

PARRISH FIRE DISTRICT
FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

**PARRISH FIRE DISTRICT
FINANCIAL STATEMENTS**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 – 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 – 9
FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES	11
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET – GOVERNMENTAL FUNDS	12
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	13
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	14
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	15
NOTES TO FINANCIAL STATEMENTS	16 – 28
REQUIRED SUPPLEMENTARY INFORMATION:	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – NON-GAAP BUDGETARY BASIS – GENERAL FUND	29
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – NON-GAAP BUDGETARY BASIS – CAPITAL PROJECTS FUND	30
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FRS	31
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HIS	32
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – FRS	33
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – HIS	34
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – FRS/HIS	35

**PARRISH FIRE DISTRICT
FINANCIAL STATEMENTS**

TABLE OF CONTENTS – CONTINUED

OTHER INFORMATION:	
SCHEDULE OF FIRE ASSESSMENT RATES	36 – 38
OTHER REPORTS	
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	39 – 40
MANAGEMENT LETTER	41 – 43
INDEPENDENT ACCOUNTANT’S REPORT ON INVESTMENT COMPLIANCE	44
IMPACT FEE AFFIDAVIT	45

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Parrish Fire District
Manatee County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Parrish Fire District, Florida (the District), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

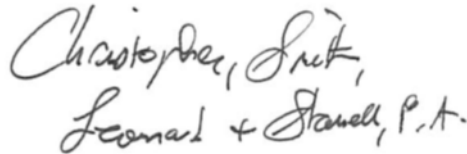
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Christopher, Smith, Leonard & Stanell, P.A.".

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

April 4, 2023
Bradenton, Florida

PARRISH FIRE DISTRICT

12132 U.S. 301 N. PARRISH, FL 34219

Phone (941) 721-2093 - Fax (941) 721-2095

admin@parrishfd.org

Management's Discussion and Analysis

As management of the Parrish Fire District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2022.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1,310,728 (*net position*).
- The District's total net position increased by \$730,984. Total revenues increased from the prior year by \$1,223,076 mainly due to fire assessments. Total expenses increased \$807,215 from the prior year mainly due to fire services costs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$6,849,559 an increase of \$5,250,784 from the prior year. Of this total amount, \$370,437 is a deposit on a fire engine, which is nonspendable, \$960,358 is impact fees, which are restricted, \$4,485,496 of unspent debt proceeds which are restricted, \$500,000 for debt service sinking fund, which is restricted, \$100,000 is assigned fund balance and \$433,268 is *available for spending* at the District's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by fire assessments, impact fees and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The District is engaged in only governmental activities. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The government-wide financial statements can be found on pages 10 and 11 of this report.

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

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

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

The District adopts an annual budget for its General Fund and Capital Projects Fund. A budgetary comparison statement has been provided for both to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 12 to 15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 16 of this report.

Government-Wide Financial Analysis

As noted, net position may serve over time as a useful indicator of a government's financial position. In the case of the Parrish Fire District, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,310,728 at the close of the most recent fiscal year.

A significant portion of the District's net position \$1,465,883 reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide fire protection and emergency services to citizens within the boundaries of the District; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District also had significant assets in cash and cash equivalents at year-end.

The following table presents a condensed statement of net assets as of September 30, 2022 with comparable totals as of September 30, 2021:

	Governmental Activities 2022	Governmental Activities 2021
Current and other assets	\$ 7,153,157	\$ 1,662,018
Capital assets	4,463,369	1,329,080
Total assets	<u>11,616,526</u>	<u>2,991,098</u>
Deferred outflows of pension resources	1,087,473	798,184
Long-term liabilities outstanding	10,756,296	1,314,209
Other liabilities	510,548	63,243
Total liabilities	<u>11,266,844</u>	<u>1,377,452</u>
Deferred inflows of pension earnings	126,427	1,831,996
Net Position:		
Net investment in capital assets	1,465,883	1,123,426
Restricted for:		
Unspent debt proceeds-Series 2021 Note	4,485,496	-
Debt service sinking fund	500,000	-
Impact fees	960,358	1,296,598
Unrestricted	(6,101,009)	(1,840,190)
Total Net Position	<u>\$ 1,310,728</u>	<u>\$ 579,834</u>

An additional portion of the District's net position represents restricted resources from impact fees, unspent debt proceeds and debt service sinking fund. The District has a negative unrestricted remaining net position, (\$6,101,009), due to the District's proportionate share of the FRS net pension liability, based on the actuarially calculated amount.

The District's net position increased by \$730,894 during the current fiscal year.

The following table presents the change in net position for the year ended September 30, 2022 with comparable totals for the year ended September 30, 2021:

	Changes in Net Position	
	Governmental	Governmental
	Activities	Activities
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 11,301	\$ 8,896
Capital grants	5,000	5,000
General revenues:		
Fire assessments	2,882,068	1,916,258
Impact Fees	809,167	642,779
Other	124,205	35,732
Total revenues	3,831,741	2,608,665
Expenses:		
Fire protection services	2,733,899	2,106,858
Depreciation	128,463	154,460
Interest	214,270	8,099
Total expenses	3,076,632	2,269,417
Other:		
Debt issue costs	(24,215)	-
Total other	(24,215)	-
Increase (Decrease) in Net Position	730,894	339,248
Net Position – Beginning	579,834	240,586
Net Position – Ending	<u>\$ 1,310,728</u>	<u>\$ 579,834</u>

- Fire assessments and impact fees increased by \$965,810 and \$166,388, respectively.
- Expenses increased by \$807,215 from the prior year.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$6,849,559, an increase of \$5,250,784 in comparison with the prior year. Of this total, \$433,268 is *unassigned fund balance*, and is available for spending at the District's discretion. \$100,000 is assigned for contingency. \$960,358 of fund balance is *restricted* from impact fee revenues, \$500,000 is restricted for a debt service sinking fund, and \$4,485,496 is unspent debt proceeds. \$370,437 is a deposit on a fire engine and is nonspendable.

The general fund is the operating fund of the District. At the end of the current fiscal year, *unassigned fund balance* in the general fund was \$433,268. As a measure of the general fund's liquidity, it may be useful to compare *unassigned fund balance* to total fund expenditures. *Unassigned fund balance* represents approximately 8% of total general fund expenditures.

The fund balance of the District's general fund increased by \$5,216,587 during the current fiscal year. Total revenues in the general fund were \$3,009,733, which includes fire assessments of \$2,882,068. Fire assessments increased \$965,810 from the prior year. Personal service costs were \$2,170,794, operating costs were \$310,704, and capital outlay was \$3,057,441. Personal service costs increased \$247,971 and capital outlay increased \$3,032,388 from the prior year.

The capital projects fund has a total fund balance of \$1,330,795, all of which is restricted to the acquisition, construction or purchase of assets required to provide fire protection and emergency services. The net increase in fund balance during the current year in the capital projects fund was \$34,197. Revenues were \$822,008, including \$809,167 of impact fees and expenditures were \$287,811, with \$282,897 of capital outlay.

General Fund Budgetary Highlights

The General Fund budget was amended. Original and final budgeted revenues were \$2,742,900. Original budgeted expenditures were \$2,631,457 and final budgeted expenditures were \$2,747,759. The budget amendment increased salaries, insurance and operating costs. Actual revenues exceeded budgeted revenues by \$266,833, mainly due to the collection of fire assessments and grants. Actual expenditures were less than budgeted by \$188,980.

The General Fund budget is presented as required supplementary information on page 29.

Capital Assets

The District's investment in capital assets amounts to \$4,463,369 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment, and construction in progress. The District's investment in capital assets for the current fiscal year increased \$3,134,289 due to construction in process on Station 2 and training tower of \$3,010,151, and other equipment purchases of \$27,601, net of depreciation of \$128,463.

Capital Assets

	Governmental Activities 2022	Governmental Activities 2021
Land	\$ 321,005	\$ 96,005
Building and improvements	433,090	455,185
Machinery and equipment	325,370	404,137
Construction in progress	3,383,904	373,753
Total (net of accumulated depreciation)	<u>\$ 4,463,369</u>	<u>\$ 1,329,080</u>

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

Long-Term Liabilities

Long-term liabilities include a note payable in the amount of \$182,982 for a fire engine and a note payable for the construction of Station 2 and tower in the amount of \$7,300,000, and the District's portion of the net pension liability (NPL) of the Florida Retirement System as calculated by the retirement plan's actuary. The total amount of NPL included as part of the government-wide financial statements is \$3,068,691.

The District also accrues for vacation and sick time pursuant to its policy. That liability at year end is \$204,623.

See note C of this report for additional information on the District's long-term liabilities.

Economic Factors and Next Year's Budgets

The fiscal year 2022-2023 budget includes revenue of \$3,188,135 and expenditures of \$3,169,103. Budgeted general fund expenditures include personal service costs of \$2,753,603 and capital expenditures of \$30,000.

The opening of Station 2 will take place April 2023.

This factor was considered in preparing the District's budget for the 2023 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Parrish Fire District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at, Parrish Fire District, 12132 U.S. Highway 301 North, Parrish, Florida 34219.

**PARRISH FIRE DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 790,887
Accounts receivable	44,735
Deposit on capital asset	370,437
Restricted assets:	
Cash and cash equivalents:	
Unspent debt proceeds–Series 2021 Note	4,485,496
Debt service sinking fund	500,000
Impact fees	918,602
Due from other governments	43,000
Capital assets:	
Land	321,005
Construction in progress	3,383,904
Other capital assets, net of depreciation	758,460
Total assets	<u><u>11,616,526</u></u>
Deferred outflows of pension resources	1,087,473
LIABILITIES	
Accounts payable and other current liabilities	114,382
Retainage payable	189,216
Accrued interest	206,950
Noncurrent liabilities:	
Due within one year	299,884
Due in more than one year	10,456,412
Total liabilities	<u><u>11,266,844</u></u>
Deferred inflows of pension earnings	126,427
NET POSITION	
Net investment in capital assets	1,465,883
Restricted for:	
Unspent debt proceeds–Series 2021 Note	4,485,496
Debt service sinking fund	500,000
Impact fees	960,358
Unrestricted	(6,101,009)
Total net position	<u><u>\$ 1,310,728</u></u>

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

**PARRISH FIRE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Governmental Activities
Public safety–fire protection	
Personal service	\$ 2,340,695
Operating expenses	393,204
Depreciation	128,463
Interest	214,270
Total program expenses	<u>3,076,632</u>
Program revenues	
Charges for services	11,301
Capital grants	5,000
Net program expenses	<u>3,060,331</u>
General revenues	
Fire assessments	2,882,068
Impact fees	809,167
Miscellaneous	124,205
Total general revenues	<u>3,815,440</u>
Other	
Debt issue costs	<u>(24,215)</u>
Total other	(24,215)
Increase in net position	730,894
Net position – beginning	579,834
Net position – ending	<u><u>\$ 1,310,728</u></u>

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

**PARRISH FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 790,887	\$ -	\$ 790,887
Restricted cash and cash equivalents:			
Unspent debt proceeds-Series 2021 Note	4,485,496	-	4,485,496
Debt service sinking fund	500,000	-	500,000
Impact fees	-	918,602	918,602
Accounts receivable	44,735	-	44,735
Deposit on capital asset		370,437	370,437
Due from other governments	-	43,000	43,000
TOTAL ASSETS	<u>\$ 5,821,118</u>	<u>\$ 1,332,039</u>	<u>\$ 7,153,157</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 44,848	\$ 1,244	\$ 46,092
Accrued expenses	68,290	-	68,290
Retainage payable	189,216	-	189,216
Total liabilities	<u>302,354</u>	<u>1,244</u>	<u>303,598</u>
FUND BALANCES			
Nonspendable	-	370,437	370,437
Spendable:			
Unspent debt proceeds-Series 2021 Note	4,485,496	-	4,485,496
Debt service sinking fund	500,000	-	500,000
Impact fees	-	960,358	960,358
Assigned	100,000	-	100,000
Unassigned	433,268	-	433,268
Total fund balances	<u>5,518,764</u>	<u>1,330,795</u>	<u>6,849,559</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,821,118</u>	<u>\$ 1,332,039</u>	<u>\$ 7,153,157</u>

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

**PARRISH FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

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

Fund balances—total governmental funds	\$ 6,849,559
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	4,463,369
Deferred outflows of pension resources are not recognized in the governmental funds. However, they are recorded in the statement of net position under full accrual accounting.	1,087,473
Deferred inflows of pension earnings are not recognized in the governmental funds. However, they are recorded in the statement of net position under full accrual accounting.	(126,427)
Accrued interest on long-term debt is not recognized in the governmental funds. However, it is recorded in the statement of net position under full accrual accounting.	(206,950)
Net pension liability, compensated absences and notes payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(10,756,296)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,310,728</u>

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

**PARRISH FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Fire assessments	\$ 2,882,068	\$ -	\$ 2,882,068
Impact fees	-	809,167	809,167
Grants	5,000	-	5,000
Miscellaneous	111,364	12,841	124,205
Charges for services	<u>11,301</u>	<u>-</u>	<u>11,301</u>
Total revenues	3,009,733	822,008	3,831,741
EXPENDITURES			
Current:			
Personal service	2,170,794	-	2,170,794
Operating	310,704	4,914	315,618
Debt Service:			
Principal retirement	22,672	-	22,672
Interest	7,320	-	7,320
Capital outlay	<u>3,057,441</u>	<u>282,897</u>	<u>3,340,338</u>
Total expenditures	<u>5,568,931</u>	<u>287,811</u>	<u>5,856,742</u>
Revenues over (under) expenditures before other financing sources	(2,559,198)	534,197	(2,025,001)
Other financing sources (uses)			
Proceeds from financing	7,300,000	-	7,300,000
Debt issue costs	(24,215)	-	(24,215)
Transfers in/(out)	<u>500,000</u>	<u>(500,000)</u>	<u>-</u>
Total other financing sources	<u>7,775,785</u>	<u>(500,000)</u>	<u>7,275,785</u>
Net change in fund balance	5,216,587	34,197	5,250,784
FUND BALANCES – Beginning	<u>302,177</u>	<u>1,296,598</u>	<u>1,598,775</u>
FUND BALANCES – Ending	<u><u>\$ 5,518,764</u></u>	<u><u>\$ 1,330,795</u></u>	<u><u>\$ 6,849,559</u></u>

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

**PARRISH FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

Net changes in fund balances – total governmental funds	\$	5,250,784
---	----	-----------

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.

Capital additions	3,262,752	
Depreciation expense	<u>(128,463)</u>	
		3,134,289

Governmental funds report principal payments on debt as a use of current financial resources. However, in the governmental wide financial statements the amount is reported as a reduction of debt.

22,672

Debt proceeds from the issuance of new debt are recorded in the general fund as an other financing source. However, the transaction has no effect on net position.

(7,300,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in:

Compensated absences	(15,222)	
Accrued interest	(206,950)	
Net pension liability	(2,149,537)	
Deferred outflows of pension resources	289,289	
Deferred inflows of pension earnings	<u>1,705,569</u>	
		<u>(376,851)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 730,894

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

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- (a) Reporting Entity – Parrish Fire District (District) is a public municipal corporation in the State of Florida created by House Bill 336 of the Legislature of the State of Florida in 1985. During 2004, the original bill as amended was codified in Chapter 2004-400 Laws of Florida. The District is an independent special district. No other component units exist.

Revenue is provided by special assessments against taxable real estate lying within the territorial bounds of the District as defined by the State of Florida. Disbursements are made for maintenance and upkeep of the fire stations, purchase of firefighting and rescue equipment, payment of wages, employee benefits, and administrative expenses.

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

- (b) Basis of Presentation – The District's financial statements include Government-wide financial statements (which report the District as a whole) and Fund financial statements (which report only on the General and Capital Projects Funds). The Financial Statements present only governmental activities, as the District conducts no business type activities. There are no fiduciary funds.

Basis of Accounting Financial Statements – Government Wide Statements– The Government-Wide Financial Statements (Statement of Net Position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. For the most part, interfund activity has been removed from these statements. Government-wide financial statements include a statement of Net Position and a Statement of Activities. The Statement of Net Position reports all financial and capital resources of the District's governmental activities. It is presented in a net position format (assets plus deferred outflows less liabilities plus deferred inflows equal net position) and shown with three components: net investment in capital assets, restricted net position and unrestricted net position. The statement of activities reports direct expenses of the program offset by program revenues. Program revenues include charges for services and capital grants. Taxes and other items properly not included in program revenues are reported as general revenues.

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Statements – Fund Financial Statements – The District's accounts are organized on the basis of funds, which are self-balancing sets of accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The District utilizes governmental funds, which follow the modified accrual basis of accounting. Under this method, revenues are recorded when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a fund liability is incurred. The District reports the following governmental funds, which are both considered major funds:

Governmental Funds

- (1) General Fund – The General Fund is the general operating fund of the District. All general tax revenues are accounted for in this Fund. From the Fund are paid the personal service and operating costs, as well as budgeted capital expenditures.
- (2) Capital Projects Fund – The Capital Projects Fund is used to account for Impact Fees collected on new construction. These revenues can only be used for the acquisition, construction or purchase of assets required to provide fire protection and emergency services to new construction.
- (c) Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (d) Budgets and Budgetary Accounting – The District prepares an annual operating budget for the fiscal year commencing October 1. Prior to September 1 of each year, the Fire Chief prepares a proposed budget for the upcoming fiscal year. The budget is based on an analysis of prior year actual revenues and expenditures along with anticipated spending and revenue sources. Once the proposed budget is compiled, it is brought before the Board of Commissioners for approval. Expenditures should not exceed the total appropriations. Appropriations lapse at the end of the year.
- (e) Interfund Receivables/Payables – Interfund receivables/payables arise from temporary interfund transfers. When a fund has an interfund receivable and an interfund payable to the same fund, the amounts are recorded in separate accounts. Internal activity and balances between governmental funds has been eliminated in the government-wide statement of net position. At September 30, 2022, there were no interfund receivables/payables.

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- (f) Property Taxes – Property taxes become due and payable on November 1 of each year. The county tax collector remits the District's portion as such revenues are received. The District collects nearly all of its tax revenues during the period November 1 through April 1, at which time the taxes become delinquent. The maximum rates of tax are set by the Legislature of the State of Florida. Actual assessment amounts are based on the square footage of a structure and type of occupancy and is determined by the Board of Commissioners of the District and adopted by County ordinance.

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

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

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

- (g) Fund Balance – Governmental Accounting Standards Board Statement (GASB) 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable and Spendable. Spendable is then further classified as Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

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

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

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Spendable Fund Balance:

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

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>
Nonspendable	\$ -	\$ 370,437
<u>Spendable:</u>		
Restricted		
Unspent debt proceeds-Series 2021 Note	4,485,496	-
Debt service sinking fund	500,000	-
Impact fees	-	960,358
Assigned – contingency	100,000	-
Unassigned	433,268	-
Total Fund Balances	<u>\$ 5,518,764</u>	<u>\$ 1,330,795</u>

- (h) Cash and Investments – Florida Statute 218.415 authorizes the District to invest in the following:

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(h) Cash and Investments – Continued

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

The District maintains four cash and cash equivalent accounts. The general fund operating account is unrestricted and available for use as determined by the annual budget. The capital projects fund account includes impact fees and is restricted only to be used for the acquisition, construction or purchase of assets and required to provide fire protection services for new users of the District. The unspent proceeds cash account is from the Series 2021 Note issuance restricted for construction. The District also has established a debt service sinking fund cash account restricted for the payment of principal and interest on the Series 2021 Note. The District's cash consists of bank deposits.

All District bank accounts are with banking institutions that post collateral as required by state statutes (Qualified Public Depositories). As a result, all amounts that exceed FDIC insured limits are collateralized pursuant to Chapter 280 of the Florida Statutes. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, at September 30, 2022, the District only had demand deposits.

- (i) Compensated Absences – It is the District's policy to permit employees to accumulate earned but unused vacation benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured or are payable from current financial resources. Compensated absences typically are liquidated from the General Fund.
- (j) Capital Assets – Capital assets, which include property, plant and equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of longer than one year. Capital assets are recorded at historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred. The District does not have infrastructure assets.

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(h) Cash and Investments – Continued

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

<u>Asset</u>	<u>Years</u>
Buildings	40
Fire engines	10
Vehicles	5
Furniture, fixtures and equipment	3 – 7

(k) Long-Term Obligations – In the government-wide financial statements, long-term obligations are reported as liabilities. In the fund financial statements, no long-term obligations are reported as they are not due to be paid from current financial resources.

(l) Restricted Resources – 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.

(m) Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item qualifies for reporting in this category. A deferred outflow of pension resources is reflected in the government-wide statement of net position.

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

(o) Implementation of new accounting standard– Effective October 1, 2021, the District adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB No. 87), which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases based on the foundational principle that leases are financings of the right to use an underlying asset. Upon implementation, management determined that there were no material leases that would require recognition under GASB No. 87.

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE B – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 96,005	\$ 225,000	\$ -	\$ 321,005
Construction in progress	373,753	3,010,151	-	3,383,904
Total capital assets, not being depreciated	469,758	3,235,151	-	3,704,909
Capital assets, being depreciated:				
Buildings and improvements	944,707	-	-	944,707
Machinery and equipment	1,766,428	27,601	-	1,794,029
Total capital assets, being depreciated	2,711,135	27,601	-	2,738,736
Less accumulated depreciation for:				
Buildings and improvements	(489,522)	(22,095)	-	(511,617)
Machinery and equipment	(1,362,291)	(106,368)	-	(1,468,659)
Total accumulated depreciation	(1,851,813)	(128,463)	-	(1,980,276)
Total capital assets being depreciated, net	859,322	(100,862)	-	758,460
Governmental activities capital assets, net	<u>\$ 1,329,080</u>	<u>\$ 3,134,289</u>	<u>\$ -</u>	<u>\$ 4,463,369</u>

NOTE C – LONG-TERM LIABILITIES

During 2019, the District entered into a direct borrowing financing arrangement for the purchase of a new fire engine. The note is payable in annual installments of \$29,992 with interest at 3.56%. The note matures on August 29, 2029 and is collateralized by a fire engine.

During 2022, the District entered into Capital Improvement Revenue Note, Series 2021 (the note) in the amount of \$7,300,000 for the construction of Fire Station 2 and a training tower. The note is payable in annual installments of \$482,995 with interest at 2.83%. The note matures on October 1, 2041. The District has pledged non-ad valorem fire assessments on the note. The note may be prepaid with a one percent prepayment penalty. The District is required to maintain a debt service sinking fund cash account equal to 100% of the amount due in the forthcoming fiscal year. The following are future annual debt service requirements for direct borrowing debt as of September 30, 2022:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 299,884	\$ 213,103	\$ 512,987
2024	308,542	204,445	512,987
2025	317,451	195,536	512,987
2026	326,618	186,369	512,987
2027	336,053	176,934	512,987
2028–2032	1,738,412	736,547	2,474,959
2033–2037	1,933,268	481,707	2,414,975
2038–2042	2,222,754	192,221	2,414,975
	<u>\$ 7,482,982</u>	<u>\$ 2,386,862</u>	<u>\$ 9,869,844</u>

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE C – LONG-TERM LIABILITIES – CONTINUED

Long-term liability activity was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due Within One- Year</u>
Governmental Activities:					
Note Payable–Fire Engine	\$ 205,654	\$ –	\$ (22,672)	\$ 182,982	\$ 23,479
Note Payable – Station 2	–	7,300,000	–	7,300,000	276,405
Net pension liability	919,154	2,508,219	(358,682)	3,068,691	–
Compensated absences	189,401	77,477	(62,255)	204,623	–
Governmental activity long-term liabilities	<u>\$ 1,314,209</u>	<u>\$ 9,885,696</u>	<u>\$ (443,609)</u>	<u>\$ 10,756,296</u>	<u>\$ 299,884</u>

In the event of default the Owner of the note may pursue all remedies as set forth in the Resolution or note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the state, or granted or contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or applicable statute to be performed by the Issuer. If payment is received after 5 days after the due date, the interest rate shall increase to the rate of interest borne by the note plus 2%, while payment is in default.

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

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

The reconciliation between the fund balances – total governmental funds as reported in the governmental fund balance sheet and net position–governmental activities as reported in the statement of net position is included on page 13 of the financial statements. One line in that reconciliation explains that “Net pension liability, compensated absences and notes payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.” The detail of the difference is shown below:

Net pension liability	\$ 3,068,691
Compensated Absences	204,623
Note payable – Fire Engine	182,982
Note payable – Station 2	7,300,000
	<u>\$ 10,756,296</u>

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLAN

Plan Description

All full-time permanent employees of the District are provided with pensions through the Florida Retirement System which is administered by the Florida Department of Management Services, Division of Retirement. The State of Florida issues a publicly available annual comprehensive financial report that can be obtained at <http://www.myfloridacfo.com/transparency/state-financial-reports/FL-ACFR>.

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

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

Benefits Provided

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

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

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

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

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

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLAN – CONTINUED

Contributions

Per Chapter 121, Florida Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the Florida Department of Management Services, Division of Retirement. Effective July 1, 2011, both employee and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. The Florida Legislature established a uniform contribution rate system for the FRS. The uniform rates are based on the class an employee is placed into which requires employees to contribute 3% and employers to contribute a specified percentage based on class. The District's contractually required contribution rate for the year ended September 30, 2022, ranged from 25.89% – 27.83% for special risk employees and 10.82% – 11.91% for regular employees, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$344,587 for the year ended September 30, 2022.

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

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

At September 30, 2022, the District reported a liability of \$3,068,691 for its proportionate share of the net pension liability which includes both FRS and HIS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was .007167765% for FRS and .003792689% for HIS which was consistent with its proportion measured as of June 30, 2022.

For the year ended September 30, 2022, the District recognized pension expense of \$489,375. At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLAN – CONTINUED

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

	<u>FRS</u>		<u>HIS</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 126,666	\$ -	\$ 12,193	\$ (1,768)
Changes in assumptions	328,450	-	23,026	(62,144)
Net difference between projected and actual earnings on pension plan investments	176,101	-	582	-
Changes in proportion and differences between contributions and proportionate share of contributions	243,038	(62,515)	93,883	-
District contributions subsequent to the June 30, 2022 measurement date	78,123	-	5,411	-
	<u>\$ 952,378</u>	<u>\$ (62,515)</u>	<u>\$ 135,095</u>	<u>\$ (63,912)</u>

Total deferred outflows were \$1,087,473 and total deferred inflows were \$126,427. \$78,123 (FRS) and \$5,411 (HIS) reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>FRS</u>	<u>HIS</u>
2023	\$ 150,790	\$ 10,302
2024	150,790	10,302
2025	150,790	10,302
2026	150,790	10,302
2027	150,791	10,304
Thereafter	57,789	14,260
	<u>\$ 811,740</u>	<u>\$ 65,772</u>

Actuarial Assumptions

The total pension liability in the July 1, 2022 actuarial valuation (June 30, 2022 measurement date) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, including inflation
Investment rate of return	6.70 percent, including inflation at 2.40%

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

The actuarial assumptions used in the June 30, 2022 FRS valuation were based on the results of an actuarial experience study performed for the period July 1, 2013 – June 30, 2018. Because the HIS is funded on a pay-as-you-go basis, no experience

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLAN – CONTINUED

Actuarial Assumptions – Continued

study has been completed for that Plan, but were based on certain results of the most recent experience study for the FRS Plan.

The long-term expected rate of return on pension plan investments was determined in October 2022 by the FRS Actuarial Assumptions conference. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption, (2.40%). These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>
Cash	1.00%	2.6%
Fixed Income	19.80%	4.4%
Global Equity	54.00%	8.8%
Real Estate	10.30%	7.4%
Private Equity	11.10%	12.0%
Strategic Investments	3.80%	6.2%

Discount Rate

The discount rate used to measure the total FRS pension liability was 6.70%. The FRS rate decreased from 6.80% in the most recent actuarial study. The HIS pension liability was 3.54%. The HIS rate increased from 2.16% in the prior year in the most recent actuarial study. The HIS rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following changes in actuarial assumptions occurred in 2022:

- FRS: The discount rate and long-term expected rate of return, net of investment expenses decreased from 6.80% to 6.70%.
- HIS: The municipal bond rate used to determine total pension liability increased from 2.16% to 3.54%; the demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838; and the election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

**PARRISH FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE E – RETIREMENT PLAN – CONTINUED

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

The following presents the District's proportionate share of the FRS net pension liability calculated using the discount rate of 6.70%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u> <u>(5.70%)</u>	<u>Discount Rate</u> <u>(6.70%)</u>	<u>1% Increase</u> <u>(7.70%)</u>
District's proportionate share of the FRS net pension liability	\$ 4,612,366	\$ 2,666,985	\$ 1,040,414

The following presents the District's proportionate share of the HIS net pension liability calculated using the discount rate of 3.54%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percentage-point higher than the current rate:

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

	<u>1% Decrease</u> <u>(2.54%)</u>	<u>Discount Rate</u> <u>(3.54%)</u>	<u>1% Increase</u> <u>(4.54%)</u>
District's proportionate share of the HIS net pension liability	\$ 459,585	\$ 401,706	\$ 353,813

Pension Plan Fiduciary Net Position

The Program's proportion of net position has been determined on the same basis of each Plan. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of Florida comprehensive annual financial report.

NOTE F – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There has been no significant reduction in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

NOTE G – COMMITMENTS

The District has entered into a construction contract for a fire station and a training tower. At September 30, 2022, the adjusted contract amount was \$5,830,989 of which \$2,072,014 was completed. The remaining amount will be completed in fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION

**PARRISH FIRE DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES–
BUDGET TO ACTUAL
NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Fire protection services –				
Fire assessments	\$ 2,718,900	\$ 2,718,900	\$ 2,882,068	\$ 163,168
Grants	–	–	5,000	5,000
Charges for services	4,000	4,000	11,301	7,301
Miscellaneous	20,000	20,000	111,364	91,364
Total revenues	2,742,900	2,742,900	3,009,733	266,833
EXPENDITURES				
Personal services	2,313,991	2,349,313	2,170,794	178,519
Operating expenditures	267,466	348,446	310,704	37,742
Debt service	29,992	29,992	29,992	–
Capital outlay	20,008	20,008	47,289	(27,281)
Total expenditures	2,631,457	2,747,759	2,558,779	188,980
Net change in fund balance	111,443	(4,859)	450,954	455,813
FUND BALANCE – October 1, 2021	302,177	302,177	302,177	–
FUND BALANCE – September 30, 2022	\$ 413,620	\$ 297,318	\$ 753,131	\$ 455,813

Note 1 – Basis of Budgeting

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

Note 2 – Reconciliation of differences between Non-GAAP Budgetary Basis and GAAP

(Modified Accrual) Basis

The District did not budget for station construction as it was to be paid out of debt proceeds.

The District also did not budget for debt proceeds, debt issue costs, and transfers from the capital projects fund.

	Actual On GAAP Basis	To Budgetary Basis	Actual On Budget Basis
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	\$ (2,559,198)	\$ 3,010,152	\$ 450,954
Capital outlay	\$ 3,057,441	\$ (3,010,152)	\$ 47,289
Other financing sources (uses)			
Proceeds from financing	\$ 7,300,000	\$ (7,300,000)	\$ –
Debt issue costs	\$ (24,215)	\$ 24,215	\$ –
Transfers in	\$ 500,000	\$ (500,000)	\$ –
Net Change in Fund Balance	\$ 5,216,587	\$ (4,765,633)	\$ 450,954

PARRISH FIRE DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES–
BUDGET TO ACTUAL
NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Fire protection services –				
Impact fees	\$ 475,000	\$ 475,000	\$ 809,167	\$ 334,167
Miscellaneous	–	–	12,841	12,841
Total revenues	475,000	475,000	822,008	347,008
EXPENDITURES				
Capital outlay	465,000	465,000	282,897	182,103
Operating	10,000	10,000	4,914	5,086
Total expenditures	475,000	475,000	287,811	187,189
Net change in fund balance	–	–	534,197	534,197
FUND BALANCE – October 1, 2021	1,296,598	1,296,598	1,296,598	–
FUND BALANCE – September 30, 2022	\$ 1,296,598	\$ 1,296,598	\$ 1,830,795	\$ 534,197

Note 1 – Basis of Budgeting

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

**Note 2 – Reconciliation of differences between Non-GAAP Budgetary Basis and GAAP
(Modified Accrual) Basis**

The District did not budget for transfers to the general fund.

	Actual On GAAP Basis	To Budgetary Basis	Actual On Budget Basis
Other financing sources (uses)			
Transfers out	\$ (500,000)	\$ 500,000	\$ –
Net Change in Fund Balance	\$ 34,197	\$ 500,000	\$ 534,197

**PARRISH FIRE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
AVAILABLE FISCAL YEARS***

FLORIDA RETIREMENT SYSTEM (FRS)

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.004619953%	0.005450427%	0.005613941%	0.005881828%	0.006417731%	0.006891788%	0.006583663%	0.007167765%
District's proportionate share of the net pension liability	\$ 596,729	\$ 1,376,237	\$ 1,660,567	\$ 1,771,637	\$ 2,210,177	\$ 2,987,004	\$ 497,322	\$ 2,666,985
District's covered-employee payroll	\$ 667,533	\$ 775,853	\$ 799,392	\$ 925,858	\$ 981,185	\$ 1,161,033	\$ 1,237,766	\$ 1,255,195
District's proportionate share of the net pension liability as a % of its covered- employee payroll	89%	177%	208%	191%	225%	257%	40%	212%
Plan fiduciary net position as a % of total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%

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

**PARRISH FIRE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
AVAILABLE FISCAL YEARS***

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.002156313%	0.002335410%	0.002460275%	0.002630348%	0.002873258%	0.003036211%	0.003438882%	0.003792689%
District's proportionate share of the net pension liability	\$ 219,910	\$ 272,182	\$ 263,064	\$ 278,399	\$ 321,490	\$ 370,716	\$ 421,832	\$ 401,706
District's covered-employee payroll	\$ 667,533	\$ 775,853	\$ 799,392	\$ 925,858	\$ 981,185	\$ 1,161,033	\$ 1,237,766	\$ 1,255,195
District's proportionate share of the net pension liability as a % of its covered- employee payroll	33%	35%	33%	30%	33%	32%	34%	32%
Plan fiduciary net position as a % of total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%

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

**PARRISH FIRE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
AVAILABLE FISCAL YEARS***

FLORIDA RETIREMENT SYSTEM (FRS)

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 112,638	\$ 132,917	\$ 146,145	\$ 167,627	\$ 198,996	\$ 228,984	\$ 250,809	\$ 305,862
Contributions in relation to the contractually required contribution	112,638	132,917	146,145	167,627	198,996	228,984	250,809	305,862
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 667,533	\$ 775,853	\$ 799,392	\$ 925,858	\$ 981,185	\$ 1,161,033	\$ 1,237,766	\$ 1,255,195
Contributions as a percentage of covered-employee payroll	16.87%	17.13%	18.28%	18.11%	20.28%	19.72%	20.26%	24.37%

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

**PARRISH FIRE DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
AVAILABLE FISCAL YEARS***

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 8,243	\$ 11,970	\$ 13,020	\$ 14,264	\$ 15,955	\$ 17,496	\$ 20,214	\$ 22,949
Contributions in relation to the contractually required contribution	<u>8,243</u>	<u>11,970</u>	<u>13,020</u>	<u>14,264</u>	<u>15,955</u>	<u>17,496</u>	<u>20,214</u>	<u>22,949</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 667,533	\$ 775,853	\$ 799,392	\$ 925,858	\$ 981,185	\$ 1,161,033	\$ 1,237,766	\$ 1,255,195
Contributions as a percentage of covered-employee payroll	1.23%	1.54%	1.63%	1.54%	1.63%	1.51%	1.63%	1.83%

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

**PARRISH FIRE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – FRS/HIS**

ACTUARIAL METHODS AND ASSUMPTIONS

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

The total pension liability for each of the defined benefit plans was determined by the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% (based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index) was used to determine the total pension liability for the program. Mortality assumptions for FRS was based on the PUB-2010 base table, projected generationally with Scale MP-2018, and HIS was based on the Generational PUB-2010 base table with Projection Scale MP-2018.

The following changes in actuarial assumptions occurred in 2022:

- FRS: The discount rate and long-term expected rate of return, net of investment expenses decreased from 6.80% to 6.70%.
- HIS: The municipal bond rate used to determine total pension liability increased from 2.16% to 3.54%; the demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838; and the election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

OTHER INFORMATION

**PARRISH FIRE DISTRICT
SCHEDULE OF FIRE ASSESSMENT RATES**

Pursuant to Resolution No. 2021-01, the Board of Fire Commissioners of the Parrish Fire District approved the fire assessments (non-ad valorem) within the Parrish Fire District for the 2021-2022 tax year as follows:

CATEGORY	RATE	INCENTIVE RATE
<u>Residential:</u>		
<u>Vacant Platted Lot</u> – 0000,0001,0002,0003,0008,0040,0041, 0050,0055,0725, 0730, 0900,0901,0910,0940,0941 (assessed as platted lot or un-subdivided acreage as applicable)	14.26	
<u>Vacant UnPlatted less than 10 acres</u> – 0010; more than 10 acres – (per acre)	4.99	
<u>Single Family Residential/Condominia/Apartments –</u> <u>0100, 0101, 0108, 0164, 0300, 0301, 0400, 0408, 0409, 0410 & 0464</u>		
First & Second Floor (per unit)	276.82	221.46
Third Floor (per unit) FL3	329.55	263.64
Fourth Floor (per unit)	382.28	305.82
Fifth Floor (per unit)	435.01	348.01
Sixth Floor and above (per unit)	487.74	390.19
<u>Single Family Residential/Condominia/mobile home on acreage</u>	4.99 acre	
0105, & 0210	+276.82	
<u>Mobile Homes/Lots</u> – 0201, 0202, 0203, 0264, 0411, 0412, 0413, 0501, 0502, & 0503	276.82 4.99 acre	
Mobile Homes Parks – 2802	276.82 28.53	
<u>Travel Trailer Parks/RV</u> (per space) – 0720, 2805,3600 & (mixed use)	4.99 acre	
<u>Out Buildings</u>	28.53	
<u>Commercial/Industrial:</u>		
Vacant Common Area – 1033, 1040, 1041	4.99	
<u>Vacant Platted Lot</u> – 1000, 1001, 1004, 4000, & 7000 (assessed as platted lot or un-subdivided acreage as applicable)	14.26	
<u>Golf Courses & Driving Ranges</u> – 3800	4.99	
<u>Golf Course Support Facilities</u> – 3810, 0938	4.99	

**PARRISH FIRE DISTRICT
SCHEDULE OF FIRE ASSESSMENT RATES**

Commercial/Industrial

The base assessment for all commercial and industrial buildings and structures shall be \$276.82 for the first 1000 square feet on a parcel. The schedule for above 1000 square feet are as follows below:

A 20% Improved Hazard Rating will be granted to buildings and structures under 10,000 S.F. equipped with complete internal fire suppression facilities (fire alarm and sprinkler system). Base assessment shall be \$221.46 for the first 1000 square feet on a parcel.

<u>Category</u>	<u>Use Code(s)</u>	<u>Over 1000 S.F. Assessment:</u>	
		<u>S.F. assessment</u>	<u>Incentive S.F. assessment</u>
<u>Mercantile</u>	0710, 1100, 1101, 1102, 1103, 1104, 1105, 1110, 1114, 1200, 1205, 1230, 1233, 1240, 1264, 1300, 1400, 1500, 1600, 1604, & 2900	0.206	0.153
<u>Business</u>	1700, 1704, 1710, 1800, 1900, 1904, 1910, 2200, 2300, 2500, 2600, 2750, 3000, 3901, 3902, 3903, & 3910	0.206	0.153
<u>Assembly</u>	2100, 3100, 3200, 3300, 3400, 3410, 3500, 3510, 3600, 3700, 7600, 7601, 7602, 7700, & 7900	0.206	0.153
<u>Factory/Industrial</u>	4001, 4100, 4104, 4400, 4500, 4600, 4700, & 9100	0.206	0.153
<u>Storage</u>	2000, 2003, 2005, 2010, 2700, 2710, 2720, 2730, 2740, 2800, 4801, 4803, 4804, 4805, & 4900	0.206	0.153
<u>Hazardous</u>	4200, 4300, 4800, 4810, & 9200	0.206	0.153
<u>Institutional</u>	7200, 7210, 7300, 7400, 7500, & 7800	0.206	0.153

Acreage/Agricultural:

RATE

Per acre with total not to exceed \$1,211.37 on any one parcel.

<u>Un-subdivided Acreage/Improved</u>	5000, 5010, 5100, 5020, 5030, 5350, 5600, 6000, 6600, 6610, 6700, 6900, 9600, 9700, 9900, 9902 & 9908	276.82 4.99
Solar Fields	5040, & 9901	100.00 per Acre

No Assessments

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

Vacant Unusable Tract – 0009, 1009 & 9909
Mobile Home Attachments – 2832
Churches & Parsonages – 7100 & 7101

**PARRISH FIRE DISTRICT
SCHEDULE OF FIRE ASSESSMENT RATES**

Forest, Parks, Recreation Area – 8082 & 8200

Public Schools, Colleges, Hospitals – 8083, 8084, 8085, 8300, 8400 & 8500

County, State, Federal, Municipal – 8086, 8087, 8088, 8089, 8600, 8700, 8800, 8900, 8901 & 8909

Military – 8081 & 8100

Railroads – 9800

Subsurface Rights & Rights-of-way – 9300, 9400 & 9401

Rivers, Lakes & Submerged Lands – 9500

Government Owned Land – 9000 & 9002

OTHER REPORTS

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

**To the Board of Commissioners
Parrish Fire District
Manatee County, FL**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Parrish Fire District, Florida, (District) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 4, 2023.

Report on Internal Control over Financial Reporting

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

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

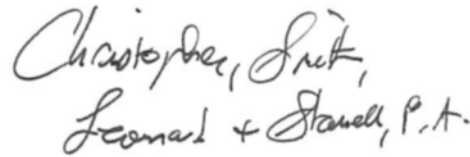
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Christopher, Smith, Leonard & Stanell, P.A.".

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

April 4, 2023
Bradenton, Florida

MANAGEMENT LETTER

Board of Commissioners
Parrish Fire District
Manatee County, Florida

Report on the Financial Statements

We have audited the financial statements of Parrish Fire District, Florida, (the District), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 4, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 4, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Parrish Fire District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Parrish Fire District, was not in a state of financial emergency as it did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.544(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Parrish Fire District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Specific Information for an Independent Special District

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

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was 19.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the District's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$1,485,928.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project. The District incurred expenditures of \$3,010,151 for the construction of a fire station and training tower.
- f. A budget variance based on the budget adopted under Section 189.01(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance schedule is presented on pages 29 and 30.

Specific Information for an Independent Special District that Imposes Non-Ad Valorem Special Assessments

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

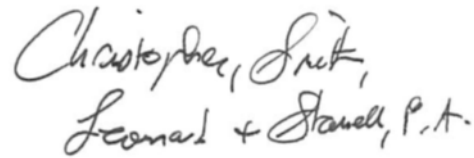
- a. The rates of non-ad valorem special assessments imposed by the District are presented on pages 36-38.
- b. The total amount of special assessments collected by or on behalf of the District was \$2,882,068.
- c. There were no bonds issued by the District, as such the outstanding amount is \$0 and there were no terms.

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in cursive script that reads "Christopher, Smith, Leonard & Stanell, P.A.".

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

April 4, 2023
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

Board of Commissioners
Parrish Fire District
Manatee County, Florida

We have examined the Parrish Fire District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

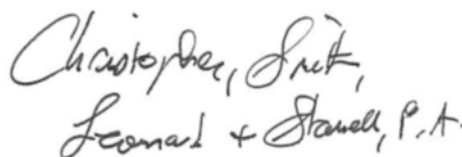
Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above.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

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

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

In our opinion, the District complied in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2022.

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

A handwritten signature in blue ink that reads "Christopher, Smith, Leonard & Stanell, P.A.".

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

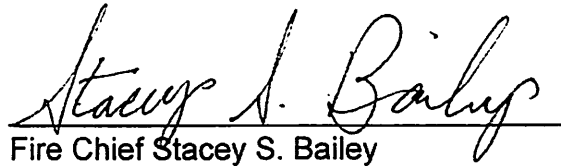
April 4, 2023
Bradenton, Florida

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Stacey S. Bailey, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of Parrish Fire District which is a local governmental entity of the State of Florida.
2. The governing body of Parrish Fire District adopted Resolution No.2005-08 implementing an impact fee or authorized Parrish Fire District to receive and expend proceeds of an impact fee implemented by Parrish Fire Commission Board.
3. Parrish Fire District has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Fire Chief Stacey S. Bailey

STATE OF FLORIDA
COUNTY OF Manatee County

SWORN TO AND SUBSCRIBED before me this 6 day of March 2023.


NOTARY PUBLIC
Print Name: Shannon Johnson

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires:

3/13/2025

