

**PINELLAS PARK WATER  
MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Pinellas Park Water Management District  
Pinellas Park, Florida

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of Pinellas Park Water Management District, Example Pinellas Park, Florida ("District") as of and for the fiscal year ended September 30, 2023, 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, 2023, and the respective changes in financial position, thereof for the fiscal 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 (GAAS) 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**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information Included in the Financial Report***

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 May 12, 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, 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.

March 14, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Pinellas Park Water Management District, Pinellas Park, Florida (the "District") provides an overview of the District's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements themselves.

### FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the fiscal year ended September 30, 2023 resulting in a net position balance of \$65,634,613.
- The change in the District's total net position in comparison with the prior fiscal year was \$2,389,622, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2023, the District's governmental fund reported ending fund balance of \$12,988,763, an increase of (\$369,390) in comparison with the prior year. The fund balance is assigned to subsequent year's expenditures and capital projects.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of 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 basic 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 the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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 government'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.

The government-wide financial statements include all governmental activities that are principally supported by property tax revenues. The District does not have any business-type activities. The governmental activities of the District include the maintenance and operations function.

#### 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. The District has one fund category: governmental funds.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements 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. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund, the general fund. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is a major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### 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.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION	
	SEPTEMBER 30,	
	2023	2022
Assets, excluding capital assets	\$ 13,084,537	\$ 13,825,096
Capital assets, net of depreciation	53,050,200	51,202,749
Total assets	66,134,737	65,027,845
Deferred outflows of resources	89,842	109,983
Liabilities, excluding long-term liabilities	95,774	1,451,464
Long term liabilities	462,579	414,980
Total liabilities	558,353	1,866,444
Deferred inflows of resources	31,613	26,393
Net position		
Investment in capital assets	53,050,200	51,202,749
Unrestricted	12,584,413	12,042,242
Total net position	\$ 65,634,613	\$ 63,244,991

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The largest portion of the District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure). These assets are used to provide services; consequently, these assets are not available for future spending. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program and general revenues exceeded the cost of operations and depreciation expense.

Key elements of the change in net position are reflected in the following table:

	CHANGES IN NET POSITION	
	FOR THE FISCAL YEAR ENDED SEPTEMBER 30,	
	2023	2022
Revenues:		
Program revenues		
Contributions	\$ -	\$ 94,169
General revenues		
Property taxes	6,726,808	5,914,319
Unrestricted investment earnings	282,469	21,256
Proceeds from sale of capital assets	-	13,923
Miscellaneous income	15,757	15,784
Total revenues	<u>7,025,034</u>	<u>6,059,451</u>
Expenses:		
Maintenance and operations	4,635,412	3,808,213
Total expenses	<u>4,635,412</u>	<u>3,808,213</u>
Change in net position	2,389,622	2,251,238
Net position - beginning	<u>63,244,991</u>	<u>60,993,753</u>
Net position - ending	<u>\$ 65,634,613</u>	<u>\$ 63,244,991</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2023 was \$4,635,412. These activities were financed primarily through general revenues which consist mainly of property taxes. Property taxes increased for the current fiscal year as a result of an increase in property values. In addition, decrease in program revenue relates to prior year one-time contribution from Southwest Florida Water Management District ("SWFWMD") for the Channel 1A2 Stormwater Project. In total expenses increased from the prior fiscal year as a result of additional depreciation for assets added.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Directors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.

## CAPITAL ASSETS

At September 30, 2023, the District had \$95,006,847 invested in capital assets for its governmental activities. In the government-wide financial statements, depreciation of \$41,956,647 has been taken, which resulted in a net book value of \$53,050,200. More detailed information about the District's capital assets is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District anticipates projects being completed for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will increase.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Pinellas Park Water Management District's Finance Department at 6460 35<sup>th</sup> Street N., Pinellas Park, Florida 33781-6221.



**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 7,803,018
Investments	5,281,519
Capital assets:	
Depreciable	45,521,280
Nondepreciable assets	7,528,920
Total assets	66,134,737
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	88,087
OPEB	1,755
Total deferred outflows of resources	89,842
 <b>LIABILITIES</b>	
Current liability:	
Accounts payable and accrued liabilities	(211,591)
Retainage payable	307,365
Noncurrent liabilities:	
Due in more than one year:	
Net pension liability	415,792
Compensated absences	35,187
Net OPEB liability	11,600
Total liabilities	558,353
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	31,613
 <b>NET POSITION</b>	
Investment in capital assets	53,050,200
Unrestricted	12,584,413
Total net position	\$ 65,634,613

See notes to the financial statements

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
Primary government:		
Governmental activities:		
Maintenance and operations	\$ 4,635,412	\$ (4,635,412)
Total governmental activities	<u>4,635,412</u>	<u>(4,635,412)</u>
General revenues:		
Property taxes		6,726,808
Unrestricted investment earnings		282,469
Miscellaneous income		15,757
Total general revenues		<u>7,025,034</u>
Change in net position		2,389,622
Net position - beginning		<u>63,244,991</u>
Net position - ending		<u><u>\$ 65,634,613</u></u>

See notes to the financial statements

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2023**

	General	Total Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,803,018	\$ 7,803,018
Investments	5,281,519	5,281,519
Total assets	\$ 13,084,537	\$ 13,084,537
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ (211,591)	\$ (211,591)
Retainage payable	307,365	307,365
Total liabilities	95,774	95,774
 Fund Balance:		
Assigned:		
Subsequent year's expenditures and capital projects	7,868,089	7,868,089
Unassigned	5,120,674	5,120,674
Total fund balances	12,988,763	12,988,763
 Total liabilities and fund balances	 \$ 13,084,537	 \$ 13,084,537

See notes to the financial statements

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2023**

Fund balance - governmental funds \$ 12,988,763

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 as assets in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, in the assets of the government as a whole.

Cost of capital assets	95,006,847	
Accumulated depreciation	<u>(41,956,647)</u>	53,050,200

Deferred outflows of resources related to pensions and OPEB are recorded in the statement of net position.		89,842
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Deferred inflows of resources related to pensions are recorded in the statement of net position.		(31,613)
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Net OPEB liability	(11,600)	
Net pension liability	(415,792)	
Compensated absences	<u>(35,187)</u>	<u>(462,579)</u>

Net position of governmental activities		<u><u>\$ 65,634,613</u></u>
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See notes to the financial statements

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	General	Total Governmental Funds
<b>REVENUES</b>		
Property taxes	\$ 6,726,808	\$ 6,726,808
Interest revenue	282,469	282,469
Miscellaneous revenue	15,757	15,757
Total revenues	7,025,034	7,025,034
<b>EXPENDITURES</b>		
Current:		
Maintenance and operations	2,018,330	2,018,330
Capital outlay	4,391,573	4,391,573
Total expenditures	6,409,903	6,409,903
Net change in fund balances	615,131	615,131
Fund balance - beginning	12,373,632	12,373,632
Fund balance - ending	\$ 12,988,763	\$ 12,988,763

See notes to the financial statements

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balances - total governmental fund	\$ 615,131
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is eliminated and capitalized as capital assets.</p>	3,594,745
<p>Depreciation on capital assets is not recognized in the governmental fund financial statement but is reported as an expense in the statement of activities.</p>	(1,747,294)
<p>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. The details of the differences are as follows:</p>	
Change in other post employment benefit expense	278
Change in pension expense	(69,808)
Change in long-term compensated absences	(3,430)
Change in net position of governmental activities	\$ 2,389,622

See notes to the financial statements

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Pinellas Park Water Management District ("District") was created in 1976, under Chapter 75-491, Laws of Florida to provide water drainage services primarily for the City of Pinellas Park, Pinellas County, Florida.

The District is governed by the Board of Directors ("Board"), which is composed of three members. Two members are appointed by the City Council of Pinellas Park and one member is appointed by the Pinellas County Commission. Terms are for three years.

The Board has the final responsibility for:

1. Assessing and levying property taxes.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing Improvements.

The District receives no material direct financial support from the City of Pinellas Park or Pinellas County.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District 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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not included among program revenues are reported instead as *general revenues*.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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. Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Property Taxes

Property taxes are levied each October 1 on property as of the previous January 1. The fiscal year for which taxes are levied begins on October 1 with a maximum discount available for payments through November 30 and becomes delinquent on April 1. The Pinellas County Tax Collector's Office bills and collects property taxes on behalf of the District. The millage rate to finance general government services for the fiscal year ended September 30, 2023 was 1.8670 mills. The maximum millage rate, according to its Charter, which can be assessed by the District, is 3 mills. Property tax revenues are recognized when they become available. In conformance with governmental accounting principles, taxes relating to the current budget and collected within 60 days after the end of the budget period are recognized as revenue currently. Property taxes are due for payment on March 31.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental fund:

### General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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

## **Assets, Liabilities and Net Position or Equity**

### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the general fund. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.



## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	5 - 40
Building	40
Equipment	7

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

#### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

#### Compensated Absences

The District's policy is to allow employees to accumulate unused annual and sick leave benefits up to certain maximum hours. These benefits are normally paid only when used or payable at termination for limited amounts. Annual leave is payable at termination up to the maximum hours, however, employees are paid only for one third of the accumulated sick leave. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignation or termination. Liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations. Payments are paid out of the general fund.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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.

In addition to liabilities, the statement of financial 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Directors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### Use of Estimates

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

## **NOTE 3 – BUDGETARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the governmental fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year, the Executive Director submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

## NOTE 4 – DEPOSITS AND INVESTMENTS

### Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

### Investments

The District's investments were held as follows at September 30, 2023:

	Amortized Cost	Credit Risk	Maturities
			Weighted average of the fund portfolio: 35 days
Florida PRIME	\$ 5,281,519	S&P AAAm	
Total	<u>\$ 5,281,519</u>		

*Credit risk* – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration risk* – The District places no limit on the amount the District may invest in any one issuer.

*Interest rate risk* – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

*Fair Value Measurement* – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1*: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2*: Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3*: Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

For external investment pools that qualify to be measured at amortized cost, the pool's participant should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments have been reported at amortized cost above.

## NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

### Investments (Continued)

*External Investment Pool* – With regard to redemption gates, Chapter 218.409(8) (a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

## NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 1,670,810	\$ -	\$ -	\$ 1,670,810
Infrastructure under construction	9,589,239	3,288,245	7,019,374	5,858,110
Total capital assets, not being depreciated	11,260,049	3,288,245	7,019,374	7,528,920
Capital assets, being depreciated				
Concrete lined channels and culvert	77,829,426	7,019,374	-	84,848,800
Bridge construction	634,105	-	-	634,105
Equipment-automotive, office and maintenance	1,447,174	306,500	-	1,753,674
Building and structure	241,348	-	-	241,348
Total capital assets, being depreciated	80,152,053	7,325,874	-	87,477,927
Less accumulated depreciation for:				
Concrete lined channels and culvert	37,831,124	2,039,107	-	39,870,231
Bridge construction	428,028	15,853	-	443,881
Equipment-automotive, office and maintenance	1,791,624	30,650	344,350	1,477,924
Building and structure	158,577	6,034	-	164,611
Total accumulated depreciation	40,209,353	2,091,644	344,350	41,956,647
Total capital assets, being depreciated, net	39,942,700	5,234,230	(344,350)	45,521,280
Governmental activities capital assets, net	\$ 51,202,749	\$ 8,522,475	\$ 6,675,024	\$ 53,050,200

Depreciation expense of \$2,091,644 was charged to maintenance and operations.

**NOTE 6 – INTERLOCAL AGREEMENTS**

The District has entered into an Interlocal Agreement with the City of Pinellas Park related to the design, permitting and construction of a portion of Park Boulevard drainage systems. The City and the District are both responsible for maintaining improvements of the drainage systems.

**NOTE 7 – LONG TERM LIABILITIES**

Changes in long-term liabilities of the District during the fiscal year ended September 30, 2023 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Compensated absences	\$ 31,757	\$ 26,483	\$ (23,053)	\$ 35,187

The compensated absences will be paid from the general fund's resources.

**NOTE 8 – RETIREMENT PLAN**

**Florida Retirement System (FRS)**

**General Information about the FRS**

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

All regular employees of the District are eligible to enroll as members of the FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The District's pension expense totaled \$110,393 for the fiscal year ended September 30, 2023. Other totals reported on the Statement of Net Position for both plans are as follows;

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Deferred Inflow of Resources	\$ 11,576	\$ 20,037	\$ 31,613
Deferred Outflow of Resources	\$ 79,177	\$ 8,910	\$ 88,087
Net Pension Liability	\$ 283,649	\$ 132,143	\$ 415,792

**FRS Pension Plan**

*Plan Description* – The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The classes of membership within the District are as follows:

- Regular Class – Member of the FRS who do not qualify for membership in another class.

## NOTE 8 – RETIREMENT PLAN (Continued)

### Florida Retirement System (FRS) (Continued)

#### FRS Pension Plan (Continued)

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

***Benefits Provided*** – Benefits under the 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 (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the AFC 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

<b>Class, Initial Enrollment, and Retirement Age/Years of Service</b>	<b>% Value</b>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68

Per Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**NOTE 8 – RETIREMENT PLAN (Continued)**

**Florida Retirement System (FRS) (Continued)**

**FRS Pension Plan (Continued)**

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2022 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u> <u>October 1, 2022 to June 30, 2023</u>		<u>Percent of Gross Salary</u> <u>July 1, 2023 to September 30, 2023</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
	FRS, Regular	3.00	11.91	3.00

(1) Employer rates include a postemployment HIS contribution rate of 1.66% for October 1, 2022 to June 30, 2023 and 2.0% fro July 1, 2023 to September 30, 2023, and administrative costs of .06% for the Investment plan through September 30, 2023.

The District’s contributions to the Plan totaled \$35,600 for the fiscal year ended September 30, 2023. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the District reported a liability of \$283,649 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District’s proportionate share of the net pension liability was based on the District’s contributions for the year ended June 30, 2023 relative to the contributions made during the year ended June 30, 2023 of all participating members. At June 30, 2023, the District’s proportionate share was 0.000711848%, an increase of 0.000832067% compared to its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2023 the District recognized pension expense of \$62,450 related to the Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 26,632	\$ -
Change of assumptions	18,491	-
Net difference between projected and actual earnings on FRS pension plan investments	11,846	-
Changes in proportion and differences between District FRS contributions and proportionate share of FRS contributions	11,976	(11,576)
District FRS contributions subsequent to the measurement date	10,232	-
Total	<u>\$ 79,177</u>	<u>\$ (11,576)</u>

The deferred outflows of resources related to pensions, totaling \$10,232, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 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>Amount</u>
2024	\$ 10,060
2025	(2,636)
2026	46,639
2027	2,465
2028	787
Thereafter	-
<b>Total</b>	<u><u>\$ 57,315</u></u>

**NOTE 8 – RETIREMENT PLAN (Continued)**

**Florida Retirement System (FRS) (Continued)**

**FRS Pension Plan (Continued)**

Actuarial Assumptions – The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Discount rate	6.70%

Mortality rates were based on the PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

<b>Asset Class</b>	<b>Target Allocation (1)</b>	<b>Arithmetic Return</b>	<b>(Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
<b>Total</b>	<b>100.0%</b>			
Assumed inflation - mean			2.4%	1.4%

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

Discount Rate – The discount rate used to measure the total pension liability was 6.7 percent. 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.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.7%, 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 (5.7%) or 1-percentage-point higher (7.7%) than the current rate:

	<b>1% Decrease (5.70%)</b>	<b>Current Discount Rate (6.70%)</b>	<b>1% Increase (7.70%)</b>
District's proportionate share of net pension liability	\$ 484,530	\$ 283,649	\$ 115,588

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.



## NOTE 8 – RETIREMENT PLAN (Continued)

### Florida Retirement System (FRS) (Continued)

#### HIS Pension Plan

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

*Benefits Provided* – For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions* – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the contribution rate was 1.66% of payroll from October 1, 2019 through September 30, 2023 pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$5,527 for the fiscal year ended September 30, 2023.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At September 30, 2023, the District reported a net pension liability of \$79,177 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023. The 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 in 2019 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 that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. At June 30, 2023, the District's proportionate share was .000832067%, which did not significantly change compared to its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the District recognized pension expense of \$47,943 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,934	\$ (310)
Change of assumptions	3,474	(11,451)
Net difference between projected and actual earnings on HIS pension plan investments	68	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,656	(8,276)
District HIS contributions subsequent to the measurement date	1,778	-
Total	<u>\$ 8,910</u>	<u>\$ (20,037)</u>

**NOTE 8 – RETIREMENT PLAN (Continued)**

**Florida Retirement System (FRS) (Continued)**

**HIS Pension Plan (Continued)**

The deferred outflows of resources related to pensions, totaling \$1,778, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 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>Amount</u>
2024	\$ (2,066)
2025	(2,298)
2026	(2,764)
2027	(3,242)
2028	(2,139)
Thereafter	(394)
<b>Total</b>	<b>\$ (12,903)</b>

**Actuarial Assumptions** – The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Discount rate	3.65%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the June 30, 2023 measurement date, were based on an actuarial valuation date of July 1, 2020. For the HIS plan, valuations are performed on a biennial basis.

**Discount Rate** – The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	<b>1% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
District’s proportionate share of net pension liability	\$ 150,755	\$ 132,143	\$ 116,716

**Pension Plan Fiduciary Net Position** – Detailed information about the HIS Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

**NOTE 8 – RETIREMENT PLAN (Continued)**

**Florida Retirement System (FRS) (Continued)**

**FRS – Defined Contribution Pension Plan**

The District will contribute to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement. The report can be found at <http://www.myfloridacfo.com/Division/AA/Reports/>.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Village employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Local Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member’s accounts during the 2023 fiscal year were as follows:

<b>Class</b>	<b>Percent of Gross Compensation October 1, 2022 to June 30,</b>	<b>Percent of Gross Compensation July 1, 2023 to</b>
FRS, Regular	6.30%	8.30%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members.

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

The District’s Investment Plan pension expense totaled \$0 for the fiscal year ended September 30, 2023.

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”)**

In addition to the pension benefits described in Note 8, the District offers certain other post employment benefits in accordance with State statutes. All employees who have completed a minimum of 8 years of employment and are also eligible to receive retirement benefits under the Florida Retirement System, are eligible for these benefits. Currently, there are no retirees that meet those eligibility requirements.

## **NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (Continued)**

Pursuant to Section 112.0801, Florida Statutes, the District is required to permit eligible retirees and their eligible dependents to participate in the District’s health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees.

As required by Florida Law, former employees who retire with immediate FRS benefits under age 65 are required to have access to their current medical plan if they pay the full blended premium rate charged for employees. This is a benefit to retirees because the cost of health insurance for retirees under age 65 exceeds the full premium. Employees will subsidize the cost of retirees under the Group Coverage.

Employees hired before July 1, 2011 with 30 years of service or age 62 with 6 years of service can retire with unreduced retirement benefits under the FRS pension plan. Employees hired on or after July 1, 2011 with 33 years of service or age 65 with 8 years of service can retire with unreduced benefits under the FRS pension plan.

The State Law also requires that former employees are also eligible for the same medical plan if they retire with reduced retirement benefits from FRS under early retirement provisions. For this purpose, early retirement started at age 55.

### **Plan Description**

The District administers a single-employer defined benefit health care plan that provides health care benefits to eligible retired employees (the “Plan”). The Board of Supervisors has the authority to establish and amend the premiums for and the benefit provisions of the Plan. The Plan is financed on a “pay-as-you-go” basis and is not administered as a formal qualifying trust. The Plan does not issue a separate financial statement and required supplementary information.

### **Actuarial Methods and Assumptions**

The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The District has not contributed assets to the plan at this time and has elected to fund the plan on a pay-as-you go method.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Significant methods and assumptions were as follows:

Actuarial valuation date	9/30/2021
Measurement date	9/30/2021
Actuarial cost method	Entry Age Cost Method (Level % of pay)
Actuarial assumptions:	
	2.43%. Based on the 9/30/2021 S&P Municipal Bond 20 Year High Grade Rate Index
Discount rate	
Projected salary increases	2.50%
Inflation	2.50%
	Initial trend rate of 7.5% in fiscal 2022, grading down to the ultimate trend rate of 4.0% in fiscal year 2075
Health Care inflation	
Mortality rates	PubG-2010 Mortality Table projected to the valuation date using Scale MP-2019
Retirement rates	100% at normal retirement eligibility
	FRS Tier 1 (hired before July 1, 2011): Age 62 with 6 years of service, or 30 years of service regardless of age.
FRS Retirement eligibility	FRS Tier 2 (hired on or after July 1, 2011): Age 65 with 8 years of service, or 33 years of service regardless of age.
	100% assumed married, with male spouses 3 years older than female spouses
Marital status	
Health care participation	20% participation assumed, with 50% electing spouse coverage
Health contributions	
Employee	100% of the active premium
District	Remaining amount necessary for payment of claims

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

Benefits Provided: The Plan provides healthcare for retirees, their spouses, and their dependents. All retiree and dependent coverage is at the expense of the retiree.

Employees covered by the benefit terms. At September 30, 2023, the following employees were covered by benefit terms:

Current retirees:	
Total current retirees	-
Active employees:	
Total active employees	9
Total number of participants	<u>9</u>

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Funding Policy: The Plan is a pay-as-you-go plan, therefore any contributions to plan are assumed to be benefits paid to retirees and administrative expenses.

Contributions: The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the full cost of the premium. The District does not subsidize member premiums.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At September 30, 2023, the District reported a total OPEB liability of \$11,600. The total OPEB liability was measured as of September 30, 2021.

Changes in the total OPEB liability were as follows:

	Increase (Decrease) in		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2022	\$ 13,089	\$ -	\$ 13,089
Changes due to:			
Service cost	532	-	532
Interest	325	-	325
Changes in assumptions	(1,830)	-	(1,830)
Benefit payments	(516)	-	(516)
Balance as of September 30, 2022	<u>\$ 11,600</u>	<u>\$ -</u>	<u>\$ 11,600</u>

For the fiscal year ended September 30, 2023, the District recognized OPEB expense of \$278. In addition, 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	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contribution subsequent to measurement date	1,755	-
<b>Total</b>	<u>\$ 1,755</u>	<u>\$ -</u>

Discount Rate: Given the District’s decision not to fund the program, all future benefit payments were discounted using the S&P Municipal Bond High Grade Rate Index of 4.77%. 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 S&P, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.77 percent) or 1-percentage-point higher (5.77%) than the current discount rate:

	<b>1% Decrease (3.77%)</b>	<b>Current Discount Rate (4.77%)</b>	<b>1% Increase (5.77%)</b>
Total OPEB liability	\$ 12,334	\$ 11,600	\$ 10,926

Sensitivity of the net OPEB liability to the changes in the healthcare cost trend rates - The following presents the net OPEB asset of the District, as well as what the District's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0% to 7.5%) or 1-percentage-point higher (5.0% to 9.5%) than the current healthcare cost trend rates:

	<b>1% Decrease (3.0% to 7.5%)</b>	<b>Healthcare Cost Trend (4.0% to 8.5%)</b>	<b>1% Increase (5.0% to 9.5%)</b>
Total OPEB liability	\$ 13,665	\$ 14,985	\$ 16,475

**NOTE 10 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 6,956,368	\$ 6,956,368	\$ 6,726,808	\$ (229,560)
Interest revenue	10,000	10,000	282,469	272,469
Intergovernmental revenue	5,000	5,000	-	(5,000)
Miscellaneous revenue	-	-	15,757	15,757
Total revenues	<u>6,971,368</u>	<u>6,971,368</u>	<u>7,025,034</u>	<u>53,666</u>
<b>EXPENDITURES</b>				
Personal services	833,631	833,631	556,491	277,140
Operating costs	1,362,800	1,362,800	1,322,408	40,392
Administrative fees to governmental agencies	142,400	142,400	139,431	2,969
Capital outlay	14,147,500	14,147,500	4,391,573	9,755,927
Total expenditures	<u>16,486,331</u>	<u>16,486,331</u>	<u>6,409,903</u>	<u>10,076,428</u>
Excess (deficiency) of revenues over (under) expenditures	(9,514,963)	(9,514,963)	615,131	10,130,094
<b>OTHER FINANCING SOURCES</b>				
Use of fund balance	19,000,000	13,000,000	-	(19,000,000)
Total other financing sources	<u>19,000,000</u>	<u>13,000,000</u>	<u>-</u>	<u>(19,000,000)</u>
Net change in fund balances	<u>\$ 9,485,037</u>	<u>\$ 3,485,037</u>	615,131	<u>\$ (8,869,906)</u>
Fund balance - beginning			<u>12,373,632</u>	
Fund balance - ending			<u>\$ 12,988,763</u>	

See notes to required supplementary information



**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST EMPLOYMENT BENEFITS**

**Schedule of Changes in the District's Total OPEB Liability and Related Ratios -  
Last Ten Fiscal Years<sup>(1)</sup>**

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	532 \$	899 \$	703 \$	677	708 \$	746 \$
Interest	325	466	666	634	559	479
Difference between expected and actual experience	-	(3,192)	-	834	-	-
Assumption changes	(1,830)	(5,450)	2,662	2,113	(716)	(825)
Benefit payments	(516)	(1,052)	(979)	(744)	(684)	(629)
Net change in Total OPEB Liability	(1,489)	(8,329)	3,052	3,514	(133)	(229)
Total OPEB Liability - Beginning of Year	13,089	21,418	18,366	14,852	14,985	15,214
Total OPEB Liability - End of Year	<u>\$ 11,600</u>	<u>\$ 13,089</u>	<u>\$ 21,418</u>	<u>\$ 18,366</u>	<u>\$ 14,852</u>	<u>\$ 14,985</u>
Covered payroll	\$ 272,540	\$ 265,893	\$ 341,547	\$ 333,217	\$ 308,477	\$ 300,953
Total OPEB liability as a percentage of covered payroll	4.26%	4.92%	6.27%	5.51%	4.81%	4.98%

(1) GASB 75 requires information for 10 years. However, until a full ten-year trend is compiled, information will be presented for only those years which information is available.

**Notes to Schedule:**

*Changes of assumptions:* The discount rate was changed as follows:

Fiscal year ending:	Discount Rate
9/30/2018	3.64%
9/30/2019	4.18%
9/30/2020	3.58%
9/30/2021	2.14%
9/30/2022	2.43%
9/30/2023	4.77%

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
FLORIDA RETIREMENT SYSTEM  
PROPORTIONATE SHARE OF NET PENSION LIABILITY  
SEPTEMBER 30, 2023**

**Schedule of the District's Proportionate Share of the Net Pension Liability -  
Florida Retirement System Pension Plan  
Last 10 Years (1) (2)**

	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the FRS net pension liability	0.0007%	0.0007%	0.0754%	0.0007%	0.0007%	0.0007%	0.0006%	0.0006%
District's proportionate share of the FRS net pension liability	\$ 283,649	\$ 275,994	\$ 56,948	\$ 301,238	\$ 250,123	\$ 203,556	\$ 172,367	\$ 151,054
District's covered payroll	\$ 327,847	\$ 319,346	\$ 313,049	\$ 306,462	\$ 310,929	\$ 286,908	\$ 248,847	\$ 245,755
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	86.52%	86.42%	18.19%	98.30%	80.44%	70.95%	69.27%	61.47%
FRS plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

**Schedule of the District's Proportionate Share of the Net Pension Liability -  
Health Insurance Subsidy Pension Plan  
Last 10 Years (1) (2)**

	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the HIS net pension liability	0.0008%	0.0009%	0.0008%	0.0009%	0.0009%	0.0009%	0.0009%	0.0009%
District's proportionate share of the HIS net pension liability	\$ 132,143	\$ 94,140	\$ 108,467	\$ 107,812	\$ 104,024	\$ 100,058	\$ 93,333	\$ 108,193
District's covered payroll	\$ 327,847	\$ 319,346	\$ 313,049	\$ 306,462	\$ 310,929	\$ 286,908	\$ 248,847	\$ 245,755
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	40.31%	29.48%	34.65%	35.18%	33.46%	34.87%	37.51%	44.02%
HIS plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

(1) The amounts presented for each year were determined as of the measurement date, June 30.

(2) Information is only available for the years presented.

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
FLORIDA RETIREMENT SYSTEM CONTRIBUTION SCHEDULES  
SEPTEMBER 30, 2023**

**Schedule of the District Contributions -  
Florida Retirement System Pension Plan  
Last 10 Fiscal Years (1) (2)**

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	\$ 35,600	\$ 33,739	\$ 29,504	\$ 25,255	\$ 23,600	\$ 19,950	\$ 14,776	\$ 14,815
FRS contributions in relation to the contractually required contribution	(35,600)	(33,739)	(29,504)	(25,255)	(23,600)	(19,950)	(14,776)	(14,815)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 332,974	\$ 321,199	\$ 311,828	\$ 314,444	\$ 321,117	\$ 294,538	\$ 248,236	\$ 247,869
FRS contributions as a percentage of covered payroll	10.69%	10.50%	9.46%	8.03%	7.35%	6.77%	5.95%	5.98%

**Schedule of the District Contributions -  
Health Insurance Subsidy Pension Plan  
Last 10 Fiscal Years (1) (2)**

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 5,527	\$ 5,332	\$ 5,175	\$ 5,220	\$ 5,332	\$ 4,890	\$ 4,121	\$ 4,602
HIS contributions in relation to the contractually required contribution	(5,527)	(5,332)	(5,175)	(5,220)	(5,332)	(4,890)	(4,121)	(4,602)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 332,974	\$ 321,199	\$ 311,828	\$ 314,444	\$ 321,117	\$ 294,538	\$ 248,236	\$ 247,869
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.86%

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

(2) Information is only available for the years presented.

**PINELLAS PARK WATER MANAGEMENT DISTRICT  
PINELLAS PARK, FLORIDA  
OTHER INFORMATION – DATA ELEMENTS  
REQUIRED BY FL STATUTE 218.39(3)(C)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023  
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	6
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	2
Employee compensation	\$333,055
Independent contractor compensation	\$38,171
Construction projects to begin on or after October 1; (\$65K)	N/A
Budget variance report	See page 30
Ad Valorem taxes;	
Millage rate	1.867
Ad valorem taxes collected	\$6,726,808
Outstanding Bonds:	Not applicable
Non ad valorem special assessments;	Not applicable
Outstanding Bonds:	Not applicable



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

To the Board of Directors  
Pinellas Park Water Management District  
Pinellas Park, 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 the major fund of Pinellas Park Water Management District, Pinellas Park, Florida ("District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2024.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**Report on Compliance and Other Matters**

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

## **Purpose of this Report**

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

March 14, 2024



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors  
Pinellas Park Water Management District  
Pinellas Park, Florida

We have examined Pinellas Park Water Management District, Pinellas Park, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2023. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on 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 in Section 218.415, Florida Statutes. 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. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

This report 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, management, and the Board of Supervisors of Pinellas Park Water Management District, Pinellas Park, Florida and is not intended to be and should not be used by anyone other than these specified parties.

March 14, 2024





**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Directors  
Pinellas Park Water Management District  
Pinellas Park, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Pinellas Park Water Management District, Pinellas Park, Florida (the "District") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 14, 2024.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor'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 March 14, 2024, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters described in Rule 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Directors of the District and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the District and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

March 14, 2024

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2022.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2023.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2023.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2023. It is management's responsibility to monitor 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.
7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 35.