

TICE FIRE PROTECTION &
RESCUE SERVICE DISTRICT

September 30, 2022

FINANCIAL STATEMENTS,
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR

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Report of Independent Auditor

Board of Commissioners
Tice Fire Protection and Rescue Service District
Fort Myers, Florida

We have audited the accompanying financial statements of the governmental activities of the Tice Fire Protection and Rescue Service District (the "District"), as of and for the fiscal 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 of the District as of September 30, 2022, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matters - Required Supplementary Information

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

Other Matters - Required Supplementary Information, Continued

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 29, 2023

**MANAGEMENT'S
DISCUSSION & ANALYSIS**

Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022

Our discussion and analysis of the Tice Fire Protection & Rescue Service District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$1,953,506 (net position).
- As of the close of the current fiscal year, the District reported ending fund balance of \$1,800,117, an increase of \$241,991. Ending fund balance in comprised of \$346,527 that is restricted for capital additions and \$1,453,590 is available for spending at the District's discretion.
- The District's long-term debt is comprised of compensated absences of \$160,378, note payable of \$419,770, other post-employment benefits of \$827,397, and net pension liability of \$4,912,013 totaling \$6,319,558.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. This report also includes other supplementary information in addition to the financial statements themselves.

The Statement of Net Position (page 9) and The Statement of Activities (page 10) provide information about the activities of the District and present a longer-term view of the District's finances. The statements are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The governmental financial statements begin on page 11. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliation on pages 12 & 14 that convert this data to an economic resources measurement focus and the accrual basis of accounting for use in the financial

The Statement of Net Position and the Statement of Activities

Government-wide financial statements are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. For purposes of these statements, only governmental type activities are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the District's assets. 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.

**Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial 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.

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 can be found beginning on page 15.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A significant portion of the District's assets (37%) reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and furniture, and vehicles). The District uses these capital assets to provide services to the citizens and property owners, consequently, these assets are not available for future spending. The District's investment in its capital assets is reported net of related debt.

**Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

**Summary of Net Position
Fiscal Year Ended September 30,**

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets	\$ 2,073,063	\$ 1,712,977
Capital Assets	1,965,313	2,286,785
Total Assets	<u>4,038,376</u>	<u>3,999,762</u>
Deferred Outflows of Resources	<u>1,256,531</u>	<u>1,613,999</u>
Total Assets and Deferred Outflows of Resources	<u>5,294,907</u>	<u>5,613,761</u>
Liabilities		
Current Liabilities	272,946	154,851
Long-Term Liabilities	<u>6,382,189</u>	<u>3,411,528</u>
Total Liabilities	<u>6,655,135</u>	<u>3,566,379</u>
Deferred Inflows of Resources	<u>593,278</u>	<u>4,225,665</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,248,413</u>	<u>7,792,044</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	1,482,912	1,744,027
Restricted for Capital Additions	346,527	318,222
Unrestricted	<u>(3,782,945)</u>	<u>(4,240,532)</u>
Total Net Position	<u>\$ (1,953,506)</u>	<u>\$ (2,178,283)</u>

**Tice Fire Protection & Rescue Service District
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

**District's Change in Net Position
Fiscal Year Ended September 30,**

	2022	2021
Revenues		
General Revenues		
Property Taxes	\$ 4,209,403	\$ 3,712,115
Interest Income	6,100	9,891
Impact Fees	27,901	50,212
Miscellaneous	16,296	26,565
Program Revenues		
Charges for Services	4,260	5,020
Operating Grants and Contributions	10,000	106,837
Total revenues	4,273,960	3,910,640
Expenses		
Public Safety	4,049,183	3,548,156
Total Expenses	4,049,183	3,548,156
Change in Net Position	224,777	362,484
Net position – Beginning of the year	(2,178,283)	(2,540,767)
Net position – End of the year	\$ (1,953,506)	\$ (2,178,283)

Property taxes revenue continue as our primary sources of revenue. In the current fiscal year, the ad-valorem tax revenue increased by \$497,288. Historically, property taxes have increased annually due to an increase in property values and new construction throughout the District.

Public safety expenses increased by \$500,357, due to a \$319,520 increase in personal services that includes pension expense, OPEB expense, and compensated absences expense and a \$184,556 increase in operating expenses.

**Tice Fire Protection & Rescue Service District
MANAGEMENT’S DISCUSSION AND ANALYSIS
September 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District’s capital assets as of September 30, 2022 reflect an investment of \$1,965,313 net of accumulated depreciation.

The following table provides a summary of net capital assets.

	2022	2021
Land	\$ 97,472	\$ 97,472
Construction in progress	-	10,714
Buildings & Improvements	1,934,765	1,934,765
Equipment & Furniture	1,017,541	970,953
Vehicles	2,150,138	2,129,481
Total Assets	5,199,916	5,143,385
Less: Accumulated Depreciation	(3,234,603)	(2,856,600)
Total Capital Assets, net	\$ 1,965,313	\$ 2,286,785

Depreciation expense for the years ended September 30, 2022 and 2021 was \$378,003 and \$379,523, respectively.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The following factors were considered when next year's budget (2022-2023) was prepared:

- The District relies on property taxes for the largest portion of its budget. Taxable property value within the District increased in 2022-23.
- The District adopted a budget maintaining the current millage rate of 3.75 mills which is estimated to result in an increase of ad-valorem revenues of approximately \$895,524.

REQUEST FOR INFORMATION

The District’s financial statements are designed to present users (citizens, customers, investors and creditors) with a general overview of the District’s finances and to demonstrate the District’s accountability. Questions concerning this report or requests for additional financial information should be directed to:

Ted Ross, Fire Chief
Tice Fire Protection & Rescue Service District
9351 Workmen Way
Fort Myers, FL 33905
(239)694-2380

**BASIC
FINANCIAL STATEMENTS**

Tice Fire Protection & Rescue Service District
STATEMENT OF NET POSITION
September 30, 2022

Assets

Current assets:

Cash and cash equivalents	\$ 1,741,103
Due from other governments	27,227
Prepaid asset	299,804
Fire inspections receivable	4,929
Total Current Assets	2,073,063

Noncurrent assets:

Land	97,472
Capital assets being depreciated (net of \$3,234,603 accumulated depreciation)	1,867,841
Total noncurrent assets	1,965,313
Total assets	4,038,376

Deferred Outflows of Resources

Deferred outflows of pension resources	1,256,531
Total Assets and Deferred Outflows of Resources	5,294,907

Liabilities

Current liabilities:

Accounts payable	41,575
Accrued expenses	231,371
Total current liabilities	272,946

Noncurrent liabilities:

Note payable - due within one year	62,631
Note payable - due in more than one year	419,770
Net pension liability	4,912,013
Other post-employment benefits obligation	827,397
Compensated absences - due in more than one year	160,378
Total noncurrent liabilities	6,382,189
Total Liabilities	6,655,135

Deferred Inflows of Resources

Deferred inflows of pension resources	593,278
Total Liabilities and Deferred Inflows of Resources	7,248,413

Net Position

Invested in capital assets, net of related debt	1,482,912
Restricted for:	
Capital additions	346,527
Unrestricted	(3,782,945)
Total net position	\$ (1,953,506)

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District
STATEMENT OF ACTIVITIES
Fiscal Year Ended September 30, 2022

Expenses

Governmental Activities	
Public Safety - Fire Protection	
Personnel services	\$ 3,141,746
Operating expenses	509,295
Depreciation	378,003
Interest and fiscal charges	20,139
Total program expenses	4,049,183

Program Revenues

Charges for services	4,260
Operating grants and contributions	10,000
Net program expenses	4,034,923

General Revenues

Ad-Valorem revenue	4,209,403
Interest income	6,100
Impact fees	27,901
Miscellaneous	16,296
Total general revenues	4,259,700

Change in net position	224,777
Net position, beginning, October 1, 2021	(2,178,283)
Net position, ending, September 30, 2022	\$ (1,953,506)

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2022

	General Fund	Impact Fee Fund (non-major)	Total
ASSETS			
Cash and cash equivalents	\$ 1,711,266	\$ 29,837	\$ 1,741,103
Due from other funds	-	313,235	313,235
Due from other governments	23,772	3,455	27,227
Prepaid asset	299,804	-	299,804
Fire inspections receivable	4,929	-	4,929
	<u>\$ 2,039,771</u>	<u>\$ 346,527</u>	<u>\$ 2,386,298</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 41,575	\$ -	\$ 41,575
Accrued liabilities	231,371	-	231,371
Due to other funds	313,235	-	313,235
	<u>586,181</u>	<u>-</u>	<u>586,181</u>
 Fund Balance			
Restricted for capital asset additions	-	346,527	346,527
Unassigned	1,453,590	-	1,453,590
	<u>1,453,590</u>	<u>346,527</u>	<u>1,800,117</u>
Total fund balance	<u>\$ 2,039,771</u>	<u>\$ 346,527</u>	<u>\$ 2,386,298</u>

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2022

Total governmental funds balance \$ 1,800,117

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

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

Cost of assets	\$ 5,199,916	
Accumulated depreciation	(3,234,603)	1,965,313

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

Deferred outflows related to pension - FRS	1,076,359	
Deferred outflows related to pension - HIS	115,684	1,192,043
Deferred inflows related to pension - FRS	(406,008)	
Deferred inflows related to pension - HIS	(122,782)	(528,790)

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

Note payable	(482,401)	
Net pension liability - FRS	(4,283,975)	
Net pension liability - HIS	(628,038)	
Net OPEB liability	(827,397)	
Compensated absences	(160,378)	(6,382,189)

Total net position \$ (1,953,506)

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended September 30, 2022

	<u>General Fund</u>	<u>Impact Fee Fund (non-major)</u>	<u>Total</u>
Revenues			
Taxes	\$ 4,209,403	\$ -	\$ 4,209,403
Intergovernmental	6,306	-	6,306
Impact Fees	-	27,901	27,901
Interest Income	5,696	404	6,100
Proceeds from Insurance	3,344	-	3,344
Miscellaneous	20,906	-	20,906
	<hr/>	<hr/>	<hr/>
Total Revenues	4,245,655	28,305	4,273,960
Expenditures			
Public Safety			
Personal Services	3,385,647	-	3,385,647
Operating Expenditures	509,295	-	509,295
Capital Outlay	56,531	-	56,531
Debt Service			
Principal	60,357	-	60,357
Interest	20,139	-	20,139
	<hr/>	<hr/>	<hr/>
Total Expenditures	4,031,969	-	4,031,969
Excess of Revenues Over/(Under)			
Expenditures	213,686	28,305	241,991
	<hr/>	<hr/>	<hr/>
Fund balance, beginning, October 1, 2021	1,239,904	318,222	1,558,126
	<hr/>	<hr/>	<hr/>
Fund balance, ending, September 30, 2022	<u>\$ 1,453,590</u>	<u>\$ 346,527</u>	<u>\$ 1,800,117</u>

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2022

Net change in fund balance - total governmental fund \$ 241,991

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. The loss on disposition of capital assets decreases the net position.

Capital outlay	\$ 56,531	
Less: current year depreciation	<u>(378,003)</u>	(321,472)

The repayment of the principal of long-term debt is an expenditure in the Statement of Revenues, Expenditures and Change in Fund Balance, but reduce long-term liabilities in the Statement of Net Position. 60,357

The decrease in pension expense does not affect the use of financial resources and is not reflected as an increase in expenditures in the governmental funds. 10,012

The decrease in OPEB expense does not affect the use of financial resources and is not reflected as an increase in expenditures in the governmental funds. 212,215

The decrease in compensated absences expense does not affect the use of financial resources and is not reflected as an increase in expenditures in the governmental funds. 21,674

Change in net position \$ 224,777

See accompanying Notes to Basic Financial Statements.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Defining the Governmental Reporting Entity: The Tice Fire Protection and Rescue Service District (the “District”) is a local governmental unit created by the State of Florida Legislature under Chapter 76-413, Laws of Florida, to provide fire protection and rescue services to a certain prescribed area in Fort Myers, Florida. The District is funded primarily by property taxes and is operated by a five-person Board of Commissioners (the “Commissioners”), who are elected for terms of four years.

The District has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis – for State and Local Governments. Statement 34 establishes standards for external financial reporting for all state and local governmental entities. This statement requires the financial statements of the District (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB 14, there are no component units included in the District’s financial statements.

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

General Fund - The General Fund is the general operating fund of the District. All financial resources which are not specifically restricted or designated as to use are recorded in the General Fund. At present, the District utilizes only one fund.

Impact Fee Fund (non-major) - The special revenue fund is used to account for impact fees that are legally restricted to expenditure for a particular purpose.

Major Funds - The District reports the general fund as a major fund.

Basic Financial Statements: The basic financial statements include a Statement of Net Position, Statement of Activities, Balance Sheet, and a Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Net Position is presented as assets less liabilities equal net position and shown with two components: amounts invested in capital assets, net of related debt; and unrestricted net position. The Statement of Activities reports functional categories of programs by the District and demonstrates how and to what degree those programs are supported by specific revenue.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Basis of Accounting: Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Capital Assets: Capital assets include land, buildings and improvements, equipment and furniture and vehicles. Capital assets are reported in the basic financial statements in the statement of net position. The District follows a capitalization policy which calls for capitalization of all fixed assets that have a cost or contributed value of \$1,000 or more and have a useful life in excess of one year. Capital assets are recorded at cost, or estimated historical cost. Contributed capital assets are valued at the estimated fair market value of the asset on the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Assets	Years
Buildings & Improvements	10 - 40
Equipment and Furniture	10
Vehicles	5 - 7

Depreciation on fixed assets acquired through contributions is recorded as an expense and transferred from net position as a reduction of contributed capital. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to earnings.

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

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting: The following procedures are used by the District in establishing the budgetary data reflected in the basic financial statements:

1. During the summer, the Director submits to the Board of Commissioners, for their consideration, a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is adopted through a resolution by the Board of Commissioners.
4. Budget transfers and amendments are made throughout the year by approval of the Board of Commissioners.
5. Budget amounts, as shown in the Required Supplementary Information are as originally adopted, and as amended by the Board of Commissioners.
6. The budget for the Governmental Fund Type is adopted on a cash basis which is inconsistent with accounting principles generally accepted in the United States.
7. The level of control for appropriations is exercised at the activity level.

Impact Fees: The District receives impact fees in accordance with an interlocal agreement with Lee County, Florida. Impact fees collected by Lee County are remitted on a quarterly basis to the District. The District, with prior Lee County approval, may expend amounts collected on qualifying capital expenditures. Funds received that are not expended within six years must be refunded. Because of the eligibility requirements imposed in the agreement, (1) prior approval before expenditure and (2) refund if not expended, the District records receipts of funds as restricted cash.

Deferred Outflows/Inflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as expended until then. The District presents deferred outflows associated with pensions to be expensed over future periods. Deferred inflows of resources is defined as an acquisition of position by the government that is applicable to a future reporting period. The District presents deferred inflows of resources related to pensions.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance: The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Accordingly, in the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Non-Spendable Fund Balance - Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items not expected to be converted to and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Fund Balance - The total of the committed fund balance, assigned fund balance, and unassigned balance.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the District's Board of Commissioners, the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action (resolution) that imposed the constraint originally.

Assigned Fund Balance - Includes spendable fund balance amounts established by the administration of the District that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for the general fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District's policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance in that order under circumstances where a particular expenditure can be made from more than one fund classification.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Minimum Fund Balance Policy: Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process and the amounts of the individual funds including any minimum balance shall be determined during this process.

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

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand and cash on deposit with financial institutions. At September 30, 2022, the carrying amount of the District's deposits were \$1,741,103, the bank balance was \$1,746,454 and petty cash on hand was \$100. These deposits were entirely covered by Federal Depository Insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Florida Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government.

NOTE 3. PROPERTY TAXES

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Lee County, Florida, Tax Collector's office bills and collects property taxes on behalf of the District. The tax rate levied upon the taxable property in the District for the fiscal year ended September 30, 2022 was 3.75 per \$1,000 of assessed taxable property value. Property tax revenue is recognized currently in the fiscal year for which the taxes are levied. On April 1 of each year, unpaid taxes become a lien on the property. The past due certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the District.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 4. CAPITAL ASSETS

Capital assets are recorded in the financial statements at historical cost or estimated historical cost if actual historical cost is not available. A summary of changes for the fiscal year is as follows:

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Capital assets not being depreciated:					
Land	\$ 97,472	\$ -	\$ -	\$ -	\$ 97,472
Construction in progress	10,714	-	-	(10,714)	-
Total capital assets not being depreciated:	<u>108,186</u>	<u>-</u>	<u>-</u>	<u>(10,714)</u>	<u>97,472</u>
Capital assets being depreciated:					
Building & improvement	1,934,765	-	-	-	1,934,765
Equipment and furniture	970,953	46,588	-	-	1,017,541
Vehicles	2,129,481	9,943	-	10,714	2,150,138
Total capital assets being depreciated	<u>5,035,199</u>	<u>56,531</u>	<u>-</u>	<u>10,714</u>	<u>5,102,444</u>
Less accumulated depreciation for:					
Buildings	(764,146)	(52,743)	-	-	(816,889)
Equipment and furniture	(556,333)	(80,356)	-	-	(636,689)
Vehicles	(1,536,121)	(244,904)	-	-	(1,781,025)
Total accumulated de depreciation	<u>(2,856,600)</u>	<u>(378,003)</u>	<u>-</u>	<u>-</u>	<u>(3,234,603)</u>
Total capital assets being depreciated, net	<u>2,178,599</u>	<u>(321,472)</u>	<u>-</u>	<u>10,714</u>	<u>1,867,841</u>
Governmental activities capital assets, net	<u>\$ 2,286,785</u>	<u>\$ (321,472)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,965,313</u>

NOTE 5. LONG-TERM DEBT

Notes Payable

On December 15, 2017, the District purchased a 2017 E-One HP 78 Ladder on a Typhoon X Chassis for a total cost of \$730,705. The District financed \$380,000 of the purchase price by entering into a leasing agreement with a financial institution carrying a fixed annual interest rate of 3.468%. The lease will be repaid in fifteen annual installments of \$32,919 with a final payment due December 2031. The principal balance as of September 30, 2022 is

\$ 274,213

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 5. LONG-TERM DEBT (Continued)

Notes Payable (Continued)

On April 1, 2018, the District purchased a E-One Typhoon Pumper for a total cost of \$420,658. The District financed \$250,000 of the purchase price by entering into a leasing agreement with a financial institution carrying a fixed annual interest rate of 4.11%. The lease will be repaid in ten annual installments of \$30,986 with a final payment due April 2028. The principal balance as of September 30, 2022 is 161,873

In fiscal year 2021, the District purchased bunker gear for a total cost of \$74,512 by entering into a leasing agreement with a financial institution carrying a fixed annual interest rate of 3.69%. The lease will be repaid in five annual installments of \$16,591 with a final payment due September 2025. The principal balance as of September 30, 2022 is 46,315

Total Notes Payable \$ 482,401

The annual debt service requirements for capital leases payable at September 30, 2022 were as follows:

Fiscal Year	Principal	Interest	Total
2023	62,631	17,865	\$ 80,496
2024	64,991	15,505	80,496
2025	67,440	13,055	80,495
2026	53,392	10,513	63,905
2027	55,419	8,486	63,905
2028-2032	178,528	17,052	195,580
	<u>\$ 482,401</u>	<u>\$ 82,476</u>	<u>\$ 564,877</u>

The following is a summary of changes in long-term liabilities for the year ended September 30, 2022:

	Balance October 1, 2021	Additions	Reductions	Balance September 30, 2022	Amounts Due Within One Year
Other Post-Employment Benefits	\$ 1,039,612	\$ 63,020	\$ (275,235)	\$ 827,397	\$ -
Net Pension Liability:					
Pension Plan	923,528	4,151,576	(791,129)	4,283,975	-
HIS Plan	723,578	46,496	(142,036)	628,038	-
Notes Payable	542,758	-	(60,357)	482,401	62,631
Compensated Absences	182,052	156,838	(178,512)	160,378	-
Total	<u>\$ 3,411,528</u>	<u>\$4,417,930</u>	<u>\$ (1,447,269)</u>	<u>\$ 6,382,189</u>	<u>\$ 62,631</u>

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended September 30, 2022

NOTE 5. LONG-TERM DEBT (Continued)

Compensated Absences: The District's employees accumulate sick and vacation leave based on years of continuous service. Upon separation from the District, employees are entitled to all accumulated vacation leave. After 25 years of continuous service, one third of accumulated sick leave is paid to employees upon separation. As of September 30, 2022, the District recorded a liability for accrued vacation of \$119,252 and accrued sick time of \$41,126, totaling \$160,378.

NOTE 6. DEFICIT UNRESTRICTED NET POSITION

The District reported a deficit net position in its unrestricted classification on the Statement of Net Position. The deficit is attributed to the implementation of GASB No. 68 which substantially increased the net pension liability.

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The District's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment 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 the Florida Retirement System to continue medical 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.

Employees Covered by Benefit Terms:

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	25
	29
	29

Benefits Provided:

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the District are eligible to receive postemployment health care benefits. All retiree and dependent coverage is at the expense of the retiree.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The measurement date is September 30, 2021.

The measurement period for the OPEB expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2021 through September 30, 2022.

The District's Total OPEB Liability was measured as of September 30, 2021.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2021, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.43%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	53

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

Discount Rate:

Given the District's decision not to fund the program, all future payments were discounted using a high-quality municipal bond rate of 2.43%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year high Grade Rate Index as published by S&P Dow Jones Indices. 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 & Poor's Corp and Poor's Rating Services, As2 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 District will recognize OPEB Expense/(Revenue) of \$(171,520).

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

	Changes in Total OPEB Liability	
	Increases (Decreases) in Total OPEB Liability	
Reporting Period Ending September 30, 2021	\$	1,039,612
Changes for a Year:		
Service Cost		13,541
Interest		22,121
Difference Between Expected and Actual Experience		27,358
Changes of Assumptions		(236,090)
Benefit Payments		(39,145)
Net Changes		(212,215)
Reporting Period Ending September 30, 2022	\$	827,397

Changes of assumptions reflect a change in the discount rate from 2.14% for the fiscal year ending September 30, 2021 to 2.43% for the fiscal year ending September 30, 2022. Also reflected as assumption changes are updated mortality rates, updated health care costs and premiums.

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

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

	1% Decrease 1.43%	Current Discount Rate 2.43%	1% Increase 3.43%
Total OPEB Liability	\$ 928,754	\$ 827,397	\$ 741,733

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

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

	1% Decrease 3.00% - 6.50%	Healthcare Cost Trend Rates 4.00% - 7.50%	1% Increase 5.00% - 8.50%
Total OPEB Liability	\$ 747,285	\$ 827,397	\$ 920,550

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 8. STATE OF FLORIDA RETIREMENT PLANS

Defined Benefit Plans

The District participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (“DROP”) available for eligible employees. The FRS was established with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan 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. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, 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.

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.

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 8. STATE OF FLORIDA RETIREMENT PLANS

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2022, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular class	11.91%	1.66%
Special risk class	27.83%	1.66%
Senior management service class	31.57%	1.66%
Elected officials	57.00%	1.66%
DROP from FRS	18.60%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$498,542 to the FRS Pension Plan and \$36,100 to this HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the District reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022. The District's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net pension liability	\$ 4,283,975	\$ 628,038
Proportion at:		
Current measurement date	0.011514%	0.005930%
Prior measurement date	0.012226%	0.005899%
Pension expense (benefit)	\$ (7,028)	\$ (2,984)

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
Fiscal Year Ended September 30, 2022

NOTE 8. STATE OF FLORIDA RETIREMENT PLANS (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

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 Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 203,464	\$ -	\$ 19,062	\$ (2,763)
Change of assumptions	527,589	-	36,000	(97,157)
Net difference between projected and actual earnings on pension plan investments	282,870	-	909	-
Changes in proportion and differences between District contributions and proportionate share of contributions	12,141	(406,008)	51,992	(22,862)
District contributions subsequent to the measurement date	114,783	-	7,721	-
Total	<u>\$1,140,847</u>	<u>\$ (406,008)</u>	<u>\$ 115,684</u>	<u>\$ (122,782)</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal year ending September 30:	FRS	HIS
2023	\$ 139,916	\$ (4,987)
2024	(12,016)	2,994
2025	(182,103)	3,152
2026	653,503	(173)
2027	20,756	(9,949)
Thereafter	-	(5,856)
	<u>\$ 620,056</u>	<u>\$ (14,819)</u>

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended September 30, 2022

NOTE 8. STATE OF FLORIDA RETIREMENT PLANS (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.54%

Mortality assumptions for both plans were based on the PUB-2010 with Projection Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.3%

Tice Fire Protection & Rescue Service District
NOTES TO BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended September 30, 2022

NOTE 8. STATE OF FLORIDA RETIREMENT PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS'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 is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following table demonstrates the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.70%)	(6.70%)	(7.70%)
District's proportionate share of the net pension liability	\$ 7,408,840	\$ 4,283,975	\$ 1,671,216
	HIS		
	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.54%)	(3.54%)	(4.54%)
District's proportionate share of the net pension liability	\$ 718,527	\$ 628,038	\$ 553,160

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the state's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. FRS Investment Plan contributions for the fiscal year ended September 30, 2022 totaled \$9,979.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Tice Fire Protection & Rescue Service District
BUDGETARY COMPARISON SCHEDULE
Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund - Budget and Actual - Non-GAAP
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,200,190	\$ 4,200,190	\$ 4,209,403	\$ 9,213
Firefighter Sup. Compensation	3,500	3,500	3,435	(65)
Interest Income	10,000	10,000	5,696	(4,304)
Donations	500	500	501	1
Sale of Fixed Assets	2,500	2,500	-	(2,500)
Inspection Fees	2,500	2,500	4,260	1,760
Grant Revenue	-	-	10,000	10,000
Proceeds from Insurance	-	-	3,344	3,344
Miscellaneous Revenue	-	-	2,710	2,710
Other Gov't Revenue	6,300	6,300	6,306	6
Subtotal - Revenues	<u>4,225,490</u>	<u>4,225,490</u>	<u>4,245,655</u>	<u>20,165</u>
Cash brought forward	<u>1,375,000</u>	<u>1,375,000</u>	<u>-</u>	<u>(1,375,000)</u>
Total Revenues	<u><u>5,600,490</u></u>	<u><u>5,600,490</u></u>	<u><u>4,245,655</u></u>	<u><u>(1,354,835)</u></u>
Expenditures				
Public Safety				
Personal Services				
Salaries	1,913,000	1,913,000	2,007,715	(94,715)
Salaries Supp. Compensation	3,500	3,500	3,600	(100)
Unscheduled Overtime	50,000	50,000	-	50,000
Longevity & Incentive	282,655	282,655	289,091	(6,436)
FICA	165,765	165,765	88,581	77,184
Retirement	555,200	555,200	543,428	11,772
Life & Health Insurance	445,000	445,000	383,800	61,200
Life Insurance Paid	7,100	7,100	-	7,100
Worker Comp. Insurance	45,000	45,000	41,963	3,037
Payroll Expense	2,500	2,500	27,469	(24,969)
Total Personal Services	<u>3,469,720</u>	<u>3,469,720</u>	<u>3,385,647</u>	<u>84,073</u>
Operating Expenses				
Legal Fees	20,000	20,000	13,644	6,356
Medical Services	1,000	1,000	520	480
Account & Audit	20,000	20,000	15,920	4,080
Commissioner Honorarium	15,000	15,000	15,000	-
Property Appraiser	27,000	27,000	23,756	3,244
Travel & Training	15,000	15,000	4,293	10,707

Tice Fire Protection & Rescue Service District
BUDGETARY COMPARISON SCHEDULE
Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund - Budget and Actual - Non-GAAP
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Expenses				
Telephone Service	15,000	15,000	11,634	3,366
Postage	1,000	1,000	672	328
Electricity	17,000	17,000	15,871	1,129
Water	4,250	4,250	5,244	(994)
Garbage	5,000	5,000	4,153	847
Cable	3,000	3,000	2,789	211
Property, Equipment, & Vehicle Coverages	50,000	50,000	59,299	(9,299)
Radio Maintenance	20,000	20,000	12,246	7,754
Building Maintenance	20,000	20,000	14,522	5,478
Equipment Maintenance	65,000	65,000	56,568	8,432
Office Supply	7,000	7,000	4,532	2,468
Fuel & Oil	25,000	25,000	34,210	(9,210)
Uniforms	12,000	12,000	10,660	1,340
Station Supply	5,500	5,500	4,407	1,093
Medical Supply	10,000	10,000	8,437	1,563
Misc. Supply	4,900	4,900	4,267	633
Training & Books	13,000	13,000	15,755	(2,755)
Public Education	6,700	6,700	326	6,374
Honor Guard	6,000	6,000	820	5,180
Vehicle Fund	300,000	460,000	83,982	376,018
Building Fund	50,000	50,000	31,461	18,539
Equipment	50,000	173,400	104,883	68,517
Small Tools	2,000	2,000	1,994	6
Equipment <\$1,000	5,000	5,000	3,961	1,039
Total Operating Expenses	795,350	1,078,750	565,826	512,924
Debt Service	81,000	81,000	80,496	504
Reserves	1,254,420	971,020	-	971,020
Total Expenditures	5,600,490	5,600,490	4,031,969	1,568,521
Excess of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>213,686</u>	<u>\$ (2,923,356)</u>

Tice Fire Protection & Rescue Service District
BUDGETARY COMPARISON SCHEDULE
Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund - Budget and Actual - Non-GAAP
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
GAAP Reconciliation				
Less Operating Expenses			56,531	
Capital Outlay			(56,531)	
Excess of Revenues Over Expenditures			213,686	
Fund Balance - October 1, 2021			1,239,904	
Fund Balance - September 30, 2022			\$ 1,453,590	

Tice Fire Protection & Rescue Service District

BUDGETARY COMPARISON SCHEDULE

Statement of Revenues, Expenditures and Changes in Fund Balance - Impact Fee Fund - Budget and Actual
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Impact Fees	\$ 15,000	\$ 15,000	\$ 27,901	\$ 12,901
Interest Income	-	-	404	404
Subtotal - Revenues	15,000	15,000	28,305	13,305
Cash brought forward	283,400	283,400	-	(283,400)
Total Revenues	<u>298,400</u>	<u>298,400</u>	<u>28,305</u>	<u>(270,095)</u>
Expenditures				
Public Safety				
Capital Outlay	75,000	-	-	-
Reserves	223,400	298,400	-	298,400
Total Expenditures	<u>298,400</u>	<u>298,400</u>	<u>-</u>	<u>298,400</u>
Excess of Revenues Over Expenditures	-	-	28,305	28,305
Fund Balance - October 1, 2021	<u>-</u>	<u>-</u>	<u>318,222</u>	<u>318,222</u>
Fund Balance - September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,527</u>	<u>\$ 346,527</u>

Tice Fire Protection & Rescue Service District
Schedule of District Contributions
For the Fiscal Year Ended September 30, 2022

Last Nine Fiscal Years

Florida Retirement System (FRS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 498,542	\$ 459,935	\$ 435,533	\$ 410,772	\$ 395,949	\$ 361,933	\$ 362,548	\$ 337,711	\$ 319,111
Contributions in relation to contractually require contribution	(498,542)	(459,935)	(435,533)	(410,772)	(395,949)	(361,933)	(362,548)	(337,711)	(319,111)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,133,397	\$ 2,036,482	\$ 1,896,415	\$ 1,825,012	\$ 1,847,836	\$ 1,753,933	\$ 1,747,378	\$ 1,832,671	\$ 1,883,710
Contributions as a percentage of covered-employee payroll	23.37%	22.58%	22.97%	22.51%	21.43%	20.64%	20.75%	18.43%	16.94%

Note: Data was unavailable prior to 2014.

Health Insurance Subsidy Program (HIS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 36,100	\$ 33,806	\$ 31,480	\$ 31,118	\$ 30,674	\$ 29,115	\$ 29,006	\$ 24,777	\$ 23,105
Contributions in relation to contractually require contribution	(36,100)	(33,806)	(31,480)	(31,118)	(30,674)	(29,115)	(29,006)	(24,777)	(23,105)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,174,670	\$ 2,036,482	\$ 1,896,415	\$ 1,874,607	\$ 1,847,836	\$ 1,753,933	\$ 1,747,378	\$ 1,835,333	\$ 1,833,710
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%	1.26%

Note: Data was unavailable prior to 2014.

Tice Fire Protection & Rescue Service District
Schedule of the District's Proportionate Share of the Net Pension Liability - Pension Plan
For the Fiscal Year Ended September 30, 2022

For the Last Nine Fiscal Years Ended June 30

Florida Retirement System (FRS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.011514%	0.012226%	0.013045%	0.001341%	0.013786%	0.013474%	0.014090%	0.013300%	0.014300%
District's proportionate share of the net pension liability	\$ 4,283,975	\$ 923,528	\$ 5,653,751	\$ 4,617,270	\$ 4,152,327	\$ 3,985,652	\$ 3,557,325	\$ 1,715,139	\$ 870,900
District's covered-employee payroll	\$ 2,160,921	\$ 2,110,982	\$ 1,867,607	\$ 1,885,115	\$ 1,860,478	\$ 1,717,846	\$ 1,738,676	\$ 1,841,757	\$ 1,897,766
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	198.25%	43.75%	302.73%	244.93%	223.19%	232.01%	204.60%	93.13%	45.89%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Note: Data was unavailable prior to 2014.

Health Insurance Subsidy Program (HIS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.005930%	0.005899%	0.005381%	0.005637%	0.005696%	0.005389%	0.006000%	0.006000%	0.006300%
District's proportionate share of the net pension liability	\$ 628,038	\$ 723,577	\$ 657,018	\$ 630,681	\$ 602,896	\$ 576,261	\$ 650,676	\$ 608,727	\$ 591,246
District's covered-employee payroll	\$ 2,160,921	\$ 2,110,982	\$ 1,867,607	\$ 1,885,115	\$ 1,860,478	\$ 1,717,846	\$ 1,738,676	\$ 1,845,276	\$ 1,897,766
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	29.06%	34.28%	35.18%	33.46%	32.41%	33.55%	37.42%	32.99%	31.15%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: Data was unavailable prior to 2014.

Tice Fire Protection & Rescue Service District
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Fiscal Year Ended September 30, 2022

For the Last Five Fiscal Year Ended September 30

Reporting Period Ending Measurement Date	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017
Total OPEB Liability					
Service Cost	\$ 13,541	\$ 9,586	\$ 10,272	\$ 11,280	\$ 12,499
Interest	22,121	31,217	33,236	30,361	27,044
Differences between Expected and Actual Experience	27,358	-	(9,012)	-	-
Changes of Assumptions	(236,090)	154,773	75,513	(52,214)	(62,897)
Benefit Payments	(39,145)	(36,414)	(28,538)	(26,242)	(24,131)
Net Change in Total OPEB Liability	(212,215)	159,162	81,471	(36,815)	(47,485)
Total OPEB Liability - Beginning	1,039,612	880,450	798,979	835,794	883,279
Total OPEB Liability - Ending	<u>\$ 827,397</u>	<u>\$ 1,039,612</u>	<u>\$ 880,450</u>	<u>\$ 798,979</u>	<u>\$ 835,794</u>
Covered Employee Payroll (Projected)	\$ 1,998,919	\$ 1,879,081	\$ 1,833,250	\$ 1,892,915	\$ 1,846,747
Total OPEB Liability as a percentage of Covered Employee Payroll	41.39%	55.33%	48.03%	42.21%	45.26%

Notes to Schedule:

Covered Payroll - Covered payroll is estimated based on hourly rates provided in census data, is projected to the measurement date as of the valuation date using applicable salary increase assumptions.

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:	2.43%
Fiscal Year Ending September 30, 2021:	2.14%
Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	4.18%
Fiscal Year Ending September 30, 2018:	3.64%
Fiscal Year Ending September 30, 2017:	3.06%

Also reflected as assumption changes in fiscal year 2022 are updated mortality rates, updated health care costs and premiums. In fiscal year 2020 assumption changes are updated mortality rates, updated health care costs and premiums, updated health care cost trend rates, and updated spouse election percentages.

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

**Report of Independent Auditor 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
Tice Fire Protection and Rescue Service District
Fort Myers, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities of Tice Fire Protection and Rescue Service District, (the "District") as of and for the fiscal year ended September 30, 2022, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 29, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

June 29, 2023



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Management Letter

Board of Commissioners
Tice Fire Protection and Rescue Service District
Fort Myers, Florida

Report on the Financial Statements

We have audited the financial statements of the Tice Fire Protection and Rescue Service District, (the "District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 29, 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 Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Examination Report conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 29, 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.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements. The District had no component units as of September 30, 2022.

Financial Condition and Management

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

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

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.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there are no special district component units required to report to the 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:

- The total number of district employees compensated in the last pay period of the district's fiscal year is 26.
- The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is 5.
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$ 2,300,406.
- All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is \$ 12,500.
- The District did not start any construction projects with a total cost of at least \$65,000 to begin on or after October 1 of the fiscal year being reported.
- 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, as one.

Special District Component Units, Continued

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:

- The millage rate or rates imposed by the district is 3.75.
- The total amount of ad valorem taxes collected by or on behalf of the district is \$4,209,403.
- The District did not have any bonds issued or outstanding as of fiscal year end.

Additional Matters

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

Purpose of this Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 29, 2023



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Independent Accountant's Examination Report

Board of Commissioners
Tice Fire Protection and Rescue Service District
Fort Myers, Florida

We have examined the Tice Fire Protection and Rescue Service District's (the "District") compliance with Section 218.415, Florida Statutes, in regards to investments for the year ended September 30, 2022.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
June 29, 2023