes in Net Pension Liability

	Changes in Net Pension Liability		
	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending September 30, 2016	$ 75,652,872	$ 52,133,912	$ 23,518,960
Changes for a Year:			
Service cost	1,796,100	-	1,796,100
Interest	5,729,223	-	5,729,223
Differences Between Expected and Actual Experience	838,022	-	838,022
Changes of Assumptions	1,954,103	-	1,954,103
Contributions-Employer	-	3,656,157	(3,656,157)
Contributions-State	-	567,162	(567,162)
Contributions-Employee	-	477,667	(477,667)
Contributions-Buy Back	21,106	21,106	-
Net Investment Income	-	4,136,912	(4,136,912)
Benefit Payments, Including Refunds of Employee Contributions	(4,128,916)	(4,128,916)	-
Administrative Expense	-	(34,030)	34,030
New Changes	6,209,638	4,696,058	1,513,580
Reporting period ending September 30, 2017	$ 81,862,510	$ 56,829,970	$ 25,032,540

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

For the year ended September 30, 2017, the Sponsor recognized a pension expense of $3,967,907. On September 30, 2017 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
Difference Between Expected and Actual Experience	$ 718,304	$ 401,496
Changes of Assumptions	1,674,946	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,858,840	-
Employer and State Contributions subsequent to the measurement date	4,361,958	-
Total	$ 8,614,048	$ 401,496

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

NOTE F - 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 (Continued)

Fiscal Year Ended September 30:	Deferred Outflows/ (Deferred Inflows)
2018	$ 869,645
2019	869,646
2020	1,146,123
2021	301,262
2022	331,959
Thereafter	331,959

On September 30, 2016, the Sponsor reported a payable of $71,736 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2016.

No separate Plan audit is issued. A copy of the District audited financial statements including the Plan for September 30, 2017 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.

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.

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board consists of five Trustees, one 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 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 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 of whom shall be an at-large Trustee of the System, who shall be elected by a majority of all union an non-union General Employees who are Members of the System, The fifth Trustee shall be chosen by a majority of the previous four Trustees.

All General Employees as of the Effective Date, and all future new General Employees, shall become members of this System as a condition of employment.

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Plan Description (Continued)
Plan Membership as of October 1, 2016

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	2
Active Plan Members	13
	23

Benefits Provided

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

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.

Cost of Living Adjustment:

Normal and Early Service Retirees after January 1, 2000 receive 1.35% increase in their benefits each October 1st following retirement (the first adjustment will be a prorated amount of 1.35%)

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.

Pre-Retirement 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.

Contributions

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Plan Description (Continued)

Member Contributions: 7.0% of Salary.

District 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.

Net Pension Liability

The measurement date is September 30, 2016.

The measurement period for the pension expense was October 1, 2015 to September 30, 2016.

The reporting period is October 1, 2016 through September 30, 2017.

The District's Net Pension Liability was measured as of September 30, 2016.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2016 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service-based
Discount Rate	7.70%
Investment Rate of Return	7.70%

The most recent actuarial experience study used to review the other significant assumptions was dated August 2, 2016.

Mortality Rate: RP-2000 Fully Generational with Scale BB.

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.

For 2016, the inflation rate assumption of the investment advisor was 2.50%

The ranges are combined to produce 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.

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Net Pension Liability (Continued)
Best estimated of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2016 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%
Total	100.00%	

The components of the Net Pension Liability of the District as of September 30, 2016 were as follows:

Total Pension Liability	$ 3,393,762
Plan Fiduciary Net	(2,908,958)
District's Net Pension	484,804
Plan Fiduciary Net Position as a percentage of Total Pension Liability	85.71%

Discount Rate - The Discount Rate used to measure the Total Pension Liability was 7.80%. 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 period of Projected benefit payments to determine the Total Pension Liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the District's net pension liability calculated using the discount rate of 7.80%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.80%) or one percentage point higher (8.80%) than the current rate:

	1% Decrease 6.80%	Current Discount Rate 7.80%	1% Increase 8.80%
District's Net Pension Liability	$ 922,021	$ 484,804	$ 132,262

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Investments

Investment Policy: The following was the Board's adopted asset allocation policy as of September 30, 2016:

Asset Class	Target Allocation
Domestic Equity	45%
International Equity	15%
Domestic Fixed Income	35%
Global Fixed Income	5%
Total	100%

Concentrations: The Plan did not hold any investment 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, 2016, the annual money-weighted rate of return on Pension Plan Investment, net of Pension Plan investment expense, was 6.45 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 (DROP)

Eligibility: Satisfaction of Normal Retirement requirements (earlier of Age 55 with 7 years of Credited Service or 25 years of Credited Service.

Participation: Not to exceed 60 months.

Rate of Return: At the Member's election: 6.5% annual rate, or 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 rate of return selection is allowed.

The DROP balance as of September 30, 2016 was $0.

NOTE F - RETIREMENT PLANS (CONTINUED)

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

Changes in Net Pension Liability

	Changes in Net Pension Liability		
		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending September 30, 2016	$ 3,074,280	$ 2,858,863	$ 215,417
Changes for a Year:			
Service Cost	61,946	-	61,946
Interest	239,113	-	239,113
Differences Between Expected and Actual Experience	164,346	-	164,346
Changes of assumptions	148,708	-	148,708
Contributions-Employer	-	133,167	(133,167)
Contributions-Employee	-	48,551	(48,551)
Net Investment Income	-	179,789	(179,789)
Benefit Payments, Including Refunds of Employee Contributions	(294,631)	(294,631)	-
Administrative Expense	-	(16,781)	16,781
New Changes	319,482	50,095	269,387
Reporting period ending September 30, 2017	$ 3,393,762	$ 2,908,958	$ 484,804

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

For the year ended September 30, 2017, the Sponsor recognized a pension expense of $169,966. On September 30, 2017 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
Difference Between Expected and Actual Experience	$ 123,260	$ -
Changes of Assumptions	111,531	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	157,386	-
Employer and State Contributions subsequent to the measurement date	144,807	-
	$ 536,984	$ -

NOTE F - RETIREMENT PLANS (CONTINUED)

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

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

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

Fiscal Year Ended September 30:	Deferred Outflows/ (Deferred Inflows)
2018	$ 124,197
2019	124,197
2020	135,037
2021	8,746
2022	-
Thereafter	-

Payable to the Pension Plan:

On September 30, 2016, the sponsor reported a payable of $4,832 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2016.

No separate Plan audit is issued. A copy of the District audited financial statements including the Plan for September 30, 2017 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 G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description and Provisions - Retiree Insurance Trust Fund

In accordance with Section 112.0801, Florida Statutes, because the District provides medical plans to employees of the District and their eligible dependents, the District is required to provide insurance (health insurance) benefits to its retired employees.

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.

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.

Eligibility for Description of Benefits - Retiree Insurance Trust Fund

Any Union employee and other employees for whom the Trustees agree to accept contributions and on whose behalf the District pays such contribution and who were employed on or after October 1, 2010.

Early Retirement Incentive Program (ERIP)- Participants who accept and participated in an ERIP on or after October 1, 2010

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Eligibility for Description of Benefits - Retiree Insurance Trust Fund (Continued)
are eligible for benefits under the plan.

General Employees - Age 55 and 7 years of service or 25 years of service, regardless of age, is normal retirement. Employees may retire early at age 50 and 7 years of service or 20 years of service, regardless of age, including ERIP participants.

Firefighters - Age 55 and 10 years of service or age 50 and 25 years of service is normal retirement. Employees may retire early at age 50 and 10 years of service, including ERIP participants.

Eligibility for Disabled Retirement - 10 years of service

Eligibility for Benefits - An Eligible Employee may become eligible for benefits under the Plan on the first day of the month following retirement or disabled retirement. The fund will begin paying benefits annually in January 2014.

Termination of Benefits - Benefits will terminate on the date that a person ceases to be eligible, or the person's date of death, or the date that the Plan is terminated.

Retirement Benefit - The VEBA Trust will provide $425 per month prior to Medicare, and $318 per month upon attainment of Medicare age, regardless of whether the retiree continues insurance coverage with the District. The benefit will be payable in the form of a single lump sum in January of each year. Pre-October 1, 2010 retirees will continue receiving their previous benefit from the District. A disabled retiree with 10 years of service will receive 50% of the VEBA monthly benefit. If a disabled retiree attains 15 years of service, then they will receive 100% of the benefit.

Disability Benefit - Less than 10 years of service, none. At least 10 years of service, but less than 15 years of service- 50% of the Retirement Benefit. At least 15 years of service- 100% of the Retirement Benefit.

Membership - Retiree Insurance Trust Fund

As of October 1, 2016, membership consisted of:

Active Participants	103
Pre-Medicare Retirees	28
Post-Medicare Retirees	6
Total	137

Funding Policy - Retiree Insurance Trust Fund

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 $0 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.

Employee/Employer Contribution Information - Retiree Insurance Trust Fund

Retirees are not required to contribute to the plan. All contributions made to the Fund on behalf of any participant are non-refundable. Additionally, if contributions are made to the Fund and if the participant leaves the plan without meeting all of the requirements for eligibility, then the participant shall forfeit all contributions made to the plan on his/her behalf.

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Annual OPEB Costs and Net OPEB Obligation - Retiree Insurance Trust Fund

The District had an actuarial valuation performed for the plan as of October 1, 2016 to determine the funded status of the plan as of that date, as well as the District's annual required contribution (ARC) for the fiscal year ended September 30, 2017. The District contributed $283,510 for the year ended September 30, 2017. The District fully funds the Retiree Insurance Trust Fund. The fourth quarter District contributions to the plan are recorded as accrued expenses.

Schedule of Funding Progress

Actuarial Valuation Date	10/1/2015
Actuarial Value of the Assets (a)	$ 1,723,073
Accrued Liability (AAL)-Entry Age (b)	3,022,343
Unfunded AAL (UAAL) (b-a)	1,299,270
Funded Ratio (a/b)	57.01%
Covered Payroll (c)	8,832,829
UAAL as a % of Covered Payroll ((b/a)/c)	14.71%

The actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the Actuarial Valuation, the Entry Age Normal (level percent of pay) actuarial cost method was used. Select Actuarial Assumptions are listed in the table below:

Valuation Interest Rate	7.00%
Inflation Rate	2.50%
Payroll Growth Assumption	3.00%
Salary Inflation Assumption	

These rates are based on the results of an experience study issued July 29, 2015.

Amortization of UAAL Level- Percent of Pay (Closed Amortization over 30 Years)

Plan Description and Provisions

In accordance with Section 112.0801, Florida Statutes, because the District provides medical plans to employees of the District and their eligible dependents, the District is required to provide insurance (health insurance) benefits to its retired employees.

For anyone retiring after October 1, 2010, the District subsidizes 100% of the active medical, dental, and vision premiums for retirees who elect coverage under the District’s group insurance plans. This subsidy from the District will be effective through

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Plan Description and Provisions (Continued)

October 1, 2013 and any subsequent benefits provided to post-October 1, 2010 retirees will be provided from a VEBA trust. For a select group of early retirees (retiring September 30, 2011), the District is also subsidizing 100% for life insurance coverage and also for spouse coverage under medical, dental, and vision during the two-year period ending October 1, 2013.

Any retirees who retired prior to October 1, 2010 will continue to receive 100% of their active medical, dental and visions through October 1, 2013. Beginning October 1, 2013, this group is assumed to continue to receive a flat dollar subsidy from the District of $425 per month, or $318 per month if Medicare eligible regardless of whether or not health insurance coverage is maintained from the District. This group of retirees is not eligible for benefits from the VEBA trust.

Note that the projected premiums for the dental and vision benefits are assumed to cover the entire cost of those plans.

Life insurance in the amount of $85,000 may be purchased by the retiree at the active premium rate. In addition, spouse coverage under the medical, dental and vision insurances may be purchased by the retiree at the active premium rates.

Eligibility for Description of Benefits

Creditable Service - Total completed years of employment as a full-time firefighter or general employee with the District.

General Employees - Age 55 and 7 years of service or 25 years of service, regardless of age, is normal retirement. Employees may retire early at age 50 and 7 years of service or 20 years of service, regardless of age. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 7 years of service.

Firefighters - Age 55 and 10 years of service or age 50 and 25 years of service is normal retirement. Employees may retire early at age 50 and 10 years of service. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 10 years of service.

Health, Dental and Vision Care Insurance - Pre 10/1/2010 retirees: District pays 100% of the active premium rate until 10/1/2013. Retiree may also purchase spouse coverage at the active premium rate. Beginning 10/1/2013, the District will provide a flat dollar credit of $425/mo (or $318/mo if Medicare eligible). Post 10/1/2010 retirees: District pays 100% of the full cost of coverage (including spouses) until 10/1/2013. After 10/1/2013, the District does not provide any subsidy.

Life Insurance - Pre 10/1/2010 retirees: Retiree pays 100% of the active life insurance premium rate. Post 10/1/2010 retirees: District pays 100% of the active life insurance premium until 10/1/2013. Coverage is $85,000.

Membership

As of October 1, 2016, membership consisted of:

Number of Pre-10/1/2010 Retirees (with District Explicit Subsidy)	
Pre-Medicare Retirees	11
Post-Medicare Retirees	5
	16

Number of Retirees (with Medical Coverage)	Pre 10/1/10	Post 10/1/10
Pre-Medicare Retirees	11	11
Post-Medicare Retirees	5	-
	16	11

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Membership (Continued)

Number of Covered Spouses (Includes Beneficiaries of Deceased Retirees)	Pre 10/1/10	Post 10/1/10
Pre-Medicare Retirees	2	1

Annual OPEB Costs and Net OPEB Obligation

The District had an actuarial valuation performed for the plan as of October 1, 2015 to determine the funded status of the plan as of that date, as well as the District's annual required contribution (ARC) for the fiscal year ended September 30, 2017. The District's annual OPEB cost for the fiscal year was $0.

The following table shows the components of the District's annual OPEB cost for the year and changes in the District's net OPEB obligation.

Valuation Date		10/1/2015
Annual Required Contribution (ARC)	$	661,907
Interest on Net OPEB Obligation		64,564
Adjustment to ARC		(61,679)
Annual OPEB cost/(Expense)		664,792
Estimated Net Contributions Made		(306,505)
Anticipated Increase/(Decrease) in Net OPEB Obligation		358,287
Beginning Net OPEB Obligation		1,614,105
Ending Net OPEB Obligation		1,972,392
Funded status as of Valuation Date:		
Actuarial Accrued Liability (AAL)		6,456,582
Actuarial Value of Assets (AVA)		-
Unfunded Actuarial Accrued Liability (UAAL)		6,456,582
Funded Ratio		- %
Covered Payroll		8,832,828
Ratio of UAAL to Covered Payroll		73.10%

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Year Ending		Annual OPEB Cost	Percentage of OPEB Cost Contributed		Net OPEB Obligation
9/30/2017	$	664,792	46.10%	$	1,972,392
9/30/2016		633,612	45.50%		1,614,105
9/30/2015	$	571,363	47.40%	$	1,268,883

NOTE G - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Annual OPEB Costs and Net OPEB Obligation (Continued)

Schedule of Funding Progress

Actuarial Valuation Date		10/1/2015		10/1/2013
Actuarial Value of the Assets (a)	$	-	$	-
Accrued Liability (AAL)-Entry Age (b)		6,456,582		5,728,019
Unfunded AAL (UAAL) (b-a)		6,456,582		5,728,019
Covered Payroll (c)	$	8,832,828	$	7,768,311

The actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the Actuarial Valuation, the Entry Age Normal (level percent of pay) actuarial cost method was used. Select Actuarial Assumptions are listed in the table below:

Healthcare Inflation

Pre-Medicare - 8.0% in Fiscal 2016, decreasing 0.75% each year to Fiscal 2020, then decreasing 0.5% to the ultimate rate of 4.5% in Fiscal 2021

Post-Medicare: 8.0% in Fiscal 2016, decreasing 0.75% each year to Fiscal 2020, then decreasing 0.5% to the ultimate rate of 4.5% in Fiscal 2021.

Amortization of UAAL Level- Percent of Pay (Closed Amortization over 30 Years)

NOTE H - RISK MANAGEMENT

The District participates in a fully funded insurance program for health insurance. The District paid $1,904,932 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, 2017. 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, no such accrual has been recorded in the financial statements.

NOTE I - 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 2017 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, 2017, $166,969 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, 2017, the Board of Commissioners of the District levied ad valorem taxes at a millage rate of $2.3500 per $1,000 (2.3500) of the 2016 net taxable value of real property located within the District.

NOTE J - 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. No loss contingencies have been recorded by the District at September 30, 2017.

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, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Ad Valorem Taxes	$ 22,185,993	$ 22,185,993	$ 22,220,613	$ 34,620
Intergovernmental Revenues:				
State Supplemental Compensation	42,360	42,360	37,100	(5,260)
Fees:				
Inspection Fees	300,000	300,000	296,933	(3,067)
Fire Flow Fees	1,300	1,300	1,430	130
CPR Classes	5,000	5,000	3,214	(1,786)
Fleet Maintenance	65,000	65,000	79,617	14,617
Grants	4,000	4,000	9,000	5,000
USAR/FEMA Reimbursement	-	-	24,195	24,195
Miscellaneous:				
Facilities Rental	121,220	121,220	122,024	804
Interest	20,000	20,000	39,684	19,684
Other	37,725	37,725	130,883	93,158
Total Revenues	22,782,598	22,782,598	22,964,693	182,095
Expenditures				
Current				
Public Safety				
Personnel Services	17,392,782	17,409,782	17,014,647	395,135
Operating Expenditures	12,429,996	12,402,696	2,203,646	10,199,050
Capital Outlay	3,282,566	3,292,866	2,841,200	451,666
Debt Service				
Principal Reduction	362,849	362,849	362,849	-
Interest and Fiscal Charges	52,916	52,916	52,916	-
Total Expenditures	33,521,109	33,521,109	22,475,258	11,045,851
Excess of Revenues over (under) Expenditures	(10,738,511)	(10,738,511)	489,435	(10,863,756)
Other Financing Sources (Uses)				
Transfers in	415,764	415,764	311,823	(103,941)
Total Other Financing Sources (Uses)	415,764	415,764	311,823	(103,941)
Excess Revenues and Other Financing Sources over (under) Expenditures and Other Uses	(10,322,747)	(10,322,747)	801,258	11,142,155
Fund Balance - Beginning	10,322,747	10,322,747	10,826,332	485,435
Fund Balance - Ending	$ -	$ -	$ 11,627,590	$ 11,627,590

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, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Ad Valorem Taxes	$ 22,185,993	$ 22,185,993	$ 22,220,613	$ 34,620
Intergovernmental Revenues:				
State Supplemental Compensation	42,360	42,360	37,100	(5,260)
Fees:				
Inspection Fees	300,000	300,000	296,933	(3,067)
Fire Flow Fees	1,300	1,300	1,430	130
CPR Classes	5,000	5,000	3,214	(1,786)
Fleet Maintenance	65,000	65,000	79,617	14,617
Grants	4,000	4,000	9,000	5,000
USAR/FEMA Reimbursement	-	-	24,195	24,195
Miscellaneous:				
Facilities Rental	121,220	121,220	122,024	804
Interest	20,000	20,000	39,684	19,684
Other	37,725	37,725	130,883	93,158
Total Revenues	22,782,598	22,782,598	22,964,693	182,095
Expenditures				
Current				
Public Safety				
Personnel Services:				
Salaries				
Firefighters & Administration	7,938,655	7,938,655	7,855,273	83,382
Commissioners	30,000	30,000	29,633	367
Overtime	698,703	715,703	782,829	(67,126)
Incentives and Holiday Pay	1,006,568	1,006,568	968,089	38,479
VEBA- Retreee Health Insuarnce	260,581	260,581	255,289	5,292
Payroll Taxes				
Social Security & Medicare	717,159	717,159	722,270	(5,111)
Benefits and Other Costs				
Retirement-Fire Fighters	3,750,961	3,750,961	3,799,126	(48,165)
Retirement-Administration and FRS	165,155	165,155	158,268	6,887
Health/Life/Disability Ins.	2,400,000	2,400,000	2,116,990	283,010
Workers Compensation	425,000	425,000	326,880	98,120
Subtotal - Personal services	17,392,782	17,409,782	17,014,647	395,135
Operating Expenditures:				
Professional and Other Fees				
Professional Fees	42,500	42,500	30,270	12,230
Legal Fees	60,000	60,000	9,221	50,779
Property Appraiser Fees	163,127	163,127	148,734	14,393
Tax Collector Fees	457,593	457,593	443,208	14,385
Auditing and Accounting	30,000	30,000	28,800	1,200

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, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Medical Director	25,000	25,000	25,000	-
Annual Physicals	65,000	65,000	71,043	(6,043)
Travel and Training				
Educational Seminars	84,350	84,350	52,416	31,934
Training Books and Supplies	71,800	71,800	57,562	14,238
Communications				
Radio Tower Fees	32,000	32,000	31,574	426
Station Expenditures				
Telephones and Cellular	45,000	45,000	44,132	868
Electricity	88,400	88,400	66,039	22,361
Water and Sewer	28,000	28,000	22,948	5,052
Garbage	11,700	11,700	9,025	2,675
Gas and Oil	89,000	89,000	82,969	6,031
Pest Control	7,050	7,050	5,436	1,614
Cable	1,000	1,000	-	1,000
Rentals and Leases				
Rentals (Station 7)	21,762	21,762	21,762	-
Insurnace				
Liability Policy	110,000	110,000	101,850	8,150
Repairs and Maintenance				
Building	181,400	181,400	155,561	25,839
Truck	180,000	180,000	200,819	(20,819)
Equipment	62,850	62,850	45,165	17,685
Communications	9,500	9,500	6,675	2,825
Special Operations	13,500	13,500	6,468	7,032
USAR District Expeses	19,690	19,690	18,390	1,300
Office Equipment	10,500	10,500	11,136	(636)
Computer Support	174,472	174,472	169,158	5,314
Public Education/Fire Prevention				
CPR Classes	5,000	5,000	3,587	1,413
Car Seat Expense	1,223	1,223	1,216	7
Public Education	14,000	14,000	13,833	167
Explorer Post 5512	8,483	8,483	-	8,483
Smoke Alarms	9,000	9,000	-	9,000
Supplies				
Legal Ads	5,000	5,000	2,573	2,427
Office Supplies	11,000	11,000	8,479	2,521
Postage and Freight	3,500	3,500	1,940	1,560
FEMA Expense	-	-	850	(850)
Administration	20,610	20,610	21,267	(657)
Station Supplies	21,500	21,500	23,789	(2,289)

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, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Fire and Medical	157,740	157,740	139,313	18,427
Uniforms	64,500	64,500	52,250	12,250
Office Equipment	5,500	8,200	8,066	134
Personal Protection Uniforms	49,150	19,150	22,259	(3,109)
Food Consumables	7,000	7,000	2,933	4,067
Books and Dues	19,440	19,440	16,316	3,124
PETC Hiring	1,000	1,000	84	916
Equipment <$750	21,260	21,260	19,530	1,730
CERT Training	4,000	4,000	-	4,000
Operating Reserves / Contingencies				
Operating	4,908,546	4,908,546	-	4,908,546
Emergency Disaster	342,644	342,644	-	342,644
Insurance	480,000	480,000	-	480,000
Capital Improvements (Reserves)	4,184,706	4,184,706	-	4,184,706
Subtotal - Operating Expenditures	12,429,996	12,402,696	2,203,646	10,199,050
Capital Outlay				
Construction in Progress	1,793,659	1,793,659	1,256,378	537,281
Land	-	-	43,433	(43,433)
Buildings	220,282	203,282	178,522	24,760
Office Equipment	22,400	19,700	17,020	2,680
Machinery and Equipment	302,625	324,625	397,134	(72,509)
Vehicles	943,600	951,600	948,713	2,887
Subtotal - Capital Outlay	3,282,566	3,292,866	2,841,200	451,666
Debt Service				
Principal Reduction	362,849	362,849	362,849	-
Interest and Fiscal Charges	52,916	52,916	52,916	-
Total Expenditures	33,521,109	33,521,109	22,475,258	11,045,851
Excess of Revenues over (under) Expenditures	(10,738,511)	(10,738,511)	489,435	10,863,756
Other Financing Sources (Uses)				
Transfers in	415,764	415,764	311,823	(103,941)
Total Other Financing Sources (Uses)	415,764	415,764	311,823	(103,941)
Excess Revenues and Other Financing Sources over (under) Expenditures and Other Uses	(10,322,747)	(10,322,747)	801,258	11,142,115
Fund Balance - Beginning	10,322,747	10,322,747	10,826,332	(16,433,229)
Fund Balance - Ending	$ -	$ -	$ 11,627,590	$ 11,627,590

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - IMPACT FEE FUND
September 30, 2017

	Impact Fee Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Fees:				
Impact Fees	$ 430,000	$ 430,000	$ 265,972	$ (164,028)
Miscellaneous:				
Interest	140	140	50	(90)
Total Revenues	430,140	430,140	266,022	(164,118)
Expenditures				
Current				
Public Safety				
Operating Expenditures	103,375	103,375	-	103,375
Capital Outlay				
Total Expenditures	103,375	103,375	-	103,375
Excess of Revenues over (under) Expenditures	326,765	326,765	266,022	(60,743)
Other Financing Sources (Uses)				
Transfers out	(415,765)	(415,765)	(311,823)	103,942
Total Other Financing Sources (Uses)	(415,765)	(415,765)	(311,823)	103,942
Excess Revenues and Other Financing Sources over (under) Expenditures and Other Uses	(89,000)	(89,000)	(45,801)	43,199
Fund Balance - Beginning	89,000	89,000	84,488	(4,512)
Fund Balance - Ending	$ -	$ -	$ 38,687	$ 38,687

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN
September 30, 2017

For the Last Four Fiscal Years Ended June 30	2017	2016	2015	2014
District's proportion of the net pension liability	0.0342139%	0.0003767%	0.0003929%	0.0002792%
District's proportion share of the net pension liability	$ 101,202	$ 95,123	$ 50,750	$ 17,033
District's covered - employee payroll	3,500	-	2,000	6,500
District's proportionate share of the net pension liability as a percentage of its covered-employee	2,891.49%	0.00%	2,537.50%	262.05%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN
September 30, 2017

For the Last Four Fiscal Years Ended June 30	2017	2016	2015	2014
District's proportion of the net pension liability	0.0000863%	0.00009230%	0.00009890%	0.00010097%
District's proportion share of the net pension liability	$ 9,225	$ 10,760	$ 10,085	$ 9,441
District's covered - employee payroll	$ 29,000	$ 27,000	$ 30,000	$ 30,000
District's proportionate share of the net pension liability as a percentage of its covered employee	31.81%	39.85%	33.62%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION TRUST FUND
September 30, 2017

Last Four Measurement Date Fiscal Years

Reporting Period Ending	09/30/2018	09/30/2017	09/30/2016	09/30/2015
Measurement Date	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability				
Service Cost	$ 1,894,366	$ 1,796,100	$ 1,726,781	$ 1,697,295
Interest	6,209,826	5,729,223	5,464,090	5,118,393
Differences Between Expected and Actual Experience	717,752	838,022	(535,327)	-
Changes of Assumptions	-	1,954,103	-	-
Buyback	30,487	21,106	2,982	-
Benefits Paid	(4,097,287)	(4,128,916)	(2,349,598)	(2,243,450)
Net Change in Total Pension Liability	4,755,144	6,209,638	4,308,928	4,572,238
Total Pension Liability-Beginning	81,862,510	75,652,872	71,343,944	66,771,706
Total Pension Liability-Ending (a)	$ 86,617,654	$ 81,862,510	$ 75,652,872	$ 71,343,944
Plan Fiduciary Net Position				
Employer Contributions	$ 3,811,896	$ 3,656,157	$ 3,786,822	$ 3,565,486
State of Florida, Insurance Premiums	550,062	567,162	585,584	583,892
Plan Members	517,520	477,667	463,616	436,385
Buyback	30,487	21,106	2,982	-
Investment Income	7,317,964	4,136,912	(329,845)	4,736,538
Benefits Paid	(4,097,287)	(4,128,916)	(2,349,598)	(2,243,450)
Administrative Expenses	(57,594)	(34,030)	(47,681)	(38,532)
Net Change in Plan Fiduciary Net Position	8,073,048	4,696,058	2,111,880	7,040,319
Plan Fiduciary Net Position- Beginning	56,829,970	52,133,912	50,022,032	42,981,713
Plan Fiduciary Net Position-Ending (b)	$ 64,903,018	$ 56,829,970	$ 52,133,912	$ 50,022,032
Net Pension Liability-Ending (a)-(b)	$ 21,714,636	$ 25,032,540	$ 23,518,960	$ 21,321,912
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.93 %	69.42 %	68.91 %	70.11 %
Covered Employee Payroll (1)	$ 7,393,149	$ 6,822,809	$ 8,193,018	$ 6,111,013
Net Pension Liability as a Percentage of Covered Employee Payroll	293.71 %	366.89 %	287.06 %	348.91 %

(1) The Covered employee payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

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

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION TRUST FUND
September 30, 2017

Last Four Measurement Date Fiscal Years

Reporting Period Ending	09/30/2018	09/30/2017	09/30/2016	09/30/2015
Measurement Date	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability				
Service cost	$ 100,393	$ 61,946	$ 85,654	$ 79,309
Interest	266,267	239,113	231,533	215,612
Difference Between Expected and Actual Experience	(66,906)	164,346	-	-
Changes of Assumptions	44,142	148,708	-	-
Benefits Paid	(160,954)	(294,631)	(102,839)	(101,671)
Net Change in Total Pension Liability	182,942	319,482	214,348	193,250
Total Pension Liability-Beginning	3,393,762	3,074,280	2,859,932	2,666,682
Total Pension Liability-Ending (a)	$ 3,576,704	$ 3,393,762	$ 3,074,280	$ 2,859,932
Plan Fiduciary Net Position				
Employer Contributions	144,807	133,167	154,995	126,276
Plan Members	52,794	48,551	42,715	34,800
Investment Income	353,297	179,789	(13,270)	255,640
Benefits Paid	(160,954)	(294,631)	(102,839)	(101,671)
Administrative Expenses	(18,785)	(16,781)	(22,284)	(7,595)
Net Change in Plan Fiduciary Net Position	371,159	50,095	59,317	307,450
Plan Fiduciary Net Position-Beginning	2,908,958	2,858,863	2,799,546	2,492,096
Plan Fiduciary Net Position-Ending (b)	$ 3,280,117	$ 2,908,958	$ 2,858,863	$ 2,799,546
Net Pension Liability-Ending (a)-(b)	$ 296,587	$ 484,804	$ 215,417	$ 60,386
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.71%	85.71%	92.99%	97.89%
Covered Employee Payroll	$ 754,198	$ 693,579	$ 790,658	$ 497,148
Net Pension Liability as a Percentage of Covered Employee Payroll	39.32%	69.90%	27.25%	12.15%

NOTES TO THE SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - FIREFIGHTERS' PENSION TRUST FUND

Last Four Measurement Date Fiscal Years

The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 period which includes DROP payroll.

Changes of assumptions: For measurement date 9/30/16, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

NOTES TO THE SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - GENERAL EMPLOYEES' PENSION TRUST FUND

The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 period which includes DROP payroll.

Changes of assumptions: For measurement date 09/30/2017, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in July 1, 2015 FRS valuation report to those used in July 1, 2016 FRS valuation report. Additionally, the investment rate of return was lowered from 7.80% to 7.70%

For measurement date 09/30/2016, amounts reported as changes of assumptions were a result of the August 2, 2016 actuarial experience study.

The following changes were adopted:

1. Cost Method was changed from the Frozen Initial Liability Cost Method to the Entry Age Normal Cost Method. This is the same method as required by the Government Accounting Board Standards (GASB) disclosures.

2. Investment return assumption was decreased from 8.0% to 7.8%.

3. Payroll Growth assumption was reduced from 1.1% to 0.0%

4. Salary increase assumption was changed from a flat 6.0% per year to one based on service.

5. Mortality table was changed to be the same as used in the Florida Retirement System's July 1, 2015 valuation for non-special risk lives, as required by State Law.

6. Retirement rates were changed from 100% at first eligibility to age based rates.

Also the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
September 30, 2017

For the Last Four Fiscal Years	2017	2016	2015	2014
Contractually required contribution	$ 1,125	$ -	$ 617	$ 847
Contributions in relation to contractually required contribution	1,125	-	617	847
Contributions deficiency (excess)	-	-	-	-
District's covered-employee payroll				
Contributions as a percentage of covered-employee payroll	32.14%	0.00%	2.06%	13.03%

Note: Data was unavailable prior to 2014.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE (HIS) PENSION PLAN
September 30, 2017

For the Last Four Fiscal Years	2017	2016	2015	2014
Contractually required contribution	$ 481	$ 448	$ 408	$ 365
Contributions in relation to contractually required contribution	481	448	408	365
Contributions deficiency (excess)	-	-	-	-
District's covered-employee payroll	$ 29,000	$ 27,000	$ 30,000	$ 30,000
Contributions as a percentage of covered-employee payroll	1.66 %	1.66 %	1.36 %	1.22 %

Note: Data was unavailable prior to 2014.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION TRUST FUND
September 30, 2017

For the Last Four Fiscal Years

Reporting Period Ending	09/30/2018	09/30/2017	09/30/2016	09/30/2015
Measurement Date	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	$ 4,361,958	$ 4,223,319	$ 4,372,406	$ 4,149,378
Contributions in Relation to the Actuarially Determined Contribution	4,361,958	4,223,319	4,372,406	4,149,378
Contributing Deficiency (Excess)	-	-	-	-
Covered Employee Payroll (1)	$ 7,393,149	$ 6,822,809	$ 8,193,018	$ 6,111,013
Contributions as a percentage of covered employee payroll	293.71%	6,190.00%	5,336.75%	67.90%

(1) The covered employee payroll numbers shown are in compliance with GASB 82, except for the 9/30/15 measurement period which includes DROP payroll.

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 - October 1, 2015

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 - 24 Years (as of 10/01/2015)

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.

Payroll Increase -2.36% per year. This assumption is limited historical 10-year payroll growth.

Salary Increases - Credited Service Years 1-5, assumed rate 10.00%; Greater than 5 years 4.00%

Interest Rate - 7.6% per year, compounded annually, net of investment related expense. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

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 additional year. This assumption is deemed reasonable based on plan provisions and is supported by the July 29, 2014 experience study.

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. This assumption is deemed reasonable based on plan provisions and is supported by the July 29, 2014 experience study.

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION TRUST FUND
September 30, 2017

For the Last Four Fiscal Years

Reporting Period Ending	09/30/2018	09/30/2017	09/30/2016	09/30/2015
Measurement Date	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Actuarially Determined Contribution	$ 144,806	$ 133,167	$ 154,995	$ 126,276
Contributions in Relation to the Actuarially Determined Contribution	144,807	133,167	154,995	126,276
Contributing Deficiency (Excess)	(1)	-	-	-
Covered Employee Payroll (1)	754,198	693,579	790,658	497,148
Contributions as a percentage of covered employee payroll	39.32%	19.20%	19.60%	25.40%

(1) The covered employee payroll numbers shown are in compliance with GASB 82, except for the 9/30/15 measurement period which includes DROP payroll.

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 - October 1, 2014

Actuarially determined contribution rates are calculated as of October 1, three 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.

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.

Ashley, Brown & Company
Certified Public Accountants

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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 Board of 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, each major fund, and the aggregate remaining fund information of the Bonita Springs Fire Control and Rescue District (the "District"), as of and for the year ended September 30, 2017, 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 18, 2018.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Ashley, Brown + Co.

Punta Gorda, FL
June 18, 2018

Ashley, Brown & Company
Certified Public Accountants

366 East Olympia Avenue
Punta Gorda, Florida 33950
Phone: 941.639.6600
Fax: 941.639.6115

Management Letter

June 18, 2018

To the 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 (the "District"), Florida, as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 18, 2018.

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 Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report(s) on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 18, 2018, 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 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, 2017.

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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 for the District. 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 review of financial information provided by same.

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

Annual Financial Report
Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units
Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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

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

Ashley, Brown + Co.

Punta Gorda, Florida
June 18, 2018

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

June 18, 2018

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 2017 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

Lisa Gendron
Administration-Finance Director

Ashley, Brown & Company
Certified Public Accountants

366 East Olympia Avenue
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REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Board of Commissioners
Bonita Springs Fire Control and Rescue District

Report on Compliance

We have examined the Bonita Springs Fire Control and Rescue District's (the "District") compliance with the local government investment policy requirements of 218.415, Florida Statutes, during the year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Scope

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 considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

Opinion

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

The purpose of this report is to comply with the audit requirements of Section 218.415 Florida Statute and Rules of the Auditor General.

Ashley, Brown + Co.

Punta Gorda, Florida
June 18, 2018