

**EAST MANATEE  
FIRE RESCUE DISTRICT  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**EAST MANATEE FIRE RESCUE DISTRICT  
FINANCIAL STATEMENTS**

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EAST MANATEE FIRE RESCUE DISTRICT  
FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of East Manatee Fire Rescue District (the District), as of and for the year ended September 30, 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.

#### **Merger**

As discussed in Note I to the financial statements, the District merged with Myakka City Fire Control District effective October 1, 2021. Our opinion is not modified with respect to this matter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

#### **Required Supplementary Information**

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents on pages 41–42 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

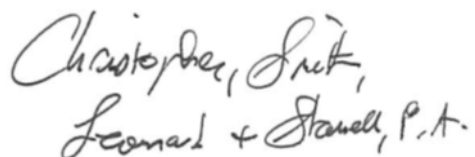
#### **Other Information**

Management is responsible for the other information included with the basic financial statements. The other information comprises the schedule of fire assessment rates on pages 43-45, and impact fee affidavit on page 52, 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 28, 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.

Handwritten signature of Christopher Smith, Leonard & Stanell, P.A. in cursive script.

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

April 28, 2023  
Bradenton, Florida



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

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**Management's Discussion and Analysis**

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

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$30,394,080 (net position).
- The District's total net position decreased \$1,986,186. Revenues increased \$1,158,038 while expenses increased \$5,768,557.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$20,061,841, a decrease of \$1,320,021 in comparison with the prior year. Of this total amount, \$6,443,992 is available for spending at the District's discretion (unassigned fund balance).

Effective October 1, 2021, the District merged with Myakka City Fire Control District. The successor entity is East Manatee Fire Rescue District. Beginning fund balance and net position have been restated to include both of the merged entities.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 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 General Fund and a Capital Projects Fund. The General Fund is the general operating fund. All general tax revenues are accounted for in this fund. From this fund all general operating expenditures and budgeted capital expenditures are paid. The Capital Projects Fund is used to account for impact fees collected on new construction. These revenues can only be used for the acquisition, construction or purchase of assets required to provide fire protection and emergency services to the new users of the District.

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

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

The basic governmental fund financial statements can be found on pages 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.

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the East Manatee Fire Rescue District, assets plus deferred outflows, exceeded liabilities plus deferred inflows by \$30,394,080 at the close of the most recent fiscal year.

A large portion of the District's net position, \$29,796,649, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The District uses these capital assets to provide fire protection and emergency services to citizens within the boundaries of the District; consequently, these assets are not available for future spending. The District also had significant assets in cash and investments at year-end. Investments are held in the Manatee County Investment Pool as allowed by Florida statutes.



A comparative condensed statement of net position follows:

	Net position	
	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Current and other assets	\$ 20,594,763	\$ 22,069,866
Capital assets	<u>29,796,649</u>	<u>29,025,551</u>
Total assets	50,391,412	51,095,417
Deferred outflows of resources	9,808,256	5,974,302
Long-term liabilities outstanding	27,323,256	10,237,314
Other liabilities	<u>532,922</u>	<u>688,004</u>
Total liabilities	<u>27,856,178</u>	<u>10,925,318</u>
Deferred inflows of resources	1,949,410	13,764,135
Net positions:		
Net Investments in capital assets	29,796,649	29,025,551
Restricted	4,182,196	2,503,985
Unrestricted	<u>(3,584,765)</u>	<u>850,730</u>
Total net position	<b><u>\$ 30,394,080</u></b>	<b><u>\$ 32,380,266</u></b>

A portion of the District's net position, \$4,182,196 represents resources from impact fees that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(3,584,765). The deficit is largely due to the District's proportionate share of the net pension liability of the Florida Retirement System pursuant to GASB Statement No. 68.

The District's net position decreased by \$1,986,186 during the current fiscal year.

A comparative condensed statement of activities follows:

	Changes in Net position	
	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Revenues:		
Program revenues:		
Capital grants	\$ 38,000	\$ 4,457
Charges for services	78,215	76,805
General revenues:		
Fire assessments	20,186,251	18,840,255
Impact fees	1,784,149	1,933,148
Other	<u>331,413</u>	<u>405,325</u>
Total revenues	22,418,028	21,259,990
Expenses:		
Fire Protection services	22,852,025	17,190,045
Depreciation	<u>1,552,189</u>	<u>1,445,612</u>
Total expenses	<u>24,404,214</u>	<u>18,635,657</u>
Change in net position	(1,986,186)	2,624,333
Net position – Beginning	<u>32,380,266</u>	<u>29,755,933</u>
Net position – Ending	<b><u>\$ 30,394,080</u></b>	<b><u>\$ 32,380,266</u></b>

- Fire assessment taxes (non-ad-valorem and ad-valorem) increased \$1,345,996 from the previous year.
- Impact fees decreased by \$148,999, from the previous year.
- Expenses increased \$5,768,557 due mainly to an increase in fire protection services of \$5,661,980. The increase in expenses was mainly due to changes in the net pension liability.

### Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's Governmental Funds reported combined ending fund balances of \$20,061,841, a decrease of \$1,320,021 in comparison with the prior year. The unassigned fund balance of the General Fund was \$6,443,992, which is available for spending at the District's discretion. \$4,000,000 of the fund balance is committed by the District for potential general contingencies and \$2,000,000 is committed to fund health insurance subsidy liabilities for a total of \$6,000,000 of committed fund balance. An additional \$1,000,000 is assigned by the District as an emergency reserve. \$3,301,490 of the fund balance is reserved from impact fees revenue to be spent only on the acquisition, construction or purchase of assets required to provide fire protection and emergency services to the new users of the District.

The General Fund is the operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,443,992, while total fund balance reached \$15,879,645. 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 27% of total general fund expenditures.

The fund balance of the District's General Fund decreased \$2,998,232 during the current fiscal year. The significant activity in the general fund was:

- Revenues in the General Fund increased by \$2,994,359, mainly due to fire assessments and ad valorem taxes.
- Expenditures in the General Fund increased \$6,108,556. Personal service costs increased \$3,624,816, operating costs increased \$890,115, and capital outlay increased \$1,593,625.

The Capital Projects Fund has a total fund balance of \$4,182,196, including \$880,706 of non-spendable for deposits on capital assets and \$3,301,490, which is restricted for the acquisition, construction or purchase of assets required to provide fire protection and emergency services to the new users of the District. The net increase in fund balance during the current year in the Capital Projects Fund was \$1,678,211. Revenues decreased in this fund by \$95,475. Current year capital outlay decreased by \$2,898,231.

### General Fund Budgetary Highlights

During the year, the General Fund budget was amended. The final budgeted revenues were \$20,540,629 compared to the original budget of \$20,262,624. The final budgeted expenditures were \$29,129,421 compared to the original budget of \$26,913,331. For the current fiscal year, actual revenues exceeded budgeted revenues by \$75,363. Actual expenditures were \$5,515,197 less than budget. Significant budget amendments included an increase in personal services, operating expenses and capital outlay.

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

The General Fund budget is presented as required supplementary information on page 33.

### Capital Assets

The District's investment in capital assets amounts to \$29,796,649 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, machinery and equipment and construction in progress. The District's investment in capital assets for the current fiscal year increased by \$771,098; due mainly to capital additions exceeding depreciation expense.

	<b><u>Governmental Activities</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Land	\$ 2,677,750	\$ 2,677,750
Building and Improvements	19,606,866	20,263,288
Land improvements	495,556	514,375
Machinery and equipment	6,859,486	5,570,138
Construction in progress	156,991	-0-
Total (net of depreciation)	<b><u>\$ 29,796,649</u></b>	<b><u>\$ 29,025,551</u></b>

During the current year significant capital asset activity included the purchase of new fire engines.

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

### Economic Factors and Next Year's Budgets and Rates

There are these significant issues which will affect the fiscal year 2022 – 2023.

1. Projected tax collections, assessments, and other general revenue are budgeted at approximately \$23,000,000. This will fund the existing personnel, three additional personnel, and overall operating expenses.
2. The General Fund budget has a projected \$13,500,000 cash carry-over from the year ended September 30, 2022 which will fund the remodel of a Station 12, start construction to replace and enlarge Station 11, order a new replacement engine for Station 12, and general fund reserves.
3. Projected impact fee collections and related revenue are budgeted at approximately \$680,000. This will fund equipment for three additional personnel, and miscellaneous capital outlay due to growth.
4. The Capital Projects Fund budget has a projected \$3,300,500 cash carry-over from the year ended September 30, 2022 which will fund the start of construction of the enlargement of the new Station 11, extension of utilities to the property for the future Station 9, and capital fund reserves.

All of these factors were considered in preparing the district's budget for the 2022 – 2023 fiscal year.

### Requests for Information

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

**EAST MANATEE FIRE RESCUE DISTRICT**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash	\$ 314,775
Investments	13,501,264
Due from other governments	160,875
Prepaid expenses	91,265
Deposit on capital asset	3,225,094
Restricted assets:	
Cash and cash equivalents	41,954
Investments	3,259,536
Capital assets (net of accumulated depreciation):	
Land and construction in progress	2,834,741
Other capital assets, net of depreciation	26,961,908
Total assets	<u>50,391,412</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of pension resources	9,648,412
Deferred outflows–OPEB	159,844
	<u>9,808,256</u>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	532,922
Noncurrent liabilities:	
Due within one year	–
Due in more than one year	27,323,256
Total liabilities	<u>27,856,178</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of pension earnings	1,261,691
Deferred inflows–OPEB	687,719
	<u>1,949,410</u>
<b>NET POSITION</b>	
Net investment in capital assets	29,796,649
Restricted for:	
Impact fees	4,182,196
Unrestricted	(3,584,765)
Net Position	<u><u>\$ 30,394,080</u></u>

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

**EAST MANATEE FIRE RESCUE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Governmental Activities</b>
<b>Public Safety–Fire Protection</b>	
Personal services	\$ 19,275,427
Operating expenses	3,576,598
Depreciation	1,552,189
Total program expenses	<u>24,404,214</u>
<b>Program revenues:</b>	
Capital grants	38,000
Charges for services	78,215
Net program expense	<u>24,287,999</u>
<b>General Revenues:</b>	
Fire assessments	20,186,251
Impact fees	1,784,149
Investment earnings	127,651
Miscellaneous	203,762
Total general revenues	<u>22,301,813</u>
Decrease in net position	(1,986,186)
<b>Net Position – beginning, as originally stated (Note I)</b>	<b>32,027,939</b>
Prior period adjustment (Note I)	<u>352,327</u>
<b>Net Position – beginning, as restated (Note I)</b>	<b><u>32,380,266</u></b>
<b>Net Position – ending</b>	<b><u>\$ 30,394,080</u></b>

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



**EAST MANATEE FIRE RESCUE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 314,775	\$ 41,954	\$ 356,729
Investments	13,501,264	3,259,536	16,760,800
Due from other governments	160,875	-	160,875
Deposit on capital asset	2,344,388	880,706	3,225,094
Prepaid items	91,265	-	91,265
<b>TOTAL ASSETS</b>	<b><u>\$ 16,412,567</u></b>	<b><u>\$ 4,182,196</u></b>	<b><u>\$ 20,594,763</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 91,278	\$ -	\$ 91,278
Accrued expenses	441,644	-	441,644
Total liabilities	<u>532,922</u>	<u>-</u>	<u>532,922</u>
Fund balances:			
Nonspendable			
Nonspendable	2,435,653	880,706	3,316,359
Spendable:			
Restricted	-	3,301,490	3,301,490
Committed	6,000,000	-	6,000,000
Assigned	1,000,000	-	1,000,000
Unassigned	6,443,992	-	6,443,992
Total fund balances	<u>15,879,645</u>	<u>4,182,196</u>	<u>20,061,841</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 16,412,567</u></b>	<b><u>\$ 4,182,196</u></b>	<b><u>\$ 20,594,763</u></b>

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

**EAST MANATEE FIRE RESCUE DISTRICT  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

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

Fund Balance–Total Governmental Funds	\$ 20,061,841
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	29,796,649
Deferred outflows of resources related to the pension plan do not utilize current financial resources and, therefore are not reported in the governmental funds.	9,648,412
Deferred outflows of resources related to OPEB do not utilize current financial resources and, therefore are not reported in the governmental funds.	159,844
Deferred inflows of resources related to the pension plan are not available current financial resources and, therefore are not reported in the governmental funds.	(1,261,691)
Deferred inflows of resources related to OPEB are not available current financial resources and, therefore are not reported in the governmental funds.	(687,719)
Long-term liabilities, including compensated absences, pension and OPEB liability are not due and payable in the current period and therefore, are not reported in the governmental funds.	<u>(27,323,256)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 30,394,080</u></b>

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

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Special assessments	\$ 10,925,184	\$ -	\$ 10,925,184
Ad valorem tax	9,261,067	-	9,261,067
Impact fees	-	1,784,149	1,784,149
Capital grants	38,000	-	38,000
Charges for services	78,215	-	78,215
Investment earnings	109,764	17,887	127,651
Miscellaneous	203,762	-	203,762
Total revenues	<u>20,615,992</u>	<u>1,802,036</u>	<u>22,418,028</u>
<b>EXPENDITURES</b>			
Current:			
Personal services	17,838,164	-	17,838,164
Operating	2,969,411	-	2,969,411
Capital outlay	2,806,649	123,825	2,930,474
Total expenditures	<u>23,614,224</u>	<u>123,825</u>	<u>23,738,049</u>
 Net change in fund balance	 (2,998,232)	 1,678,211	 (1,320,021)
<b>FUND BALANCES – Beginning, as originally stated (Note I)</b>	 18,090,240	 2,431,171	 20,521,411
 Prior period adjustment (Note I)	 <u>787,637</u>	 <u>72,814</u>	 <u>860,451</u>
<b>FUND BALANCES – Beginning, as restated (Note I)</b>	<u>18,877,877</u>	<u>2,503,985</u>	<u>21,381,862</u>
<b>FUND BALANCES – Ending</b>	<u><b>\$ 15,879,645</b></u>	<u><b>\$ 4,182,196</b></u>	<u><b>\$ 20,061,841</b></u>

The accompanying notes are an integral part of these financial statements

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

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

Net changes in fund balances – total governmental funds	\$ (1,320,021)
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Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated  
over their estimated useful lives and reported as depreciation  
expense. This is the amount by which capital additions exceeded  
depreciation expense and loss on disposal of capital assets in the  
current period.

771,098

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	(206,680)
OPEB liability	358,277
Deferred inflows OPEB	(338,949)
Deferred outflows OPEB	(13,320)
Net pension liability	(17,237,539)
Deferred inflows of pension resources	12,153,674
Deferred outflows of pension earnings	3,847,274

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

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**\$ (1,986,186)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Governmental Funds

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

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

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



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

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

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

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

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

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

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

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

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

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

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

Spendable Fund Balance:

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

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

	<u><b>General Fund</b></u>	<u><b>Capital Projects Fund</b></u>
<u><b>Non-Spendable:</b></u>		
Prepaid Expenses and deposits	\$ 2,435,653	\$ 880,706
<u><b>Spendable:</b></u>		
Restricted – Impact Fees	-0-	3,301,490
Committed to:		
General Reserves	4,000,000	-0-
Health Insurance subsidy	2,000,000	-0-
	6,000,000	-0-
Assigned to:		
Emergency Reserve	1,000,000	-0-
<u><b>Unassigned:</b></u>		
Unassigned	6,443,992	-0-
<b>Total Fund Balances</b>	<u><u>\$ 15,879,645</u></u>	<u><u>\$ 4,182,196</u></u>

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

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

(i) Deposits and Investments

Demand and Time Deposits

At September 30, 2022, the District had demand deposits held in a qualified public depository. Deposits whose values exceeded federal depository insurance limits were entirely insured or collateralized pursuant to Chapter 280 of the Florida Statutes. At September 30, 2022, the carrying amounts of the District's deposits were \$356,729 and the bank balance was \$479,055.

Investments

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

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

Credit and Concentration of Credit Risk

The District has investments in the Manatee County Investment pool (the Pool), which is considered an external investment pool. The District's investment in the Pool is its shares held, not the underlying investments held in the Pool. The investments in the Pool are subject to overnight withdrawal, and are recorded at fair value. The Pool is not registered with the Securities and Exchange Commission and has not been rated at September 30, 2022.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Pool is limited to having investments with a maturity of three years or less from the date of purchase with a weighted average to maturity of less than two years. At September 30, 2022, the Pool had no investments with a maturity exceeding three years. The Pool's investments have a weighted average of less than two years. For further information regarding the Manatee County Investment Pool, readers should refer to the financial statements and disclosures of Manatee County, Florida.

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

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

Interest Rate Risk – Continued

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

At September 30, 2022, the District had the following investments:

<u>General Fund:</u>	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>
Manatee County Investment Pool:	<u>\$ 13,501,264</u>	Level 2
<u>Capital Projects Fund:</u>		
Manatee County Investment Pool:		
Restricted – Impact Fees	<u>\$ 3,259,536</u>	Level 2

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

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

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

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

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

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

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

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

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

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

- (n) 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.

**EAST MANATEE FIRE RESCUE 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>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,677,750	\$ -0-	\$ -0-	\$ -0-	\$ 2,677,750
Construction in progress	<u>-0-</u>	<u>156,991</u>	<u>-0-</u>	<u>-0-</u>	<u>156,991</u>
Total capital assets, not being depreciated	<u>2,677,750</u>	<u>156,991</u>	<u>-0-</u>	<u>-0-</u>	<u>2,834,741</u>
Capital assets being depreciated:					
Buildings and improvements	24,731,880	1,775	-0-	-0-	24,733,655
Land improvements	752,748	-0-	-0-	-0-	752,748
Machinery and equipment	<u>11,839,545</u>	<u>2,204,804</u>	<u>426,376</u>	<u>-0-</u>	<u>13,617,973</u>
Total capital assets being depreciated	<u>37,324,173</u>	<u>2,206,579</u>	<u>426,376</u>	<u>-0-</u>	<u>39,104,376</u>
Less accumulated depreciation for:					
Buildings and improvements	4,468,592	658,197	-0-	-0-	5,126,789
Land improvements	238,373	18,819	-0-	-0-	257,192
Machinery and equipment	<u>6,269,407</u>	<u>875,173</u>	<u>386,093</u>	<u>-0-</u>	<u>6,758,487</u>
Total accumulated depreciation	<u>10,976,372</u>	<u>1,552,189</u>	<u>386,093</u>	<u>-0-</u>	<u>12,142,468</u>
Total capital assets, being depreciated, net	<u>26,347,801</u>	<u>654,390</u>	<u>40,283</u>	<u>-0-</u>	<u>26,961,908</u>
Governmental activities capital assets, net	<u>\$ 29,025,551</u>	<u>\$ 811,381</u>	<u>\$ 40,283</u>	<u>\$ -0-</u>	<u>\$ 29,796,649</u>

Depreciation expense was reported as a separate line item in the statement of activities in the amount of \$1,552,189.

**NOTE C – LONG-TERM LIABILITIES**

Accrued Compensated Absences – As disclosed in Note A, the District provides for the accumulated benefit of earned vacation for its employees. In addition, it has adopted a Retirees Insurance Subsidy Plan through accumulated sick time. The estimated liability for the accumulated amount of vacation time was \$896,128 at September 30, 2022. The estimated liability at September 30, 2022 to be paid through the Retirees Insurance Subsidy Plan for accumulated sick time was \$1,027,562. These amounts have been recorded as liabilities in the government-wide financial statements. As they are not expected to be paid for using current financial resources, these liabilities have not been recorded in the fund financial statements.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
OPEB Liability	\$ 1,549,690	\$ 115,808	\$ (474,085)	\$ 1,191,413	\$ -0-
Net pension liability	6,970,614	20,757,704	(3,520,165)	24,208,153	-0-
Compensated absences	<u>1,717,010</u>	<u>1,333,298</u>	<u>(1,126,618)</u>	<u>1,923,690</u>	<u>-0-</u>
	<u>10,237,314</u>	<u>22,206,810</u>	<u>(5,120,868)</u>	<u>27,323,256</u>	<u>-0-</u>
Governmental activity					
Long-term liabilities	<u>\$ 10,237,314</u>	<u>\$ 22,206,810</u>	<u>\$ (5,120,868)</u>	<u>\$ 27,323,256</u>	<u>\$ -0-</u>



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

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

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

The reconciliation between the fund balance – total governmental funds as reported in the governmental fund balance sheet and net position – governmental activities as reported in the statement of net position, is included on page 13 of the basic financial statements. One line of that reconciliation explains “long-term liabilities, including compensated absences, pension and OPEB liability are not due and payable in the current period and therefore, are not reported in the governmental funds.”

The detail of the differences is shown below:

OPEB liability	\$ 1,191,413
Net pension liability	24,208,153
Compensated absences	<u>1,923,690</u>
	<b><u>\$ 27,323,256</u></b>

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

The reconciliation between the net changes in fund balances – total governmental funds as reported in the statement of revenues, expenditures and changes in fund balances, and the changes in net position as reported in the statement of activities is included on page 15 of the basic financial statements. One line in that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The detail of the differences is shown below:

Capital additions included as expenditures in the funds	\$ 2,363,570
Depreciation expense	(1,552,189)
Loss on disposal	<u>(40,283)</u>
	<b><u>\$ 771,098</u></b>

**NOTE E – RETIREMENT PLAN**

Plan Description

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

<https://www.myfloridacfo.com/transparency/state-financial-reports/FL-ACFR>.

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

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**NOTE E – RETIREMENT PLAN – CONTINUED**

**Plan Description – Continued**

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

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

**Benefits Provided**

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

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

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

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

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

**Contributions**

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

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

**NOTE E – RETIREMENT PLAN – CONTINUED**

Contributions – continued

both employee and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. The Florida Legislature established a uniform contribution rate system for the FRS. The uniform rates are based on the class an employee is placed into which requires employees to contribute 3% and employers to contribute a specified percentage based on class. The District's contractually required contribution rate for the year ended September 30, 2022, ranged from 25.89% – 27.83% for special risk employees, 10.82% – 11.91% for regular employees, and 18.34% – 18.60% for DROP, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$2,816,858 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 \$24,208,153 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 .055341211% for FRS and .0290205400% for HIS, and Myakka Fire's proportion was .001196891% for FRS and .000737540% for HIS.

For the year ended September 30, 2022, the District recognized pension expense of \$3,954,825. At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 999,123	\$ –0–	\$ 96,261	\$ (13,955)
Changes in assumptions	2,590,759	–0–	181,789	(490,619)
Net difference between projected and actual earnings on pension plan investments	1,389,052	–0–	4,591	–0–
Changes in proportion and differences between contributions and proportionate share of contributions	2,783,397	(614,248)	923,972	(142,869)
District contributions subsequent to the June 30, 2022 measurement date	<u>635,056</u>	<u>–0–</u>	<u>44,412</u>	<u>–0–</u>
	<u>\$ 8,397,387</u>	<u>\$ (614,248)</u>	<u>\$ 1,251,025</u>	<u>\$ (647,443)</u>

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

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**NOTE E – RETIREMENT PLAN – CONTINUED**

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

Total deferred outflows were \$9,648,412 and total deferred inflows were \$1,261,691. \$635,056 (FRS) and \$44,412 (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	\$ 1,324,907	\$ 87,572
2024	1,324,907	87,572
2025	1,324,907	87,572
2026	1,324,907	87,572
2027	1,324,909	87,568
Thereafter	523,546	121,314
	<u>\$ 7,148,083</u>	<u>\$ 559,170</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 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed for that Plan, but were based on certain results of the most recent experience study for the FRS Plan.

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

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

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**NOTE E – RETIREMENT PLAN – CONTINUED**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>
Cash	1.00%	2.6%
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 decreased from 6.80% to 6.70% based on the most recent study, and the HIS pension liability was 3.54%. The HIS rate increased from 2.16% in the prior year, based on the most recent actuarial study. The HIS rate is based on the Bond Buyer General Obligation 20–Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following changes in actuarial assumptions occurred in 2022:

FRS: The discount rate and long-term expected rate of return, net of investment expense decreased from 6.80% to 6.70%.

HIS: The municipal 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 assumptions for vested terminated members was updated from 20% to 50% to reflect recent experience.

*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, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1–percentage–point lower or 1–percentage–point higher than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
District's proportionate share of the FRS net pension liability	\$ 36,381,556	\$ 21,036,717	\$ 8,206,192

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

	<u>1% Decrease (2.54%)</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
District's proportionate share of the HIS net pension liability	\$ 3,628,383	\$ 3,171,436	\$ 2,793,321

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

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**NOTE E – RETIREMENT PLAN – CONTINUED**

*Pension Plan Fiduciary Net Position*

The District'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 – OTHER POST EMPLOYMENT HEALTHCARE SUBSIDIARY BENEFIT PLAN**

Plan Description

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

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

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

Benefits Provided

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

Actuarial Assumptions

The measurement date is September 30, 2022.

The measurement period for the OPEB expense was October 1, 2021 to September 30, 2022. The reporting period is October 1, 2021 through September 30, 2022.

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2022, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	varies by service
Discount Rate	4.77%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	54

*Mortality:*

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



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

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

**Mortality - Active Lives:**

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

**Mortality - Inactive Healthy Lives:**

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

**Discount Rate:**

Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.77%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Rating Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

**OPEB Expense:**

For the year ended September 30, 2022, the Sponsor will recognize OPEB Expense of \$76,163.

**Change in Total OPEB Liability**

	<u>Increases and (Decreases) in Total OPEB Liability</u>
Reporting Period Ending September 30, 2021	\$ 1,549,690
Changes for a Year:	
Service Cost	77,242
Interest	38,566
Differences Between Expected and Actual Experience	-0-
Changes in Assumptions	(393,914)
Changes in Benefit Terms	-0-
Contributions - Employer	-0-
Benefit Payments	(80,171)
Other Changes	-0-
Net Changes	<u>(358,277)</u>
Reporting Period Ending September 30, 2022	<u>\$ 1,191,413</u>

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

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

*OPEB Expense– Continued:*

Changes in assumptions reflect a change in the discount rate from 2.43% for the reporting period ended September 30, 2021 to 4.77% for the reporting period ended September 30, 2022. Also reflected are updated health care costs and premiums, and updated health care cost trend rates.

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

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

	1% Decrease <u>3.77%</u>	Current Discount Rate <u>4.77%</u>	1% Increase <u>5.77%</u>
Total OPEB Liability (Asset)	\$ 1,340,695	\$ 1,191,413	\$ 1,064,470

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

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

	1% Decrease <u>3.00% – 6.50%</u>	Healthcare Cost Trend Rates <u>4.00% – 7.50%</u>	1% Increase <u>5.00% – 8.50%</u>
Total OPEB Liability (Asset)	\$ 1,086,772	\$ 1,191,413	\$ 1,318,065

On September 30, 2022, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Experience	\$ 159,844	\$ -0-
Changes of assumptions	<u>-0-</u>	<u>687,719</u>
Total	<u>\$ 159,844</u>	<u>\$ 687,719</u>

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

Year ended September 30:

2023	\$ (41,645)
2024	\$ (41,645)
2025	\$ (41,645)
2026	\$ (41,645)
2027	\$ (41,645)
Thereafter	\$ (319,650)

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

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

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

**NOTE H – RISK MANAGEMENT**

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

**NOTE I – MERGER**

Effective October 1, 2021, the District merged with Myakka City Fire Control District (MCFCD). The merger was approved by a referendum of the voters of MCFCD. As a result, House Bill 1587, was passed with unanimous consent in both the Florida House of Representatives and the Florida State Senate, and was signed by the Governor. The Manatee County Board of Commissioners then passed a resolution for the dissolution of Myakka City Fire Control District. The successor organization is East Manatee Fire Rescue District (EMFRD).

The initial opening balances of East Manatee Fire Rescue District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, as of the beginning of the period, were determined on the basis of the carrying values reported in the separate financial statements of MCFCD and EMFRD as of September 30, 2021, as follows:

	<u>EMFRD</u>	<u>MCFCD</u>	<u>Total</u>
<b>Assets</b>			
Current assets	\$ 17,197,980	\$ 1,135,192	\$ 18,333,172
Capital assets	28,219,030	806,521	29,025,551
Other assets	3,663,880	72,814	3,736,694
Deferred Outflows of Resources	5,615,964	358,338	5,974,302
<b>Liabilities</b>			
Current liabilities	340,449	347,555	688,004
Long-term liabilities	9,638,270	599,044	10,237,314
Deferred Inflows of Resources	12,690,196	1,073,939	13,764,135
<b>Net Position</b>			
Net investment in capital assets	28,219,030	806,521	29,025,551
Restricted	2,431,171	72,814	2,503,985
Unrestricted	1,377,738	(527,008)	850,730

Due to merger, beginning fund balance and beginning net position were restated:

	<u>General</u>	<u>Capital Projects</u>
<b>Governmental Funds:</b>		
Beginning fund balance as previously stated	\$ 18,090,240	\$ 2,431,171
Adjustment	<u>787,637</u>	<u>72,814</u>
Beginning fund balance as restated	<u>\$ 18,877,877</u>	<u>\$ 2,503,985</u>
<b>Net Position</b>		
Beginning net position as previously stated	\$ 32,027,939	
Adjustment	<u>352,327</u>	
Beginning net position as restated	<u>\$ 32,380,266</u>	

## **REQUIRED SUPPLEMENTARY INFORMATION**

**EAST MANATEE FIRE RESCUE DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</b>
<b>REVENUES</b>				
Fire protection services –				
Fire assessments	\$ 10,881,235	\$ 10,930,425	\$ 10,925,184	\$ (5,241)
Ad valorem assessments	9,196,989	9,196,989	9,261,067	64,078
Capital grants	–	–	38,000	38,000
Investment income	10,000	9,900	109,764	99,864
Charges for services	25,000	49,190	78,215	29,025
Miscellaneous	149,400	354,125	203,762	(150,363)
Total revenues	20,262,624	20,540,629	20,615,992	75,363
<b>EXPENDITURES</b>				
Personal services	19,421,483	19,914,582	17,838,164	2,076,418
Operating expenditures	3,670,616	4,060,202	2,969,411	1,090,791
Capital outlay	3,821,232	5,154,637	2,806,649	2,347,988
Total expenditures	26,913,331	29,129,421	23,614,224	5,515,197
Change in fund balance	(6,650,707)	(8,588,792)	(2,998,232)	5,590,560
<b>FUND BALANCE – October 1, 2021</b>	<u>18,877,877</u>	<u>18,877,877</u>	<u>18,877,877</u>	<u>–</u>
<b>FUND BALANCE – September 30, 2022</b>	<u><b>\$ 12,227,170</b></u>	<u><b>\$ 10,289,085</b></u>	<u><b>\$ 15,879,645</b></u>	<u><b>\$ 5,590,560</b></u>

**Note 1 – Basis of Budgeting**

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

**EAST MANATEE FIRE RESCUE DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</b>
<b>REVENUES</b>				
Fire protection services –				
Impact fees	\$ 625,000	\$ 1,201,800	\$ 1,784,149	\$ 582,349
Miscellaneous	–	–	–	–
Investment earnings	85,000	1,000	17,887	16,887
Total revenues	710,000	1,202,800	1,802,036	599,236
<b>EXPENDITURES</b>				
Capital outlay	2,978,378	1,037,575	123,825	913,750
Total expenditures	2,978,378	1,037,575	123,825	913,750
Change in fund balance	(2,268,378)	165,225	1,678,211	1,512,986
<b>FUND BALANCE – October 1, 2021</b>	2,503,985	2,503,985	2,503,985	–
<b>FUND BALANCE – September 30, 2022</b>	<b>\$ 235,607</b>	<b>\$ 2,669,210</b>	<b>\$ 4,182,196</b>	<b>\$ 1,512,986</b>

**Note 1 – Basis of Budgeting**

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

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

FLORIDA RETIREMENT SYSTEM (FRS)								
	2015	2016	2017	2018	2019	2020	2021	** 2022
District's proportion of the net pension liability	0.033043383%	0.038901315%	0.038471325%	0.041519737%	0.041618818%	0.046000077%	0.046283121%	0.055341211%
District's proportionate share of the net pension liability	\$ 4,267,996	\$ 9,822,613	\$ 11,379,560	\$ 12,505,960	\$ 14,332,942	\$ 19,937,111	\$ 3,496,164	\$ 21,036,717
District's covered-employee payroll	\$ 5,187,320	\$ 5,311,651	\$ 5,829,139	\$ 6,111,071	\$ 6,571,082	\$ 7,582,202	\$ 8,959,588	\$ 11,191,521
District's proportionate share of the net pension liability as a % of its covered-employee payroll	82%	185%	195%	205%	218%	263%	39%	188%
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.

\*\*–Myakka City Fire Control District merged with East Manatee Fire Rescue District effective October 1, 2021.  
Myakka City Fire Control District's proportionate share percentage for the year was 0.001196891%

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

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

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>** 2022</b>
District's proportion of the net pension liability	0.016702651%	0.017615541%	0.017391775%	0.018857994%	0.019101739%	0.020757834%	0.024068264%	0.029205400%
District's proportionate share of the net pension liability	\$ 1,703,408	\$ 2,053,018	\$ 1,859,609	\$ 1,995,951	\$ 2,137,293	\$ 2,534,498	\$ 2,952,334	\$ 3,171,436
District's covered-employee payroll	\$ 5,187,320	\$ 5,311,651	\$ 5,829,139	\$ 6,111,071	\$ 6,571,082	\$ 7,582,202	\$ 8,959,588	\$ 11,191,521
District's proportionate share of the net pension liability as a of its covered-employee payroll	33%	39%	32%	33%	33%	33%	33%	28%
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.

\*\*–Myakka City Fire Control District merged with East Manatee Fire Rescue District effective October 1, 2021.

Myakka City Fire Control District's proportionate share percentage for the year was 0.000737540%



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

FLORIDA RETIREMENT SYSTEM (FRS)

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Contractually required contribution **	\$ 805,626	\$ 948,671	\$ 1,001,503	\$ 1,183,279	\$ 1,290,484	\$ 1,528,379	\$ 1,763,187	\$ 2,412,584
Contributions in relation to the contractually required contribution	805,626	948,671	1,001,503	1,183,279	1,290,484	1,528,379	1,763,187	2,412,584
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,187,320	\$ 5,311,651	\$ 5,829,139	\$ 6,111,071	\$ 6,571,082	\$ 7,582,202	\$ 8,959,588	\$ 11,191,521
Contributions as a percentage of covered-employee payroll	15.53%	17.86%	17.18%	19.36%	19.64%	20.16%	19.68%	21.56%

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

\*\* – contributions noted per this schedule are pursuant to the measurement date of the actuarial report.

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

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

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Contractually required contribution **	\$ 63,848	\$ 90,291	\$ 92,042	\$ 102,267	\$ 106,070	\$ 119,618	\$ 141,473	\$ 181,180
Contributions in relation to the contractually required contribution	63,848	90,291	92,042	102,267	106,070	119,618	141,473	181,180
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,187,320	\$ 5,311,651	\$ 5,829,139	\$ 6,111,071	\$ 6,571,082	\$ 7,582,202	\$ 8,959,588	\$ 11,191,521
Contributions as a percentage of covered-employee payroll	1.23%	1.70%	1.58%	1.67%	1.61%	1.58%	1.58%	1.62%

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

\*\* – contributions noted per this schedule are pursuant to the measurement date of the actuarial report.

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

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**ACTUARIAL METHODS AND ASSUMPTIONS**

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

The total pension liability for each of the defined benefit plans was determined by the individual entry age normal actuarial cost method. Inflation 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 were based on the PUB-2010 base table, projected generationally with Scale MP-2018, and mortality assumptions for HIS were based on the Generational PUB-2010 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 was decreased from 6.80% to 6.70%.
- HIS: The municipal rate used to determine total pension liability increased from 2.16% to 3.54%. The demographic assumptions for the special risk class was updated to reflect plan changes due to HB5007, HB689, and SB838. The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

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

	2019	2020	2021	2022
Total OPEB Liability				
Service cost	\$ 24,785	\$ 28,641	\$ 96,778	\$ 77,242
Interest	37,636	37,392	41,139	38,566
Changes in benefit terms	–	363,106	–	–
Differences between expected and actual experience	165,744	–	186,484	–
Changes in assumptions	138,958	263,428	(375,598)	(393,914)
Benefit payments	(59,897)	(62,345)	(76,066)	(80,171)
Net change in Total OPEB Liability	307,226	630,222	(127,263)	(358,277)
Total OPEB liability – Beginning	739,505	1,046,731	1,676,953	1,549,690
Total OPEB liability – Ending	<u><u>\$ 1,046,731</u></u>	<u><u>\$ 1,676,953</u></u>	<u><u>\$ 1,549,690</u></u>	<u><u>\$ 1,191,413</u></u>
Covered–employee payroll	\$ 6,009,718	\$ 6,159,961	\$ 8,920,653	\$ 9,388,095
Total OPEB liability as a percentage of covered–employee payroll	17.42%	27.22%	17.37%	12.69%

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

**Notes to Schedule:**

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

Fiscal Year Ending September 30, 2022	4.77%
Fiscal Year Ending September 30, 2021	2.43%
Fiscal Year Ending September 30, 2020	2.14%
Fiscal Year Ending September 30, 2019	3.58%

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

**Benefit Payments:**

The Plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending September 30, 2022. Expected net benefit payments produced by the valuation model for the same period are shown in the above table.

## OTHER SUPPLEMENTARY INFORMATION

**EAST MANATEE FIRE RESCUE DISTRICT**  
**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Personal Services:</b>			
Salaries and wages	\$ 11,889,511	\$ 11,191,521	\$ 697,990
FICA and other payroll taxes	864,535	828,478	36,057
Retirement contributions	2,926,540	2,868,004	58,536
Volunteer response fund	–	10,553	(10,553)
Workers compensation	500,000	469,757	30,243
Health insurance	3,733,996	2,469,851	1,264,145
<b>Total personal services</b>	<b><u>\$ 19,914,582</u></b>	<b><u>\$ 17,838,164</u></b>	<b><u>\$ 2,076,418</u></b>
 <b>Operating Expenses:</b>			
Advertising	\$ 10,000	\$ 2,664	\$ 7,336
Commissions and fees	727,445	606,557	120,888
Dues and subscriptions	7,000	6,196	804
Fuel and oil	175,000	168,533	6,467
Insurance	200,000	190,744	9,256
Legal and professional	215,000	149,426	65,574
Supplies	400,472	289,478	110,994
Repair and maintenance	1,020,150	990,406	29,744
Training and travel	257,740	103,743	153,997
Uniforms	293,900	197,444	96,456
Utilities	250,030	255,845	(5,815)
Miscellaneous	503,465	8,375	495,090
<b>Total Operating Expenses</b>	<b><u>\$ 4,060,202</u></b>	<b><u>\$ 2,969,411</u></b>	<b><u>\$ 1,090,791</u></b>

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

	<u>2022</u>	<u>2021</u>
<b>Personal Services:</b>		
Salaries and wages	\$ 11,191,521	\$ 8,959,588
FICA and other payroll taxes	828,478	661,789
Retirement contributions	2,868,004	2,152,925
Volunteer response fund	10,553	–
Workers compensation	469,757	343,542
Health insurance	<u>2,469,851</u>	<u>2,095,504</u>
<b>Total Personal Services</b>	<b><u>\$ 17,838,164</u></b>	<b><u>\$ 14,213,348</u></b>
 <b>Operating Expenses:</b>		
Advertising	\$ 2,664	\$ 2,129
Commissions and fees	606,557	540,053
Dues and subscriptions	6,196	2,465
Fuel and oil	168,533	85,464
Insurance	190,744	143,808
Legal and professional	149,426	84,900
Supplies	289,478	140,863
Repair and maintenance	990,406	672,509
Training and travel	103,743	103,923
Uniforms	197,444	94,331
Utilities	255,845	197,769
Miscellaneous	<u>8,375</u>	<u>11,082</u>
<b>Total Operating Expenses</b>	<b><u>\$ 2,969,411</u></b>	<b><u>\$ 2,079,296</u></b>

## OTHER INFORMATION



# EAST MANATEE FIRE RESCUE DISTRICT SCHEDULE OF FIRE ASSESSMENT RATES

Special fire assessment within the East Manatee Fire Rescue District for the 2021 - 2022 tax year:

Category	Use Code(s)	Rate
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**Residential:**

Vacant Platted Lot – 0000, 0001, 0002, 0008, 0040, 0041, 0055, 0725 & 0730.....\$8.0456 / lot

Vacant Platted Lot more than 10 acres – 9908.....\$0.35 / acre

Vacant Unplatted Parcel less than 10 acres – 0010.....\$8.0456 / parcel

Single Family Residential/Condominia – 0100, 0101, 0108, 0164, 0400, 0408, 0409, 0410, 0464, 2005 & 2010..... \$90.3827 (\$0.0612)

**Residential/Condominia Fire Sprinkler Discount**

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

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

Mobile Homes – 0003, 0050, 0201, 0202, 0203, 0264, 0411, 0412, 0413, 0501, 0502, & 0503.....\$86.1094 / unit

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

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

**Residential Common Areas – 0900, 0901 & 0910**

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

**Commercial/Industrial:**

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

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

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

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

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

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

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

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

Commercial/Industrial Common Areas – 1230, 1233 & 1240

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

Commercial/Industrial

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

Mercantile – 1100, 1101, 1102, 1103, 1104, 1105, 1110, 1114, 1200,  
1205, 1264, 1300, 1400, 1500, 1600, 1604 & 2900.....\$0.1101

Business – 1700, 1704, 1710 1800, 1900, 1904, 1910. 2200, 2300, 2500, 2600 & 3000.....\$0.0979

Assembly – 2100, 3100, 3200, 3300, 3400, 3410, 3500, 3510, 3700, 3901, 3902,  
3903, 7600, 7601, 7602, 7700 & 7900.....\$0.0979

Factory/Industrial – 4100, 4104, 4400, 4500, 4600, 4700 & 9100.....\$0.1235

Storage – 2000, 2003, 2700, 2710, 2720, 2730, 2740, 2750, 2800,  
4801, 4803, 4810 & 4900.....\$0.1245

Hazardous – 4200, 4300 & 4800.....\$0.1591

Institutional – 7200, 7210, 7300, 7400, 7500 & 7800.....\$0.0979

Condominia Warehousing – 4804 & 4805.....\$300 / unit

Commercial/Industrial Fire Sprinkler Discount

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

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

**Acreage/Agricultural:**

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

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

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

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

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

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

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

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

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

**No Assessments:**

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

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

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

## OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of East Manatee Fire Rescue District (the District) as of and for the year ended September 30, 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 28, 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.

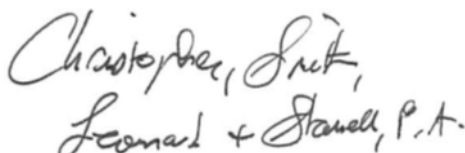
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## Report on Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 28, 2023  
Bradenton, Florida

## MANAGEMENT LETTER

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

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

We have audited the financial statements of the East Manatee Fire Rescue District, (the District), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 28, 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 Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 28, 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, require that us to apply appropriate procedures and communicate the results of our determination as to whether or not East Manatee Fire Rescue District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that East Manatee Fire Rescue District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

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

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

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was 126.
- 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 \$11,191,521.
- 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. Station 11 design and remodel with expenditures of \$156,991.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance is presented on page 33.

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

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

- a. The millage rate imposed by the District was .80.
- b. The total amount of ad valorem taxes collected by or on behalf of the District was \$9,267,067.
- c. There were no bonds issued by the District, and as such the outstanding amount is \$0, and there were no terms.

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

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District are presented on pages 43 through 45.



b. The total amount of special assessments collected by or on behalf of the District was \$10,925,184.

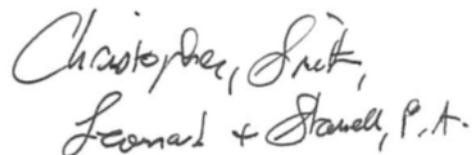
c. There were no bonds issued by the District, and as such the outstanding amount is \$0, and there were no terms.

### **Additional Matters**

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

### **Purpose of this Letter**

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

A handwritten signature in dark ink, reading "Christopher, Smith, Leonard & Stanell, P.A." in a cursive script.

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

April 28, 2023  
Bradenton, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON  
INVESTMENT COMPLIANCE

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

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

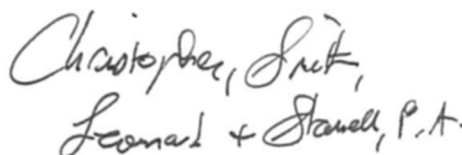
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects,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

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

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

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

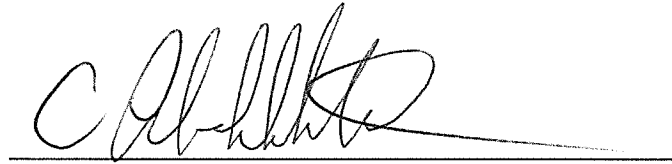
April 28, 2023  
Bradenton, Florida

IMPACT FEE AFFIDAVIT

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

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

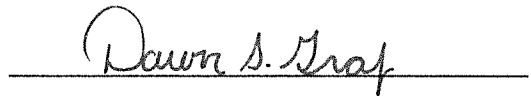
FURTHER AFFIANT SAYETH NAUGHT.



C.L. Whitehurst, III

STATE OF FLORIDA  
COUNTY OF MANATEE

SWORN TO AND SUBSCRIBED before me this 26<sup>th</sup> day of April, 2023



NOTARY PUBLIC

Print Name DAWN S. GRAF

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

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

My Commission Expires:

5-26-2025

